

VILLAGE OF TREMPEALEAU

Trempealeau, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2013

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, 2013, 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, 2013 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. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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.

To the Village Board
Village of Trempealeau

Supplementary 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, utility operating revenue and expense schedules and required bond disclosures as listed in the table of contents 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, utility operating revenue and expense schedules and required bond disclosures are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Vuchow Krume, LLP

March 25, 2014

VILLAGE OF TREMPEALEAU

STATEMENT OF NET POSITION As of December 31, 2013

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 279,900	\$ 459,934	\$ 739,834
Receivables			
Taxes	559,341	-	559,341
Accounts	-	428,275	428,275
Notes	110,699	-	110,699
Special assessments	4,884	-	4,884
Delinquent personal property taxes	3,935	-	3,935
Other	63,095	39,927	103,022
Accrued interest	1,814	2,601	4,415
Internal balances	737,619	(737,619)	-
Due from other governments	2,978	-	2,978
Inventories and prepaid items	7,895	62,170	70,065
Restricted assets			
Cash and investments	10,083	1,796,126	1,806,209
Capital Assets			
Land	134,426	126,311	260,737
Other capital assets, net of depreciation	<u>3,715,322</u>	<u>7,538,127</u>	<u>11,253,449</u>
Total Assets	<u>5,631,991</u>	<u>9,715,852</u>	<u>15,347,843</u>
LIABILITIES			
Accounts payable	89,529	136,278	225,807
Accrued liabilities	13,885	5,433	19,318
Deposits	-	5,450	5,450
Accrued interest	9,585	15,667	25,252
Noncurrent Liabilities			
Due within one year	386,278	3,122,796	3,509,074
Due in more than one year	<u>760,978</u>	<u>2,208,273</u>	<u>2,969,251</u>
Total Liabilities	<u>1,260,255</u>	<u>5,493,897</u>	<u>6,754,152</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	<u>604,986</u>	-	<u>604,986</u>
Total Deferred Inflows of Resources	<u>604,986</u>	-	<u>604,986</u>
NET POSITION			
Net investment in capital assets	2,800,859	3,489,547	6,290,406
Restricted for			
Loan programs	110,701	-	110,701
Debt service	16,178	126,431	142,609
Equipment replacement	-	583,366	583,366
Impact fees	10,083	-	10,083
Library	128,059	-	128,059
Trempealeau trust fund	18,138	-	18,138
Unrestricted	<u>682,732</u>	<u>22,611</u>	<u>705,343</u>
TOTAL NET POSITION	<u><u>\$ 3,766,750</u></u>	<u><u>\$ 4,221,955</u></u>	<u><u>\$ 7,988,705</u></u>

See accompanying notes to financial statements.

VILLAGE OF TREMPEALEAU

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 161,535	\$ 21,835	\$ -	\$ -
Public safety	246,449	6,935	4,062	-
Public works	316,854	1,670	50,018	-
Health and human services	669	-	-	-
Culture, education and recreation	261,244	20,840	58,533	-
Conservation and development	9,506	-	-	-
Interest and fiscal charges	<u>43,405</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>1,039,662</u>	<u>51,280</u>	<u>112,613</u>	<u>-</u>
Business-type Activities				
Electric Utility	1,783,746	1,853,427	-	9,348
Water Utility	328,960	411,220	-	7,122
Sewer Utility	<u>335,054</u>	<u>244,304</u>	<u>-</u>	<u>2,863</u>
Total Business-type Activities	<u>2,447,760</u>	<u>2,508,951</u>	<u>-</u>	<u>19,333</u>
Totals	<u>\$ 3,487,422</u>	<u>\$ 2,560,231</u>	<u>\$ 112,613</u>	<u>\$ 19,333</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>
\$ (139,700)	\$ -	\$ (139,700)
(235,452)	-	(235,452)
(265,166)	-	(265,166)
(669)	-	(669)
(181,871)	-	(181,871)
(9,506)	-	(9,506)
<u>(43,405)</u>	<u>-</u>	<u>(43,405)</u>
<u>(875,769)</u>	<u>-</u>	<u>(875,769)</u>
-	79,029	79,029
-	89,382	89,382
-	<u>(87,887)</u>	<u>(87,887)</u>
-	<u>80,524</u>	<u>80,524</u>
<u>(875,769)</u>	<u>80,524</u>	<u>(795,245)</u>
197,073	-	197,073
119,870	-	119,870
108,232	-	108,232
42,953	-	42,953
56,000	-	56,000
53,035	-	53,035
232,178	-	232,178
13,682	9,656	23,338
<u>27,069</u>	<u>-</u>	<u>27,069</u>
<u>850,092</u>	<u>9,656</u>	<u>859,748</u>
<u>155,907</u>	<u>(155,907)</u>	<u>-</u>
130,230	(65,727)	64,503
<u>3,636,520</u>	<u>4,287,682</u>	<u>7,924,202</u>
<u>\$ 3,766,750</u>	<u>\$ 4,221,955</u>	<u>\$ 7,988,705</u>

See accompanying notes to financial statements.

VILLAGE OF TREMPEALEAU

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2013

	<u>General Fund</u>	<u>Capital Improvements Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 68,932	\$ 21,599	\$ 189,369	\$ 279,900
Receivables				
Taxes	218,436	115,502	225,403	559,341
Delinquent personal property taxes	3,935	-	-	3,935
Accrued interest	721	-	1,093	1,814
Special assessments	4,884	-	-	4,884
Notes	-	-	110,699	110,699
Other	63,095	-	-	63,095
Due from other governments	2,978	-	-	2,978
Restricted cash	10,083	-	-	10,083
Due from other funds	18,308	-	-	18,308
Prepaid items	7,895	-	-	7,895
Advances to other funds	<u>965,269</u>	<u>-</u>	<u>-</u>	<u>965,269</u>
TOTAL ASSETS	<u>\$ 1,364,536</u>	<u>\$ 137,101</u>	<u>\$ 526,564</u>	<u>\$ 2,028,201</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 20,044	\$ 50,985	\$ 18,500	\$ 89,529
Accrued liabilities	13,885	-	-	13,885
Advances from other funds	<u>-</u>	<u>-</u>	<u>245,958</u>	<u>245,958</u>
Total Liabilities	<u>33,929</u>	<u>50,985</u>	<u>264,458</u>	<u>349,372</u>
Deferred Inflows of Resources				
Unearned revenues	264,081	115,502	225,403	604,986
Unavailable revenues	<u>84,884</u>	<u>-</u>	<u>110,699</u>	<u>195,583</u>
Total Deferred Inflows of Resources	<u>348,965</u>	<u>115,502</u>	<u>336,102</u>	<u>800,569</u>
Fund Balances (Deficit)				
Nonspendable	969,204	-	-	969,204
Restricted	10,083	-	171,962	182,045
Unassigned (deficit)	<u>2,355</u>	<u>(29,386)</u>	<u>(245,958)</u>	<u>(272,989)</u>
Total Fund Balances (deficit)	<u>981,642</u>	<u>(29,386)</u>	<u>(73,996)</u>	<u>878,260</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,364,536</u>	<u>\$ 137,101</u>	<u>\$ 526,564</u>	<u>\$ 2,028,201</u>

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, 2013

Total Fund Balances - Governmental Funds	\$ 878,260
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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	4,957,344
Less: Accumulated depreciation	(1,242,022)

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

Interest on TIF advance	80,000
Loans receivable	110,699
Special assessments	4,884

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	(1,048,889)
Compensated absences	(33,631)
Accrued interest	(9,585)
Landfill liability	<u>(64,736)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,766,750</u>
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VILLAGE OF TREMPEALEAU

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

For the Year Ended December 31, 2013

	<u>General Fund</u>	<u>Capital Improvements Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
REVENUES				
Taxes	\$ 250,108	\$ 108,232	\$ 218,823	\$ 577,163
Intergovernmental	286,258	-	41,348	327,606
Licenses and permits	14,377	-	-	14,377
Fines, forfeitures and penalties	6,935	-	-	6,935
Public charges for services	35,537	-	-	35,537
Special assessments	8,158	-	-	8,158
Investment income	22,681	29	1,159	23,869
Miscellaneous	27,188	-	21,872	49,060
Total Revenues	<u>651,242</u>	<u>108,261</u>	<u>283,202</u>	<u>1,042,705</u>
EXPENDITURES				
Current				
General government	150,191	-	-	150,191
Public safety	227,773	-	-	227,773
Public works	187,761	-	-	187,761
Health and human services	669	-	-	669
Culture, recreation and education	94,469	-	118,361	212,830
Conservation and development	1,469	-	8,037	9,506
Capital Outlay	-	436,554	-	436,554
Debt Service				
Principal	-	-	124,593	124,593
Interest and fiscal charges	-	-	42,452	42,452
Total Expenditures	<u>662,332</u>	<u>436,554</u>	<u>293,443</u>	<u>1,392,329</u>
Excess (deficiency) of revenues over expenditures	<u>(11,090)</u>	<u>(328,293)</u>	<u>(10,241)</u>	<u>(349,624)</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	248,889	-	248,889
Transfers in	155,907	50,018	-	205,925
Transfers out	(50,018)	-	-	(50,018)
Total Other Financing Sources (Uses)	<u>105,889</u>	<u>298,907</u>	<u>-</u>	<u>404,796</u>
Net Change in Fund Balances	94,799	(29,386)	(10,241)	55,172
FUND BALANCES (DEFICIT) - Beginning of Year	<u>886,843</u>	<u>-</u>	<u>(63,755)</u>	<u>823,088</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 981,642</u>	<u>\$ (29,386)</u>	<u>\$ (73,996)</u>	<u>\$ 878,260</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, 2013

Net change in fund balances - total governmental funds	\$	55,172
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Amounts reported for governmental activities in the statement of net position are different because:

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.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	436,554
Some items reported as capital outlay were not capitalized	(34,679)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	90,973
Depreciation is reported in the government-wide financial statements	(166,190)
Net book value of assets retired	(101,147)

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.

Revenue from receivables on the fund statements are deferred until payment is received	(119)
Special assessments are deferred on the fund statements	(10,527)
Loans receivable are deferred on the fund statements	(7,887)
Interest income on TIF advance is deferred on fund statements and recognized in the government-wide statements	(10,187)

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.

Debt issued	(248,889)
Principal repaid	124,593

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.

Compensated absences	(4,515)
Accrued interest on debt	(953)
Landfill liability	8,031

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>130,230</u>
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VILLAGE OF TREMPEALEAU

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2013

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
ASSETS				
Current Assets				
Cash and investments	\$ -	\$ 459,934	\$ -	\$ 459,934
Receivables				
Accounts	335,212	54,599	38,464	428,275
Other	38,755	1,172	-	39,927
Interest	1,203	-	1,398	2,601
Inventories and prepayments	62,170	-	-	62,170
Restricted Assets				
Redemption account	<u>42,006</u>	<u>37,650</u>	<u>62,442</u>	<u>142,098</u>
Total Current Assets	<u>479,346</u>	<u>553,355</u>	<u>102,304</u>	<u>1,135,005</u>
Noncurrent Assets				
Restricted Assets				
Equipment replacement	-	-	583,366	583,366
Reserve account	103,856	-	-	103,856
Construction	966,806	-	-	966,806
Capital Assets				
Utility Plant	5,554,987	3,972,854	3,507,537	13,035,378
Less: Accumulated depreciation	<u>(1,740,225)</u>	<u>(910,486)</u>	<u>(2,720,229)</u>	<u>(5,370,940)</u>
Total Noncurrent Assets	<u>4,885,424</u>	<u>3,062,368</u>	<u>1,370,674</u>	<u>9,318,466</u>
 Total Assets	 <u>5,364,770</u>	 <u>3,615,723</u>	 <u>1,472,978</u>	 <u>10,453,471</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 125,495	\$ 5,900	\$ 4,883	\$ 136,278
Accrued liabilities	5,433	-	-	5,433
Deposits	5,450	-	-	5,450
Due to other funds	18,308	-	-	18,308
Revenue bond anticipation notes	2,900,000	-	-	2,900,000
Current portion of compensated absences	7,288	2,083	3,473	12,844
Liabilities Payable from Restricted Assets				
Current portion of other debt	50,000	62,530	97,422	209,952
Accrued interest payable	7,999	5,501	2,167	15,667
Total Current Liabilities	<u>3,119,973</u>	<u>76,014</u>	<u>107,945</u>	<u>3,303,932</u>
Noncurrent Liabilities				
Long-Term Debt				
Revenue bonds payable	805,000	1,165,373	204,542	2,174,915
Compensated absences	18,060	5,319	9,979	33,358
Advance from other funds	-	-	719,311	719,311
Total Noncurrent Liabilities	<u>823,060</u>	<u>1,170,692</u>	<u>933,832</u>	<u>2,927,584</u>
Total Liabilities	<u>3,943,033</u>	<u>1,246,706</u>	<u>1,041,777</u>	<u>6,231,516</u>
NET POSITION				
Net investment in capital assets	1,169,738	1,834,465	485,344	3,489,547
Restricted for				
Equipment replacement	-	-	583,366	583,366
Debt service	34,007	32,149	60,275	126,431
Unrestricted (deficit)	<u>217,992</u>	<u>502,403</u>	<u>(697,784)</u>	<u>22,611</u>
TOTAL NET POSITION	<u>\$ 1,421,737</u>	<u>\$ 2,369,017</u>	<u>\$ 431,201</u>	<u>\$ 4,221,955</u>

See accompanying notes to financial statements.

VILLAGE OF TREMPEALEAU

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
OPERATING REVENUES				
Public charges for services	\$ 1,853,427	\$ 411,220	\$ 244,304	\$ 2,508,951
Total Operating Revenues	<u>1,853,427</u>	<u>411,220</u>	<u>244,304</u>	<u>2,508,951</u>
OPERATING EXPENSES				
Operation and maintenance	1,417,857	180,247	190,113	1,788,217
Depreciation	203,807	110,482	127,415	441,704
Taxes	22,431	4,658	6,068	33,157
Total Operating Expenses	<u>1,644,095</u>	<u>295,387</u>	<u>323,596</u>	<u>2,263,078</u>
Operating Income (Loss)	<u>209,332</u>	<u>115,833</u>	<u>(79,292)</u>	<u>245,873</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	2,763	331	6,562	9,656
Interest expense	(67,959)	(33,573)	(11,458)	(112,990)
Amortization expense	(71,692)	-	-	(71,692)
Total Nonoperating Revenues (Expenses)	<u>(136,888)</u>	<u>(33,242)</u>	<u>(4,896)</u>	<u>(175,026)</u>
Income (Loss) Before Contributions and Transfers	<u>72,444</u>	<u>82,591</u>	<u>(84,188)</u>	<u>70,847</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	9,348	7,122	2,863	19,333
Transfers out	(88,144)	(67,763)	-	(155,907)
Total Contributions and Transfers	<u>(78,796)</u>	<u>(60,641)</u>	<u>2,863</u>	<u>(136,574)</u>
Change in Net Position	(6,352)	21,950	(81,325)	(65,727)
NET POSITION - Beginning of Year	<u>1,428,089</u>	<u>2,347,067</u>	<u>512,526</u>	<u>4,287,682</u>
NET POSITION - END OF YEAR	<u>\$ 1,421,737</u>	<u>\$ 2,369,017</u>	<u>\$ 431,201</u>	<u>\$ 4,221,955</u>

See accompanying notes to financial statements.

VILLAGE OF TREMPÉALEAU

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 1,684,475	\$ 414,920	\$ 249,918	\$ 2,349,313
Cash received from city	30,811	-	-	30,811
Paid to suppliers for goods and services	(1,345,022)	(114,912)	(124,718)	(1,584,652)
Paid to employees for services	(138,442)	(65,821)	(69,515)	(273,778)
Net Cash Flows From Operating Activities	<u>231,822</u>	<u>234,187</u>	<u>55,685</u>	<u>521,694</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	2,295	331	6,355	8,981
Investments purchased	(90,000)	-	(360,000)	(450,000)
Investments sold	90,000	-	375,000	465,000
Net Cash Flows From Investing Activities	<u>2,295</u>	<u>331</u>	<u>21,355</u>	<u>23,981</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(88,144)	(67,763)	-	(155,907)
Negative cash implicitly financed	18,308	-	233,492	251,800
Net Cash Flows From Noncapital Financing Activities	<u>(69,836)</u>	<u>(67,763)</u>	<u>233,492</u>	<u>95,893</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(50,000)	(60,905)	(94,326)	(205,231)
Interest paid	(67,959)	(33,802)	(11,458)	(113,219)
Acquisition and construction of capital assets	(1,112,244)	(68,037)	(54,734)	(1,235,015)
Contributions received for construction	9,348	-	2,863	12,211
Net Cash Flows From Capital and Related Financing Activities	<u>(1,220,855)</u>	<u>(162,744)</u>	<u>(157,655)</u>	<u>(1,541,254)</u>
Net Change in Cash and Cash Equivalents	(1,056,574)	4,011	152,877	(899,686)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,019,242</u>	<u>468,573</u>	<u>(77,069)</u>	<u>2,410,746</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 962,668</u>	<u>\$ 472,584</u>	<u>\$ 75,808</u>	<u>\$ 1,511,060</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 209,332	\$ 115,833	\$ (79,292)	\$ 245,873
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	203,807	110,482	127,415	441,704
Depreciation charged to other funds	-	2,486	(2,486)	-
Changes in assets and liabilities				
Accounts receivable	(138,338)	1,214	8,100	(129,024)
Inventories	(1,328)	-	-	(1,328)
Accounts payable	(31,883)	3,931	1,687	(26,265)
Other current liabilities	(9,965)	241	261	(9,463)
Customer deposits	197	-	-	197
	<u>197</u>	<u>-</u>	<u>-</u>	<u>197</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 231,822</u>	<u>\$ 234,187</u>	<u>\$ 55,685</u>	<u>\$ 521,694</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and investments - statement of net position	\$ -	\$ 459,934	\$ -	\$ 459,934
Restricted cash and investments - statement of net position	<u>1,112,668</u>	<u>37,650</u>	<u>645,808</u>	<u>1,796,126</u>
Total Cash and Investments	1,112,668	497,584	645,808	2,256,060
Less: Noncash equivalents	<u>(150,000)</u>	<u>(25,000)</u>	<u>(570,000)</u>	<u>(745,000)</u>
CASH AND CASH EQUIVALENTS	<u>\$ 962,668</u>	<u>\$ 472,584</u>	<u>\$ 75,808</u>	<u>\$ 1,511,060</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Services contributed by customers	<u>\$ -</u>	<u>\$ 7,122</u>	<u>\$ -</u>	

See accompanying notes to financial statements.

VILLAGE OF TREMPEALEAU

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2013

	<u>Agency Fund</u> <u>Tax Agency</u> <u>Fund</u>
ASSETS	
Cash and investments	\$ 692,093
Tax roll receivable	<u>1,130,428</u>
TOTAL ASSETS	<u>\$ 1,822,521</u>
LIABILITIES	
Accounts payable	\$ 3,710
Due to other governments	<u>1,818,811</u>
TOTAL LIABILITIES	<u>\$ 1,822,521</u>

See accompanying notes to financial statements.

VILLAGE OF TREMPEALEAU

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VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or 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. The village has not identified any organizations that meet this criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In March 2012, the GASB issued statement No. 65 - *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective January 1, 2013.

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.

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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

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

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, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditures/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, 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.
- Capital Improvements Capital Projects Fund - accounts for financial resources restricted, committed or assigned for the acquisition or construction of equipment and/or major capital facilities.

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

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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 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 Fund - 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

In addition, the village reports the following fund type:

Agency Fund - 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 TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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 unearned 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 unavailable revenues. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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 unavailable 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, 2013

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

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

Fund Financial Statements (cont.)

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, DEFERRED INFLOWS OF RESOURCES, 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.
- 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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

- 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.

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, 2013, 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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

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 statement of assets and liabilities - agency fund.

Property tax calendar - 2013 tax roll:

Lien date and levy date	December 2013
Tax bills mailed	December 2013
Payment in full, or	January 31, 2014
First installment due	January 31, 2014
Second installment due	July 31, 2014
Personal property taxes in full	January 31, 2014
Tax sale - 2013 delinquent real estate taxes	October 2016

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.

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 unavailable 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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

3. Inventories and Prepaid Items

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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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.

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 one 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:

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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. 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, 2013, are determined on the basis of current salary rates and include salary related payments.

7. 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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

7. Long-Term Obligations/Conduit Debt (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are 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 premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred outflow/inflow in 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.

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

9. 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 and displayed as follows:

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications (cont.)

Fund Statements (cont.)

- 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.
- 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.

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Basis for Existing Rates

Electric Utility

Electric utility rates were authorized by order 5940-ER-106, which is effective for services rendered on or after July 15, 2013.

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.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
TIF	\$ 41,000	\$ 47,331	\$ 6,331
Library	98,863	118,361	19,498

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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

B. DEFICIT BALANCES

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

As of December 31, 2013, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Capital Improvements	\$ 29,386	Expenditures in excess of revenues
TIF	245,958	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. Capital Improvements fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

C. LIMITATIONS ON THE VILLAGE'S TAX LEVY

Wisconsin law 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. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

D. VIOLATION OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2013, the village was not in compliance with the provisions of the electric, water and sewer revenue bond covenants that require assets to be accumulated in a restricted account for the payment of future debt service. The covenants require monthly deposits into the redemption account, which should be used to make semi-annual debt service payments. As of year end, the village was required to have \$153,656 in restricted cash and investments for this purpose, however only \$142,098 had been set aside by the village. In 2014, the village transferred additional funds into the redemption account to correct this deficiency.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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	\$ 2,630,727	\$ 2,647,666	Custodial credit risk
US agencies - explicitly guaranteed	450,000	434,971	Custodial credit and interest rate risk
US agencies - implicitly guaranteed	150,000	147,124	Custodial credit, credit, interest rate and concentration of credit risks
LGIP	7,209	7,209	Credit risk
Petty cash	200	-	N/A
Total Deposits and Investments	\$ 3,238,136	\$ 3,236,970	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 739,834		
Restricted cash and investments	1,806,209		
Per statement of assets and liabilities - agency fund			
Agency Fund	692,093		
Total Deposits and Investments	\$ 3,238,136		

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) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). 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. Deposits in the credit union are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

A. DEPOSITS AND INVESTMENTS (cont.)

Bank accounts and credit unions are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, 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, 2013, 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.

As of December 31, 2013, \$271,920 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>271,920</u>
Total	\$ <u><u>271,920</u></u>

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 agencies of the United States government which were rated 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, 2013

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

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, 2013, the investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Federal Home Loan Bank	US agencies - implicitly guaranteed	24.97%

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, 2013, the village's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
US agencies - explicitly guaranteed	\$ 434,971	5
US agencies - implicitly guaranteed	147,124	4

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 \$110,699 in the Block Grant Fund.

VILLAGE OF TREMPALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

B. RECEIVABLES (cont.)

Governmental funds report *unavailable or unearned 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 *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 559,341	\$ -
Special assessments not yet due	-	4,884
Housing loans	-	110,699
Interest receivable on advance to TIF	-	80,000
Other receivables	<u>45,645</u>	<u>-</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 604,986</u>	<u>\$ 195,583</u>

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, 2013

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2013:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 142,098	\$ 15,667	\$ 126,431
Construction account	966,806	-	n/a
Equipment replacement account	583,366	-	583,366
Bond reserve account	103,856	-	n/a
Impact fee account	10,083	-	10,083
Total	\$ 1,806,209	\$ 15,667	\$ 719,880

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
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	69,120	-	-	69,120
Buildings	2,723,349	-	-	2,723,349
Vehicles and equipment	404,537	401,293	168,289	637,541
Infrastructure	1,435,779	91,555	-	1,527,334
Total Capital Assets Being Depreciated	4,632,785	492,848	168,289	4,957,344
Total Capital Assets	4,767,211	492,848	168,289	5,091,770

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Land improvements	\$ (12,335)	\$ (2,941)	\$ -	\$ (15,276)
Buildings	(537,156)	(58,990)	-	(596,146)
Vehicles and equipment	(229,712)	(28,374)	67,142	(190,944)
Infrastructure	(363,771)	(75,885)	-	(439,656)
Total Accumulated Depreciation	(1,142,974)	(166,190)	67,142	(1,242,022)
Net Capital Assets Being Depreciated	3,489,811	326,658	101,147	3,715,322
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 3,624,237	\$ 326,658	\$ 101,147	\$ 3,849,748

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 7,264
Public safety	14,025
Public works, which includes the depreciation of infrastructure	97,968
Culture, education and recreation	46,933
Total Governmental Activities Depreciation Expense	\$ 166,190

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Electric</u>				
Capital assets not being depreciated				
Land and land rights	\$ 58,640	\$ -	\$ -	\$ 58,640
Construction in progress	75,940	280,289	356,229	-
Total Capital Assets Not Being Depreciated	134,580	280,289	356,229	58,640
Capital assets being depreciated				
Transmission and distribution plant	4,738,608	416,763	13,500	5,141,871
General plant	343,546	26,550	15,620	354,476
Total Capital Assets Being Depreciated	5,082,154	443,313	29,120	5,496,347
Total Capital Assets	5,216,734	723,602	385,349	5,554,987
Less: Accumulated depreciation for				
Electric plant	(1,559,042)	(210,303)	29,120	(1,740,225)
Total Accumulated Depreciation	(1,559,042)	(210,303)	29,120	(1,740,225)
Net Capital Assets Being Depreciated	3,523,112	233,010	-	3,756,122
Net Electric Capital Assets	\$ 3,657,692	\$ 513,299	\$ 356,229	\$ 3,814,762

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	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	42,590	5,935	10,000	38,525
Pumping plant	306,063	-	-	306,063
Transmission and distribution plant	1,688,305	69,224	2,797	1,754,732
Water treatment plant	1,344,089	-	-	1,344,089
Total Capital Assets Being Depreciated	3,845,921	75,159	12,797	3,908,283
Total Capital Assets	3,910,492	75,159	12,797	3,972,854
Less: Accumulated depreciation for				
Water plant	(810,315)	(112,968)	12,797	(910,486)
Total Accumulated Depreciation	(810,315)	(112,968)	12,797	(910,486)
Net Capital Assets Being Depreciated	3,035,606	(37,809)	-	2,997,797
Net Water Capital Assets	\$ 3,100,177	\$ (37,809)	\$ -	\$ 3,062,368

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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	1,255,743	48,799	-	1,304,542
Pumping equipment	280,055	-	-	280,055
Treatment and disposal plant	1,813,135	-	-	1,813,135
General plant	106,988	5,935	6,218	106,705
Total Capital Assets Being Depreciated	3,455,921	54,734	6,218	3,504,437
Total Capital Assets	3,459,021	54,734	6,218	3,507,537
Less: Accumulated depreciation for				
Sewer plant	(2,601,518)	(124,929)	6,218	(2,720,229)
Total Accumulated Depreciation	(2,601,518)	(124,929)	6,218	(2,720,229)
Net Capital Assets Being Depreciated	854,403	(70,195)	-	784,208
Net Sewer Capital Assets	\$ 857,503	\$ (70,195)	\$ -	\$ 787,308
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 7,615,372	\$ 405,295	\$ 356,229	\$ 7,664,438

Depreciation expense was charged to functions as follows:

Business-type Activities

Electric	\$ 203,807
Water	110,482
Sewer	127,415
Total Business-type Activities Depreciation Expense	\$ 441,704

Depreciation expense may be different from business-type activity capital asset additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	Electric Utility	\$ 18,308
Total - Fund Financial Statements		18,308
Add: Interfund advances		<u>719,311</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 737,619</u></u>

All amounts are due within one year.

The principal purpose of this interfund is to cover overdrafts on pooled cash and investment accounts.

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
General Fund	TIF	\$ 245,958	\$ 245,958
General Fund	Sewer Utility	<u>719,311</u>	719,311
Total - Fund Financial Statements		965,269	
Less: Fund eliminations		<u>(245,958)</u>	
Total - Interfund Advances - Government-Wide Statement of Net Position		<u><u>\$ 719,311</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.

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances (cont.)

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	\$ 67,763	Property tax equivalent
General Fund	Electric Utility	88,144	Property tax equivalent
Capital Improvements	General Fund	50,018	Operating subsidy
Total - Fund Financial Statements		205,925	
Less: Fund eliminations		(50,018)	
Total Transfers - Government-Wide Statement of Activities		\$ 155,907	

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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 924,593	\$ 248,889	\$ 124,593	\$ 1,048,889	\$ 368,889
Other Liabilities					
Vested compensated absences	29,116	25,577	21,062	33,631	10,289
Landfill liability	72,767	-	8,031	64,736	7,100
Total Other Liabilities	101,883	25,577	29,093	98,367	17,389
Total Governmental Activities Long-Term Liabilities	\$ 1,026,476	\$ 274,466	\$ 153,686	\$ 1,147,256	\$ 386,278
Business-type Activities					
Bonds and Notes Payable					
Revenue bonds	\$ 2,590,098	\$ -	\$ 205,231	\$ 2,384,867	\$ 209,952
Revenue bond anticipation notes	2,900,000	-	-	2,900,000	2,900,000
(Discounts)/Premiums	(20,804)	-	(20,804)	-	-
Sub-totals	5,469,294	-	184,427	5,284,867	3,109,952
Other Liabilities					
Vested compensated absences	42,633	34,882	31,313	46,202	12,844
Total Business-type Activities Long-Term Liabilities	\$ 5,511,927	\$ 34,882	\$ 215,740	\$ 5,331,069	\$ 3,122,796

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, 2013, was \$4,901,865. Total general obligation debt outstanding at year end was \$1,048,889.

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.

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2013
General obligation refunding bonds	4/28/2009	10/1/2021	2.0 - 4.2%	\$ 1,155,000	\$ 800,000
Promissory note	6/20/2013	6/20/2014	2.75%	248,889	<u>248,889</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 1,048,889</u>

(1) - The utility is authorized to draw \$300,000 on the 2013 promissory note. The original amount reported above has been issued as of December 31, 2013. The repayment schedule is for the amount issued.

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2014	\$ 368,889	\$ 35,589
2015	110,000	25,445
2016	90,000	22,035
2017	95,000	18,885
2018	100,000	15,560
2019-2021	<u>285,000</u>	<u>22,680</u>
Totals	<u>\$ 1,048,889</u>	<u>\$ 140,194</u>

Revenue Debt

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

The electric, water and sewer utilities has pledged future electric, water and sewer revenues, net of specified operating expenses, to repay revenue bonds 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 53% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,909,906. Principal and interest paid for the current year and total customer net revenues were \$318,216 and \$697,233, respectively.

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2013, 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, 2013</u>
<u>Sewer Utility</u>					
Clean water fund loan	5/22/1996	5/1/2016	3.282%	\$ 1,433,595	\$ 301,964
<u>Water Utility</u>					
Safe drinking water loan	11/12/2009	5/1/2029	2.668%	1,417,481	1,227,903
<u>Electric Utility</u>					
Electric revenue bond	3/6/2006	5/1/2026	3.8 - 5.0%	1,155,000	<u>855,000</u>
Total Business-type Activities - Revenue Debt					<u>\$ 2,384,867</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 209,952	\$ 78,673
2015	214,818	71,683
2016	224,833	73,383
2017	122,669	58,531
2018	129,475	54,229
2019-2023	716,187	198,111
2024-2028	674,120	60,191
2029	<u>92,813</u>	<u>1,238</u>
Totals	<u>\$ 2,384,867</u>	<u>\$ 596,039</u>

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

F. LONG-TERM OBLIGATIONS (cont.)

Business-type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2013
Bond Anticipation Notes					
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:

<u>Years</u>	Business-type Activities Bond Anticipation Notes	
	<u>Principal</u>	<u>Interest</u>
2014	<u>\$ 2,900,000</u>	<u>\$ 29,000</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.

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.

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 \$64,736 reported as landfill postclosure care liability at December 31, 2013, 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.

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, 2013, the village had landfill maintenance and monitoring costs in the amount of \$8,031. The maintenance and monitoring expenses for long-term care will be budgeted for each year by the village and the amount averages \$7,100 annually.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2013, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 134,426
Other capital assets, net of accumulated depreciation	3,715,322
Less: Long-term debt outstanding	<u>(1,048,889)</u>
Total Net Investment in Capital Assets	<u><u>\$ 2,800,859</u></u>

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2013, include the following:

	<u>General Fund</u>	<u>Capital Improvements</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Fund Balances				
Nonspendable:				
Advances	\$ 965,269	\$ -	\$ -	\$ 965,269
Delinquent taxes	3,935	-	-	3,935
Restricted for:				
Impact fees	10,083	-	-	10,083
Debt service	-	-	25,763	25,763
Housing loan - grantor restrictions	-	-	2	2
Donor restrictions - library	-	-	109,549	109,549
Donor restrictions - Trempealeau Trust	-	-	18,138	18,138
State statutes - library	-	-	18,510	18,510
Unassigned (deficit):	<u>2,355</u>	<u>(29,386)</u>	<u>(245,958)</u>	<u>(272,989)</u>
Total Fund Balances (Deficit)	<u><u>\$ 981,642</u></u>	<u><u>\$ (29,386)</u></u>	<u><u>\$ (73,996)</u></u>	<u><u>\$ 878,260</u></u>

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 126,311
Other capital assets, net of accumulated depreciation	7,538,127
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(4,318,061)
Plus: Noncapital debt proceeds	<u>143,170</u>
Total Net Investment in Capital Assets	<u>\$ 3,489,547</u>

NOTE IV - OTHER INFORMATION

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.

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 employees 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, 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives and Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for village employees covered by the WRS for the year ended December 31, 2013 was \$503,628; the employer's total payroll was \$540,031. The total required contribution for the year ended December 31, 2013 was \$71,662 or 14.2% of covered payroll. Of this amount, 7.59 percent was contributed by the employer and 6.65 percent was contributed by the employee for the current year. Total contributions for the years ending 2012 and 2011 were \$63,008 and \$60,000, respectively, equal to the required contributions for each year.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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. A 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 WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

As of December 31, 2013 there was no pension related debt for the village.

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

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.

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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

Purchased Power Agreements

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.

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.

On November 1, 2013, the village entered into an all-requirements power supply contract with GLU. GLU has agreed to supply the village's full power and energy requirements initially by means of taking an assignment of the village's existing purchased power contracts. The village has agreed to purchase all electric power and energy for the electric utility from GLU.

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 (district) 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 \$37,157 to the district for 2013. The village believes that the district will continue to provide services in the future at similar rates.

Financial information of the district as of December 31, 2013 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 district.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

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 \$13,552 to the Commission in 2013. 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.

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

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 69, *Government Combinations and Disposals of Government Operations*
- > Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

When they become effective, application of these standards may restate portions of these financial statements.

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - OTHER INFORMATION (cont.)

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.

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

	2013	From Date of Creation
Project Costs		
Capital expenditures	\$ 150	\$ 598,042
Interest and fiscal charges	12,181	268,954
Total Costs	12,331	866,996
 Project Revenues		
Tax increments	42,953	456,513
Special assessments	-	6,561
Miscellaneous	-	68,119
Sale of property	-	36,810
Total Revenues	42,953	568,003
 Net Costs Recoverable Through TIF Increments - December 31, 2013	 \$ (30,622)	 \$ 298,993
 Reconciliation of Recoverable Costs		
General obligation debt		\$ 53,035
Plus: Fund balance deficit		245,958
 Net Costs Recoverable Through TIF Increments - December 31, 2013		 \$ 298,993

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.

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 2014 is \$41,355.

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
TAXES				
Property	\$ 197,071	\$ 197,071	\$ 197,073	\$ 2
Mobile home taxes	30,000	30,000	35,905	5,905
Public accommodation (room) taxes	5,000	5,000	9,436	4,436
Payments in lieu of taxes	7,000	7,000	7,694	694
Total Taxes	<u>239,071</u>	<u>239,071</u>	<u>250,108</u>	<u>11,037</u>
INTERGOVERNMENTAL REVENUES				
State shared revenues	231,506	231,506	231,506	-
Fire insurance tax from state	3,587	3,587	3,742	155
State aid - computer exemption	1,000	1,000	390	(610)
State aid - law enforcement improvement	300	300	320	20
State aid - connecting streets	50,018	50,018	50,018	-
Aid in lieu of taxes	257	257	282	25
Total Intergovernmental Revenues	<u>286,668</u>	<u>286,668</u>	<u>286,258</u>	<u>(410)</u>
LICENSES AND PERMITS				
Liquor and malt beverage licenses	3,000	3,000	3,200	200
Operators' license	500	500	525	25
Cigarette licenses	25	25	10	(15)
Soda licenses	50	50	60	10
Dog licenses	200	200	2,227	2,027
Building permits	4,500	4,500	5,775	1,275
Zoning permits and fees	500	500	2,015	1,515
Other business and occupational licenses	-	-	15	15
Other permits	400	400	550	150
Total Licenses and Permits	<u>9,175</u>	<u>9,175</u>	<u>14,377</u>	<u>5,202</u>
FINES, FORFEITURES AND PENALTIES				
Court penalties and costs	4,000	4,000	6,310	2,310
Parking violations	100	100	575	475
Other law and ordinance violations	100	100	50	(50)
Total Fines, Forfeitures and Penalties	<u>4,200</u>	<u>4,200</u>	<u>6,935</u>	<u>2,735</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
Clerk's fees	\$ 5,000	\$ 5,000	\$ 7,458	\$ 2,458
License publication fees	50	50	-	(50)
Landfill	2,500	2,500	4,039	1,539
Swimming areas	25,000	25,000	20,840	(4,160)
Parkland development	2,250	2,250	3,200	950
Recreation program	1,500	1,500	-	(1,500)
Total Public Charges for Services	<u>36,300</u>	<u>36,300</u>	<u>35,537</u>	<u>(763)</u>
SPECIAL ASSESSMENTS				
Street improvements	-	8,158	8,158	-
INVESTMENT INCOME				
Investment income	4,160	4,160	2,746	(1,414)
Interest on advances to other funds	-	-	19,868	19,868
Interest on special assessments	-	-	67	67
Total Investment Income	<u>4,160</u>	<u>4,160</u>	<u>22,681</u>	<u>18,521</u>
MISCELLANEOUS				
Donations	3,000	3,000	-	(3,000)
Rent	1,000	1,000	1,562	562
Other miscellaneous	12,000	19,399	25,626	6,227
Total Miscellaneous	<u>16,000</u>	<u>23,399</u>	<u>27,188</u>	<u>3,789</u>
 Total Revenues	 <u>595,574</u>	 <u>611,131</u>	 <u>651,242</u>	 <u>40,111</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Attorney	4,300	4,300	3,080	1,220
Legal	5,000	5,000	10,968	(5,968)
Village clerk	30,668	30,668	20,374	10,294
Clerk - elections	24,652	24,652	21,246	3,406
Elections	1,600	1,600	1,687	(87)
Treasurer	10,000	10,000	11,632	(1,632)
Treasury	14,517	14,517	15,625	(1,108)
Village hall	8,500	8,500	7,790	710
General buildings/plant/hall	34,000	34,000	30,555	3,445
Property and liability insurance	20,000	20,000	13,511	6,489
Other general government	12,894	12,894	13,723	(829)
Total General Government	<u>166,131</u>	<u>166,131</u>	<u>150,191</u>	<u>15,940</u>

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

VILLAGE OF TREMPÉALEAU

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC SAFETY				
Police	\$ 156,428	\$ 156,428	\$ 185,888	\$ (29,460)
Fire protection	37,002	37,002	37,157	(155)
EMT	4,677	4,677	4,728	(51)
Building inspection	7,000	7,000	-	7,000
Total Public Safety	<u>205,107</u>	<u>205,107</u>	<u>227,773</u>	<u>(22,666)</u>
PUBLIC WORKS				
Shop operations	75,356	75,356	9,218	66,138
Machinery operation and maintenance	6,000	6,000	18,799	(12,799)
Street maintenance	9,500	9,500	69,878	(60,378)
Tree and brush removal	-	-	5,328	(5,328)
Snow and ice control	22,250	22,250	27,263	(5,013)
Traffic control	1,500	1,500	1,712	(212)
Sidewalks	1,500	1,500	24	1,476
Street lighting	34,560	34,560	31,438	3,122
Refuse and garbage collection	-	-	130	(130)
Recycling	13,552	13,552	13,552	-
Sanitary landfill	4,500	4,500	8,031	(3,531)
Weed control	-	-	2,388	(2,388)
Total Public Works	<u>168,718</u>	<u>168,718</u>	<u>187,761</u>	<u>(19,043)</u>
HEALTH AND HUMAN SERVICES				
Cemetery	600	600	600	-
Senior activities	150	150	69	81
Total Health and Human Services	<u>750</u>	<u>750</u>	<u>669</u>	<u>81</u>
CULTURE, RECREATION AND EDUCATION				
Parks	11,899	11,899	8,604	3,295
Recreation	11,115	11,115	9,000	2,115
Celebrations and entertainment	200	200	3,090	(2,890)
Swimming pool	84,509	84,509	73,775	10,734
Total Culture, Recreation and Education	<u>107,723</u>	<u>107,723</u>	<u>94,469</u>	<u>13,254</u>
CONSERVATION AND DEVELOPMENT				
Planning	1,000	1,000	-	1,000
Zoning	1,000	1,000	1,063	(63)
Economic development	750	750	406	344
Total Conservation and Development	<u>2,750</u>	<u>2,750</u>	<u>1,469</u>	<u>1,281</u>
 Total Expenditures	 <u>651,179</u>	 <u>651,179</u>	 <u>662,332</u>	 <u>(11,153)</u>

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

VILLAGE OF TREMPÉALEAU

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over (under) expenditures	\$ (55,605)	\$ (40,048)	(11,090)	\$ 28,958
OTHER FINANCING SOURCES (USES)				
Transfers in	105,623	105,623	155,907	50,284
Transfers out	<u>(50,018)</u>	<u>(62,628)</u>	<u>(50,018)</u>	<u>12,610</u>
Total Other Financing Sources (Uses)	<u>55,605</u>	<u>42,995</u>	<u>105,889</u>	<u>62,894</u>
Net Change in Fund Balance	-	2,947	94,799	91,852
FUND BALANCE - Beginning of Year	<u>886,843</u>	<u>886,843</u>	<u>886,843</u>	-
FUND BALANCE - END OF YEAR	<u><u>\$ 886,843</u></u>	<u><u>\$ 889,790</u></u>	<u><u>\$ 981,642</u></u>	<u><u>\$ 91,852</u></u>

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

VILLAGE OF TREMPEALEAU

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2013

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.

SUPPLEMENTARY INFORMATION

VILLAGE OF TREMPEALEAU

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2013

	Special Revenue			Debt Service
	Library	Block Grant	Trempealeau Trust Fund	Debt Service
ASSETS				
Cash and investments	\$ 137,579	\$ 7,889	\$ 18,138	\$ 25,763
Receivables				
Taxes	63,535	-	-	120,513
Accrued interest	1,093	-	-	-
Notes	-	110,699	-	-
	-	110,699	-	-
TOTAL ASSETS	\$ 202,207	\$ 118,588	\$ 18,138	\$ 146,276
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 10,613	\$ 7,887	\$ -	\$ -
Advances from other funds	-	-	-	-
Total Liabilities	10,613	7,887	-	-
Deferred Inflows of Resources				
Unearned revenues	63,535	-	-	120,513
Unavailable revenues	-	110,699	-	-
Total Deferred Inflows of Resources	63,535	110,699	-	120,513
Fund Balances (Deficit)				
Restricted	128,059	2	18,138	25,763
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	128,059	2	18,138	25,763
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 202,207	\$ 118,588	\$ 18,138	\$ 146,276



<u>Capital Projects</u>		<u>Total Nonmajor Governmental Funds</u>
<u>TIF</u>		
\$ -	\$	189,369
41,355		225,403
-		1,093
<u>-</u>		<u>110,699</u>
<u>\$ 41,355</u>	<u>\$</u>	<u>526,564</u>

\$ -	\$	18,500
<u>245,958</u>		<u>245,958</u>
<u>245,958</u>		<u>264,458</u>

41,355		225,403
<u>-</u>		<u>110,699</u>
<u>41,355</u>		<u>336,102</u>

-		171,962
<u>(245,958)</u>		<u>(245,958)</u>
<u>(245,958)</u>		<u>(73,996)</u>

<u>\$ 41,355</u>	<u>\$</u>	<u>526,564</u>
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VILLAGE OF TREMPEALEAU

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	Special Revenue			Debt Service
	Library	Block Grant	Trempealeau Trust Fund	Debt Service
REVENUES				
Taxes	\$ 56,000	\$ -	\$ -	\$ 119,870
Intergovernmental	41,348	-	-	-
Investment income	969	-	190	-
Miscellaneous	<u>13,985</u>	<u>7,887</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>112,302</u>	<u>7,887</u>	<u>190</u>	<u>119,870</u>
EXPENDITURES				
Current				
Culture, recreation and education	118,361	-	-	-
Conservation and development	-	7,887	-	-
Debt Service				
Principal	-	-	-	89,593
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,271</u>
Total Expenditures	<u>118,361</u>	<u>7,887</u>	<u>-</u>	<u>119,864</u>
Net Change in Fund Balances	(6,059)	-	190	6
FUND BALANCES (DEFICIT) - Beginning of Year	<u>134,118</u>	<u>2</u>	<u>17,948</u>	<u>25,757</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 128,059</u>	<u>\$ 2</u>	<u>\$ 18,138</u>	<u>\$ 25,763</u>

<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<u>TIF</u>	
\$ 42,953	\$ 218,823
-	41,348
-	1,159
-	<u>21,872</u>
<u>42,953</u>	<u>283,202</u>
-	118,361
150	8,037
35,000	124,593
<u>12,181</u>	<u>42,452</u>
<u>47,331</u>	<u>293,443</u>
(4,378)	(10,241)
<u>(241,580)</u>	<u>(63,755)</u>
<u>\$ (245,958)</u>	<u>\$ (73,996)</u>

VILLAGE OF TREMPEALEAU

DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - ELECTRIC For the Year Ended December 31, 2013

OPERATING REVENUES

Sales of Electricity	
Residential	\$ 1,031,555
Small commercial	442,151
Large power	312,356
Public street lighting	30,811
Total Sales of Electricity	<u>1,816,873</u>
Other Operating Revenues	
Forfeited discounts	7,254
Rent from electric property	2,218
Other electric revenues	27,082
Total Other Operating Revenues	<u>36,554</u>
Total Operating Revenues	<u>1,853,427</u>

OPERATING EXPENSES

Operation and Maintenance Expenses	
Other Power Supply Expenses	
Purchased power	1,101,258
Total Other Power Supply Expenses	<u>1,101,258</u>
Transmission Expenses	
Operation supervision and labor	49,156
Total Transmission Expenses	<u>49,156</u>
Distribution Expenses	
Line and station supplies and expenses	13,380
Maintenance of structures	15,026
Maintenance of lines	16,399
Maintenance of line transformers	4,100
Maintenance of street lighting	3,020
Maintenance of meters	759
Miscellaneous distribution expenses	4,305
Total Distribution Expenses	<u>56,989</u>

VILLAGE OF TREMPEALEAU

DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - ELECTRIC (cont.) For the Year Ended December 31, 2013

OPERATING EXPENSES (cont.)

Operation and Maintenance Expenses (cont.)

Customer Accounts Expenses

Meter reading labor	\$ 4,736
Accounting and collecting labor	61,943
Supplies and expenses	1,993
Uncollectible accounts	100
Total Customer Accounts Expenses	<u>68,772</u>

Administrative and General Expenses

Administrative and general salaries	2,314
Office supplies and expenses	7,730
Outside services employed	25,476
Property insurance	8,321
Employee pensions and benefits	38,684
Miscellaneous general expenses	29,276
Transportation expenses	13,661
Regulatory commission expense	9,411
Maintenance of general plant	6,809
Total Administrative and General Expenses	<u>141,682</u>

Total Operation and Maintenance Expenses 1,417,857

Depreciation 203,807

Taxes 22,431

Total Operating Expenses 1,644,095

NET OPERATING INCOME \$ 209,332

VILLAGE OF TREMPEALEAU

DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - WATER For the Year Ended December 31, 2013

OPERATING REVENUES

Sales of Water	
Metered sales – residential	\$ 232,654
Metered sales – commercial	33,740
Public fire protection	106,775
Other sales to public authorities	18,850
Total Sales of Water	<u>392,019</u>
Other Operating Revenues	
Forfeited discounts	1,241
Other water revenue	17,960
Total Other Operating Revenues	<u>19,201</u>
Total Operating Revenues	<u>411,220</u>

OPERATING EXPENSES

Operation and Maintenance Expenses	
Pumping Expenses	
Fuel or power purchased for pumping	21,377
Operation supplies and expenses	3,201
Maintenance of pumping plant	30,404
Total Pumping Expenses	<u>54,982</u>
Water Treatment Expenses	
Chemicals	8,497
Operation supplies and expenses	2,843
Total Water Treatment Expenses	<u>11,340</u>
Transmission and Distribution Expenses	
Maintenance of mains	8,180
Maintenance of meters	144
Maintenance of hydrants	11
Total Transmission and Distribution Expenses	<u>8,335</u>

VILLAGE OF TREMPEALEAU

DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - WATER (cont.) For the Year Ended December 31, 2013

OPERATING EXPENSES (cont.)	
Operation and Maintenance Expenses (cont.)	
Customer Accounts Expenses	
Meter reading labor	\$ 2,918
Accounting and collecting labor	38,358
Supplies and expenses	317
Uncollectible accounts	12
Total Customer Accounts Expenses	<u>41,605</u>
Administrative and General Expenses	
Administrative and general salaries	1,446
Office supplies and expenses	4,352
Outside services employed	19,257
Property insurance	6,103
Employee pensions and benefits	21,175
Miscellaneous general expenses	8,939
Transportation expenses	2,713
Total Administrative and General Expenses	<u>63,985</u>
Total Operation and Maintenance Expenses	180,247
Depreciation expense	110,482
Taxes	4,658
Total Operating Expenses	<u>295,387</u>
 NET OPERATING INCOME	 <u>\$ 115,833</u>

VILLAGE OF TREMPEALEAU

DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - SEWER For the Year Ended December 31, 2013

OPERATING REVENUES

Sewage Service	
Metered sales – residential	\$ 220,177
Metered sales – commercial	22,631
Total Sales of Water	<u>242,808</u>
Other Operating Revenues	
Forfeited discounts	861
Miscellaneous operating revenues	635
Total Other Operating Revenues	<u>1,496</u>
Total Operating Revenues	<u>244,304</u>

OPERATING EXPENSES

Operation and Maintenance Expenses	
Collection, Pumping and Treatment Expenses	
Power for pumping	31,659
Operating supplies	7,028
Maintenance of pumping equipment	7,633
Maintenance of collection system	36,161
Maintenance of treatment and disposal	3,374
Total Collection, Pumping and Treatment Expenses	<u>85,855</u>
Customer Accounts Expenses	
Meter reading labor	2,985
Accounting and collecting labor	45,190
Uncollectible accounts	5
Total Customer Accounts Expenses	<u>48,180</u>
Administrative and General Expenses	
Administrative and general salaries	1,663
Office supplies and expenses	5,479
Outside services employed	15,085
Property insurance	7,246
Employee pensions and benefits	16,903
Miscellaneous general expenses	3,966
Transportation expenses	3,651
Rent	2,085
Total Administrative and General Expenses	<u>56,078</u>
Total Operation and Maintenance Expenses	190,113
Depreciation expense	127,415
Taxes	6,068
Total Operating Expenses	<u>323,596</u>
NET OPERATING INCOME (LOSS)	<u>\$ (79,292)</u>

VILLAGE OF TREMPEALEAU

REQUIRED BOND DISCLOSURES For the Year Ended December 31, 2013

INSURANCE COVERAGE

Type	Coverage	Expiration
<i>Local Government Property Insurance</i>		
Buildings, Personal Property, Inland		
Marine Floater and Property in the Open	\$ 20,071,295	1/1/2014
Contractors Equipment	369,815	1/1/2014
<i>League of Wisconsin Municipalities</i>		
Worker's Compensation - Accident	100,000	each accident
Worker's Compensation - Disease	100,000/500,000	each employee/policy limit
Worker Compensation Increase Limits	2,000,000	limit
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	25,000/50,000	per person/per occurrence
Underinsured Motorists	25,000/50,000	per person/per occurrence
Sewer Backup Extended Coverage	100,000/300,000	per occurrence/annual aggregate
Boiler/Mechanical Breakdown	30,000,000	1/1/2014
Transmission Provider	1,000,000	per occurrence

DEBT COVERAGE

	2013
Net income (loss)	\$ (65,727)
Depreciation and amortization	513,396
Interest expense	112,990
Property tax equivalent	155,907
Less: Capital contributions	<u>(19,333)</u>
Net Defined Earnings	<u>\$ 697,233</u>
Annual Debt Service	<u>\$ 318,216</u>
Annual Debt Coverage	<u>2.19</u>
Required Coverage per Resolution	<u>1.25</u>

VILLAGE OF TREMPÉALEAU

REQUIRED BOND DISCLOSURES (cont.)
For the Year Ended December 31, 2013

NUMBER OF CUSTOMERS

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Residential	1,057	815	809
Commercial	177	61	52
Public authority	2	15	10
Fire protection	<u>-</u>	<u>2</u>	<u>-</u>
Totals	<u>1,236</u>	<u>893</u>	<u>871</u>