

VILLAGE OF TREMPEALEAU

Trempealeau, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2014

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, 2014, 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, 2014 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.

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 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.

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 Virchow Krause, LLP

March 25, 2015

VILLAGE OF TREMPEALEAU

STATEMENT OF NET POSITION As of December 31, 2014

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 174,004	\$ 710,728	\$ 884,732
Receivables			
Taxes	596,919	-	596,919
Accounts	-	365,601	365,601
Notes	96,887	-	96,887
Special assessments	2,442	-	2,442
Delinquent personal property taxes	3,487	-	3,487
Other	97,146	10,795	107,941
Accrued interest	1,352	1,619	2,971
Internal balances	803,417	(803,417)	-
Due from other governments	103,089	-	103,089
Inventories and prepaid items	-	66,004	66,004
Restricted assets			
Cash and investments	15,309	1,968,127	1,983,436
Capital Assets			
Land	334,426	126,311	460,737
Construction in progress	-	79,024	79,024
Other capital assets, net of depreciation	<u>3,917,187</u>	<u>7,233,531</u>	<u>11,150,718</u>
Total Assets	<u>6,145,665</u>	<u>9,758,323</u>	<u>15,903,988</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	96,634	96,634
Total Deferred Outflows of Resources	<u>-</u>	<u>96,634</u>	<u>96,634</u>
LIABILITIES			
Accounts payable	34,622	108,727	143,349
Accrued liabilities	5,694	6,441	12,135
Deposits	-	6,651	6,651
Accrued interest	10,758	22,437	33,195
Noncurrent Liabilities			
Due within one year	132,546	314,650	447,196
Due in more than one year	<u>1,148,084</u>	<u>5,083,395</u>	<u>6,231,479</u>
Total Liabilities	<u>1,331,704</u>	<u>5,542,301</u>	<u>6,874,005</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	<u>642,292</u>	-	<u>642,292</u>
Total Deferred Inflows of Resources	<u>642,292</u>	<u>-</u>	<u>642,292</u>
NET POSITION			
Net investment in capital assets	3,069,113	3,454,764	6,523,877
Restricted for			
Loan programs	96,810	-	96,810
Debt service	16,831	59,540	76,371
Equipment replacement	-	633,636	633,636
Impact fees	15,309	-	15,309
Capital improvements	401	-	401
Library	120,691	-	120,691
Trempealeau trust fund	18,286	-	18,286
Unrestricted	<u>834,228</u>	<u>164,716</u>	<u>998,944</u>
TOTAL NET POSITION	<u>\$ 4,171,669</u>	<u>\$ 4,312,656</u>	<u>\$ 8,484,325</u>

See accompanying notes to financial statements.

VILLAGE OF TREMPEALEAU

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2014

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 190,933	\$ 23,303	\$ -	\$ -
Public safety	291,294	8,127	6,444	-
Public works	398,956	4,381	59,266	324,604
Health and human services	647	-	-	-
Culture, education and recreation	290,259	17,311	40,246	100,000
Conservation and development	48,942	-	-	-
Interest and fiscal charges	48,221	-	-	-
Total Governmental Activities	1,269,252	53,122	105,956	424,604
Business-type Activities				
Electric Utility	1,673,074	1,905,048	-	8,528
Water Utility	370,962	401,556	-	7,078
Sewer Utility	360,958	313,671	-	2,800
Total Business-type Activities	2,404,994	2,620,275	-	18,406
Totals	\$ 3,674,246	\$ 2,673,397	\$ 105,956	\$ 443,010

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>
\$ (167,630)	\$ -	\$ (167,630)
(276,723)	-	(276,723)
(10,705)	-	(10,705)
(647)	-	(647)
(132,702)	-	(132,702)
(48,942)	-	(48,942)
<u>(48,221)</u>	<u>-</u>	<u>(48,221)</u>
<u>(685,570)</u>	<u>-</u>	<u>(685,570)</u>
-	240,502	240,502
-	37,672	37,672
-	<u>(44,487)</u>	<u>(44,487)</u>
-	<u>233,687</u>	<u>233,687</u>
<u>(685,570)</u>	<u>233,687</u>	<u>(451,883)</u>
216,443	-	216,443
120,513	-	120,513
115,502	-	115,502
41,355	-	41,355
63,535	-	63,535
55,190	-	55,190
232,243	-	232,243
13,310	9,558	22,868
<u>79,854</u>	<u>-</u>	<u>79,854</u>
<u>937,945</u>	<u>9,558</u>	<u>947,503</u>
<u>152,544</u>	<u>(152,544)</u>	<u>-</u>
404,919	90,701	495,620
<u>3,766,750</u>	<u>4,221,955</u>	<u>7,988,705</u>
<u>\$ 4,171,669</u>	<u>\$ 4,312,656</u>	<u>\$ 8,484,325</u>

See accompanying notes to financial statements.

VILLAGE OF TREMPEALEAU

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2014

	General Fund	Debt Service	Capital Improvements Capital Project Fund
ASSETS			
Cash and investments	\$ -	\$ 27,589	\$ 401
Receivables			
Taxes	231,369	115,175	139,795
Delinquent personal property taxes	3,487	-	-
Accrued interest	649	-	-
Special assessments	2,442	-	-
Notes	-	-	-
Other	97,146	-	-
Due from other governments	103,089	-	-
Restricted cash	15,309	-	-
Advances to other funds	<u>1,054,030</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,507,521</u>	<u>\$ 142,764</u>	<u>\$ 140,196</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 26,805	\$ -	\$ -
Accrued liabilities	5,694	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>32,499</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Unearned revenues	276,742	115,175	139,795
Unavailable revenues	<u>109,891</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>386,633</u>	<u>115,175</u>	<u>139,795</u>
Fund Balances (Deficit)			
Nonspendable	1,057,517	-	-
Restricted	15,309	27,589	401
Unassigned (Deficit)	<u>15,563</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficit)	<u>1,088,389</u>	<u>27,589</u>	<u>401</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,507,521</u>	<u>\$ 142,764</u>	<u>\$ 140,196</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 146,014	\$ 174,004
110,580	596,919
-	3,487
703	1,352
-	2,442
96,887	96,887
-	97,146
-	103,089
-	15,309
-	1,054,030
\$ 354,184	\$ 2,144,665

\$ 7,817	\$ 34,622
-	5,694
250,613	250,613
258,430	290,929

110,580	642,292
96,887	206,778
207,467	849,070

-	1,057,517
138,977	182,276
(250,690)	(235,127)
(111,713)	1,004,666

\$ 354,184	\$ 2,144,665
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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, 2014

Total Fund Balances - Governmental Funds	\$ 1,004,666
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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	334,426
Other capital assets	5,418,460
Less: Accumulated depreciation	(1,501,273)

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	70,000
Loans receivable	96,887
Special assessments	2,442
Other receivables	37,449

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	(1,182,500)
Compensated absences	(41,268)
Accrued interest	(10,758)
Landfill liability	<u>(56,862)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 4,171,669</u>
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VILLAGE OF TREMPÉALEAU

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

For the Year Ended December 31, 2014

	General Fund	Debt Service	Capital Improvements Capital Project Fund
REVENUES			
Taxes	\$ 271,633	\$ 120,513	\$ 115,502
Intergovernmental	397,953	-	-
Licenses and permits	16,692	-	-
Fines, forfeitures and penalties	8,127	-	-
Public charges for services	29,859	-	-
Special assessments	2,886	-	-
Investment income	21,678	-	248
Miscellaneous	42,393	-	-
Total Revenues	791,221	120,513	115,750
EXPENDITURES			
Current			
General government	169,644	-	-
Public safety	270,570	-	-
Public works	188,258	-	-
Health and human services	647	-	-
Culture, recreation and education	121,542	-	-
Conservation and development	34,889	-	-
Capital Outlay	-	-	388,542
Debt Service			
Principal	-	385,000	-
Interest and fiscal charges	-	36,187	-
Total Expenditures	785,550	421,187	388,542
Excess (deficiency) of revenues over expenditures	5,671	(300,674)	(272,792)
OTHER FINANCING SOURCES (USES)			
Debt issued	200,000	302,500	51,111
Transfers in	152,544	-	251,468
Transfers out	(251,468)	-	-
Total Other Financing Sources (Uses)	101,076	302,500	302,579
Net Change in Fund Balances	106,747	1,826	29,787
FUND BALANCES (DEFICIT) - Beginning of Year	981,642	25,763	(29,386)
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 1,088,389	\$ 27,589	\$ 401

See accompanying notes to financial statements.

Nonmajor Governmental Funds		Totals
\$ 104,890	\$ 612,538	
28,712	426,665	
-	16,692	
-	8,127	
-	29,859	
-	2,886	
1,383	23,309	
<u>23,358</u>	<u>65,751</u>	
<u>158,343</u>	<u>1,185,827</u>	
-	169,644	
-	270,570	
-	188,258	
-	647	
110,384	231,926	
14,053	48,942	
-	388,542	
35,000	420,000	
<u>10,860</u>	<u>47,047</u>	
<u>170,297</u>	<u>1,765,576</u>	
<u>(11,954)</u>	<u>(579,749)</u>	
-	553,611	
-	404,012	
<u>-</u>	<u>(251,468)</u>	
<u>-</u>	<u>706,155</u>	
(11,954)	126,406	
<u>(99,759)</u>	<u>878,260</u>	
<u>\$ (111,713)</u>	<u>\$ 1,004,666</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, 2014

Net change in fund balances - total governmental funds	\$	126,406
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of 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	388,542
Some items reported as capital outlay were not capitalized	(9,458)
Depreciation is reported in the government-wide financial statements	(268,724)
Net book value of assets retired	(33,099)

Contributed capital assets are reported as revenues in the government-wide financial statements.	324,604
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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	37,449
Special assessments are deferred on the fund statements	(2,442)
Loans receivable are deferred on the fund statements	(13,812)
Interest income on TIF advance is deferred on fund statements and recognized in the government-wide statements	(10,000)

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	(553,611)
Principal repaid	420,000

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	(7,637)
Accrued interest on debt	(1,173)
Landfill liability	7,874

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>404,919</u>
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VILLAGE OF TREMPEALEAU

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2014

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 286,837	\$ 423,891	\$ -	\$ 710,728
Receivables				
Accounts	265,570	52,582	47,449	365,601
Other	9,389	1,406	-	10,795
Interest	518	-	1,101	1,619
Inventories and prepayments	66,004	-	-	66,004
Restricted Assets				
Redemption account	33,210	48,767	-	81,977
Total Current Assets	<u>661,528</u>	<u>526,646</u>	<u>48,550</u>	<u>1,236,724</u>
Noncurrent Assets				
Restricted Assets				
Equipment replacement	-	-	633,636	633,636
Reserve account	286,517	-	-	286,517
Construction	965,997	-	-	965,997
Capital Assets				
Construction in progress	24,718	3,089	51,217	79,024
Utility Plant	5,609,033	4,018,698	3,527,830	13,155,561
Less: Accumulated depreciation	(1,944,700)	(1,017,450)	(2,833,569)	(5,795,719)
Other Assets				
Advances to other funds	39,188	-	-	39,188
Total Noncurrent Assets	<u>4,980,753</u>	<u>3,004,337</u>	<u>1,379,114</u>	<u>9,364,204</u>
Total Assets	<u>5,642,281</u>	<u>3,530,983</u>	<u>1,427,664</u>	<u>10,600,928</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	96,634	-	-	96,634
Total Deferred Outflows of Resources	<u>96,634</u>	<u>-</u>	<u>-</u>	<u>96,634</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 100,177	\$ 3,979	\$ 4,571	\$ 108,727
Accrued liabilities	4,274	-	2,167	6,441
Deposits	6,651	-	-	6,651
Current portion of compensated absences	10,631	3,879	3,942	18,452
General obligation bonds and notes payable	-	-	87,000	87,000
Liabilities Payable from Restricted Assets				
Current portion of revenue bonds	145,000	64,198	-	209,198
Accrued interest payable	16,812	5,625	-	22,437
Total Current Liabilities	<u>283,545</u>	<u>77,681</u>	<u>97,680</u>	<u>458,906</u>
Noncurrent Liabilities				
Long-Term Debt				
General obligation debt payable	-	-	87,000	87,000
Revenue bonds payable	3,890,000	1,101,175	-	4,991,175
Unamortized debt discount	(33,405)	-	-	(33,405)
Compensated absences	20,350	9,095	9,180	38,625
Advance from other funds	-	-	842,605	842,605
Total Noncurrent Liabilities	<u>3,876,945</u>	<u>1,110,270</u>	<u>938,785</u>	<u>5,926,000</u>
Total Liabilities	<u>4,160,490</u>	<u>1,187,951</u>	<u>1,036,465</u>	<u>6,384,906</u>
NET POSITION				
Net investment in capital assets	1,044,322	1,838,964	571,478	3,454,764
Restricted for				
Equipment replacement	-	-	633,636	633,636
Debt service	16,398	43,142	-	59,540
Unrestricted (Deficit)	<u>517,705</u>	<u>460,926</u>	<u>(813,915)</u>	<u>164,716</u>
TOTAL NET POSITION	<u>\$ 1,578,425</u>	<u>\$ 2,343,032</u>	<u>\$ 391,199</u>	<u>\$ 4,312,656</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, 2014

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
OPERATING REVENUES				
Public charges for services	\$ 1,905,048	\$ 401,556	\$ 313,671	\$ 2,620,275
Total Operating Revenues	<u>1,905,048</u>	<u>401,556</u>	<u>313,671</u>	<u>2,620,275</u>
OPERATING EXPENSES				
Operation and maintenance	1,345,773	221,017	217,822	1,784,612
Depreciation	212,634	112,379	128,872	453,885
Taxes	24,028	5,640	6,791	36,459
Total Operating Expenses	<u>1,582,435</u>	<u>339,036</u>	<u>353,485</u>	<u>2,274,956</u>
Operating Income (Loss)	<u>322,613</u>	<u>62,520</u>	<u>(39,814)</u>	<u>345,319</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	4,769	304	4,485	9,558
Interest expense	<u>(90,639)</u>	<u>(31,926)</u>	<u>(7,473)</u>	<u>(130,038)</u>
Total Nonoperating Revenues (Expenses)	<u>(85,870)</u>	<u>(31,622)</u>	<u>(2,988)</u>	<u>(120,480)</u>
Income (Loss) Before Contributions and Transfers	<u>236,743</u>	<u>30,898</u>	<u>(42,802)</u>	<u>224,839</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	8,528	7,078	2,800	18,406
Transfers out	<u>(88,583)</u>	<u>(63,961)</u>	<u>-</u>	<u>(152,544)</u>
Total Contributions and Transfers	<u>(80,055)</u>	<u>(56,883)</u>	<u>2,800</u>	<u>(134,138)</u>
Change in Net Position	156,688	(25,985)	(40,002)	90,701
NET POSITION - Beginning of Year	<u>1,421,737</u>	<u>2,369,017</u>	<u>431,201</u>	<u>4,221,955</u>
NET POSITION - END OF YEAR	<u>\$ 1,578,425</u>	<u>\$ 2,343,032</u>	<u>\$ 391,199</u>	<u>\$ 4,312,656</u>

See accompanying notes to financial statements.

VILLAGE OF TREMPEALEAU

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 1,971,629	\$ 406,194	\$ 301,831	\$ 2,679,654
Cash received from city	33,628	-	-	33,628
Paid to suppliers for goods and services	(1,239,464)	(139,523)	(146,490)	(1,525,477)
Paid to employees for services	(153,807)	(83,483)	(78,765)	(316,055)
Net Cash Flows From Operating Activities	<u>611,986</u>	<u>183,188</u>	<u>76,576</u>	<u>871,750</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	5,454	304	4,782	10,540
Investments purchased	(60,000)	-	-	(60,000)
Investments sold	150,000	-	-	150,000
Net Cash Flows From Investing Activities	<u>95,454</u>	<u>304</u>	<u>4,782</u>	<u>100,540</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(88,583)	(63,961)	-	(152,544)
Negative cash implicitly financed	(57,496)	-	123,294	65,798
Net Cash Flows From Noncapital Financing Activities	<u>(146,079)</u>	<u>(63,961)</u>	<u>123,294</u>	<u>(86,746)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt issued	194,800	-	174,000	368,800
Debt retired	(50,000)	(62,530)	(301,964)	(414,494)
Interest paid	(48,736)	(31,802)	(7,473)	(88,011)
Acquisition and construction of capital assets	(86,923)	(50,125)	(84,187)	(221,235)
Contributions received for construction	8,528	-	2,800	11,328
Cash paid to escrow for refunding	(29,137)	-	-	(29,137)
Net Cash Flows From Capital and Related Financing Activities	<u>(11,468)</u>	<u>(144,457)</u>	<u>(216,824)</u>	<u>(372,749)</u>
Net Change in Cash and Cash Equivalents	549,893	(24,926)	(12,172)	512,795
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>962,668</u>	<u>472,584</u>	<u>75,808</u>	<u>1,511,060</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,512,561</u>	<u>\$ 447,658</u>	<u>\$ 63,636</u>	<u>\$ 2,023,855</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)	\$ 322,613	\$ 62,520	\$ (39,814)	\$ 345,319
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	212,634	112,379	128,872	453,885
Depreciation charged to other funds	-	2,855	(2,855)	-
Changes in assets and liabilities				
Accounts receivable	99,008	1,783	(8,985)	91,806
Inventories	(3,834)	-	-	(3,834)
Accounts payable	(25,318)	(1,921)	(312)	(27,551)
Other current liabilities	5,682	5,572	(330)	10,924
Customer deposits	1,201	-	-	1,201
	<u>611,986</u>	<u>183,188</u>	<u>76,576</u>	<u>871,750</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 611,986</u>	<u>\$ 183,188</u>	<u>\$ 76,576</u>	<u>\$ 871,750</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and investments - statement of net position	\$ 286,837	\$ 423,891	\$ -	\$ 710,728
Restricted cash and investments - statement of net position	<u>1,285,724</u>	<u>48,767</u>	<u>633,636</u>	<u>1,968,127</u>
Total Cash and Investments	1,572,561	472,658	633,636	2,678,855
Less: Noncash equivalents	<u>(60,000)</u>	<u>(25,000)</u>	<u>(570,000)</u>	<u>(655,000)</u>
CASH AND CASH EQUIVALENTS	<u>\$ 1,512,561</u>	<u>\$ 447,658</u>	<u>\$ 63,636</u>	<u>\$ 2,023,855</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Services contributed by customers	<u>\$ -</u>	<u>\$ 7,078</u>	<u>\$ -</u>	
Debt incurred via refinancing	<u>\$ 3,772,497</u>	<u>\$ -</u>	<u>\$ -</u>	
Debt issuance costs and discount deducted from debt proceeds	<u>\$ 67,703</u>	<u>\$ -</u>	<u>\$ -</u>	
Debt paid via refinancing	<u>\$ (3,705,000)</u>	<u>\$ -</u>	<u>\$ -</u>	

See accompanying notes to financial statements.

VILLAGE OF TREMPEALEAU

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2014

	<u>Agency Fund</u> <u>Tax Agency</u> <u>Fund</u>
ASSETS	
Cash and investments	\$ 785,382
Tax roll receivable	<u>998,788</u>
TOTAL ASSETS	<u>\$ 1,784,170</u>
LIABILITIES	
Accounts payable	\$ 110
Due to other governments	<u>1,784,060</u>
TOTAL LIABILITIES	<u>\$ 1,784,170</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, 2014

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

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.

Fund Financial Statements

Financial statements of the village 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 balance, revenues, and expenditures/expenses.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

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.
- 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, other than TID or enterprise debt.
- 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, 2014

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

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

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 deferred inflows. 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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. 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 requirements) 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.

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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

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, DEFERRED OUTFLOWS OF RESOURCES, 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.
- 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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

1. Deposits and Investments (cont.)

The village has adopted an investment policy. That policy follows the state statute for allowable investments. 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.

See Note III. A. for further information.

2. Receivables

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

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

2. Receivables (cont.)

Property tax calendar - 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale - 2014 delinquent real estate taxes	October 2017

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.

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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

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:

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

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

5. Capital Assets (cont.)

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. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

7. Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2014, are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

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

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

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

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

9. Deferred Inflows of Resources

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

10. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the village's policy to use restricted resources first, then unrestricted resources as they are needed.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

10. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- 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 TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

11. 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 January 1, 2014 were approved by village ordinance dated February 3, 2014.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General Fund	\$ 955,307	\$ 1,037,018	\$ 81,711
Capital Improvements	377,000	388,542	11,542
Library	101,245	110,384	9,139
TIF	42,000	46,010	4,010

The village controls expenditures at the function level. Some individual functions 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 TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

C. DEFICIT BALANCES

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

As of December 31, 2014, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF	\$ 250,613	Expenditures in excess of revenues
Block Grant	77	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. Block Grant fund deficits are anticipated to be funded with future loan repayments.

D. 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.

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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 3,143,350	\$ 3,170,640	Custodial credit risk
US agencies - explicitly guaranteed	360,000	354,727	Custodial credit and interest rate risk
US agencies - implicitly guaranteed	150,000	148,497	Custodial credit, credit, interest rate and concentration of credit risks
Petty cash	200	-	N/A
Total Deposits and Investments	\$ 3,653,550	\$ 3,673,864	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 884,732		
Restricted cash and investments	1,983,436		
Per statement of assets and liabilities - agency fund			
Agency Fund	785,382		
Total Deposits and Investments	\$ 3,653,550		

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.

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, 2014, the banks had pledged various government securities in the amount of \$1,154,740 to secure the village's deposits.

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2014, \$426,556 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>426,556</u>
Total	\$ <u><u>426,556</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 AAA and AA+ by Standard & Poors.

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, 2014, 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	29.51%

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2014, the village's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
US agencies - explicitly guaranteed	\$ 354,727	4
US agencies - implicitly guaranteed	148,497	3

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 \$96,887 in the Block Grant Fund.

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	\$ 596,918	\$ -
Special assessments not yet due	-	2,442
Housing loans	-	96,887
Interest receivable on advance to TIF	-	70,000
Other receivables	<u>45,374</u>	<u>37,449</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 642,292</u>	 <u>\$ 206,778</u>

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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.

Following is a list of restricted assets at December 31, 2014:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 81,977	\$ 22,437	\$ 59,540
Construction account	965,997	-	n/a
Equipment replacement account	633,636	-	633,636
Bond reserve account	286,517	-	n/a
Impact fee account	15,309	-	15,309
Total	\$ 1,983,436	\$ 22,437	\$ 708,485

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 134,426	\$ 200,000	\$ -	\$ 334,426
Total Capital Assets Not Being Depreciated	<u>134,426</u>	<u>200,000</u>	<u>-</u>	<u>334,426</u>
Capital assets being depreciated				
Land improvements	69,120	23,288	-	92,408
Buildings	2,723,349	15,574	13,335	2,725,588
Vehicles and equipment	637,541	21,720	13,082	646,179
Infrastructure	<u>1,527,334</u>	<u>443,106</u>	<u>16,155</u>	<u>1,954,285</u>
Total Capital Assets Being Depreciated	<u>4,957,344</u>	<u>503,688</u>	<u>42,572</u>	<u>5,418,460</u>
Total Capital Assets	<u>5,091,770</u>	<u>703,688</u>	<u>42,572</u>	<u>5,752,886</u>
Less: Accumulated depreciation for				
Land improvements	(15,276)	(3,232)	-	(18,508)
Buildings	(596,146)	(58,957)	8,700	(646,403)
Vehicles and equipment	(190,944)	(41,722)	369	(232,297)
Infrastructure	<u>(439,656)</u>	<u>(164,813)</u>	<u>404</u>	<u>(604,065)</u>
Total Accumulated Depreciation	<u>(1,242,022)</u>	<u>(268,724)</u>	<u>9,473</u>	<u>(1,501,273)</u>
Net Capital Assets Being Depreciated	<u>3,715,322</u>	<u>234,964</u>	<u>33,099</u>	<u>3,917,187</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,849,748</u>	<u>\$ 434,964</u>	<u>\$ 33,099</u>	<u>\$ 4,251,613</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 7,367
Public safety	17,058
Public works, which includes the depreciation of infrastructure	196,784
Culture, education and recreation	<u>47,515</u>
Total Governmental Activities Depreciation Expense	<u>\$ 268,724</u>

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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	-	24,718	-	24,718
Total Capital Assets Not Being Depreciated	58,640	24,718	-	83,358
Capital assets being depreciated				
Transmission and distribution plant	5,141,871	86,637	40,906	5,187,602
General plant	354,476	10,568	2,253	362,791
Total Capital Assets Being Depreciated	5,496,347	97,205	43,159	5,550,393
Total Capital Assets	5,554,987	121,923	43,159	5,633,751
Less: Accumulated depreciation for				
Electric plant	(1,740,225)	(247,634)	43,159	(1,944,700)
Total Accumulated Depreciation	(1,740,225)	(247,634)	43,159	(1,944,700)
Net Capital Assets Being Depreciated	3,756,122	(150,429)	-	3,605,693
Net Electric Capital Assets	\$ 3,814,762	\$ (125,711)	\$ -	\$ 3,689,051

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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
Construction in progress	-	3,089	-	3,089
Total Capital Assets Not Being Depreciated	64,571	3,089	-	67,660
Capital assets being depreciated				
Source of supply plant	464,874	-	-	464,874
General plant	38,525	9,971	1,408	47,088
Pumping plant	306,063	-	-	306,063
Transmission and distribution plant	1,754,732	44,144	6,863	1,792,013
Water treatment plant	1,344,089	-	-	1,344,089
Total Capital Assets Being Depreciated	3,908,283	54,115	8,271	3,954,127
Total Capital Assets	3,972,854	57,204	8,271	4,021,787
Less: Accumulated depreciation for				
Water plant	(910,486)	(115,235)	8,271	(1,017,450)
Total Accumulated Depreciation	(910,486)	(115,235)	8,271	(1,017,450)
Net Capital Assets Being Depreciated	2,997,797	(61,120)	-	2,936,677
Net Water Capital Assets	\$ 3,062,368	\$ (58,031)	\$ -	\$ 3,004,337

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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
Construction in progress	-	51,217	-	51,217
Total Capital Assets Not Being Depreciated	3,100	51,217	-	54,317
Capital assets being depreciated				
Collection system plant	1,304,542	-	-	1,304,542
Pumping equipment	280,055	-	-	280,055
Treatment and disposal plant	1,813,135	23,000	11,058	1,825,077
General plant	106,705	9,970	1,619	115,056
Total Capital Assets Being Depreciated	3,504,437	32,970	12,677	3,524,730
Total Capital Assets	3,507,537	84,187	12,677	3,579,047
Less: Accumulated depreciation for				
Sewer plant	(2,720,229)	(126,017)	12,677	(2,833,569)
Total Accumulated Depreciation	(2,720,229)	(126,017)	12,677	(2,833,569)
Net Capital Assets Being Depreciated	784,208	(93,047)	-	691,161
Net Sewer Capital Assets	\$ 787,308	\$ (41,830)	\$ -	\$ 745,478
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 7,664,438	\$ (225,572)	\$ -	\$ 7,438,866

Depreciation expense was charged to functions as follows:

Business-type Activities

Electric	\$ 212,634
Water	112,379
Sewer	128,872
Total Business-type Activities Depreciation Expense	\$ 453,885

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 TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

E. INTERFUND ADVANCES AND TRANSFERS

Advances

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

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF	\$ 250,613	\$ 250,613
General Fund	Sewer Utility	803,417	803,417
Electric Utility	Sewer Utility	39,188	39,188
Total - Fund Financial Statements		1,093,218	
Less: Fund eliminations		(289,801)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ 803,417	

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

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Electric Utility	\$ 88,583	Property tax equivalent
General Fund	Water Utility	63,961	Property tax equivalent
Capital Improvements	General Fund	251,468	Operating subsidy
Total - Fund Financial Statements		404,012	
Less: Fund eliminations		(251,468)	
Total Transfers - Government-Wide Statement of Activities		\$ 152,544	

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

E. INTERFUND ADVANCES AND TRANSFERS (cont.)

Transfers (cont.)

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 1,048,889	\$ 553,611	\$ 420,000	\$ 1,182,500	\$ 110,000
Other Liabilities					
Vested compensated absences	33,631	29,356	21,719	41,268	15,446
Landfill liability	64,736	-	7,874	56,862	7,100
Total Other Liabilities	<u>98,367</u>	<u>29,356</u>	<u>29,593</u>	<u>98,130</u>	<u>22,546</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,147,256</u>	<u>\$ 582,967</u>	<u>\$ 449,593</u>	<u>\$ 1,280,630</u>	<u>\$ 132,546</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ -	\$ 174,000	\$ -	\$ 174,000	\$ 87,000
Revenue bonds	2,384,867	4,035,000	1,219,494	5,200,373	209,198
Revenue bond anticipation notes	2,900,000	-	2,900,000	-	-
(Discounts)/Premiums	-	(33,405)	-	(33,405)	-
Sub-totals	<u>5,284,867</u>	<u>4,175,595</u>	<u>4,119,494</u>	<u>5,340,968</u>	<u>296,198</u>
Other Liabilities					
Vested compensated absences	46,202	41,430	30,555	57,077	18,452
Total Business-type Activities Long-Term Liabilities	<u>\$ 5,331,069</u>	<u>\$ 4,217,025</u>	<u>\$ 4,150,049</u>	<u>\$ 5,398,045</u>	<u>\$ 314,650</u>

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, 2014, was \$5,209,940. Total general obligation debt outstanding at year end was \$1,356,500.

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

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. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2014
General obligation refunding bonds	4/28/2009	10/1/2021	2.0 - 4.2%	\$ 1,155,000	\$ 680,000
State trust fund loan	9/22/2014	3/15/2024	3.5%	502,500	<u>502,500</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 1,182,500</u>

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2014
Sewer Promissory Note	9/15/2014	5/1/2016	1.95%	\$ 174,000	<u>\$ 174,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 174,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2015	\$ 110,000	\$ 25,445	\$ 87,000	\$ 2,978
2016	131,106	48,055	87,000	848
2017	145,978	35,034	-	-
2018	152,762	29,925	-	-
2019	159,608	24,278	-	-
2020-2024	<u>483,046</u>	<u>43,506</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,182,500</u>	<u>\$ 206,243</u>	<u>\$ 174,000</u>	<u>\$ 3,826</u>

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

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

The electric utility has pledged future electric revenues, net of specified operating expenses, to repay revenue bonds issued in 2014. Proceeds from the bonds provided financing for the utility system improvements. The bonds are payable solely from electric revenues and are payable through 2034. Annual principal and interest payments on the bonds are expected to require 52% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,592,923. Principal and interest paid for the current year and total customer net revenues were \$98,730 and \$540,010, respectively.

The water utility has pledged future water revenues, net of specified operating expenses, to repay revenue bonds issued in 2009. Proceeds from the bonds provided financing for the utility system improvements. The bonds are payable solely from water revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 54% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,413,807. Principal and interest paid for the current year and total customer net revenues were \$94,456 and \$175,203, respectively.

Revenue debt payable at December 31, 2014, 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, 2014</u>
<u>Water Utility</u>					
Safe drinking water loan	11/12/2009	5/1/2029	2.668%	\$ 1,417,481	\$ 1,165,373
<u>Electric Utility</u>					
Electric revenue bonds	10/15/2014	12/01/2034	1.25 - 4.00%	4,035,000	<u>4,035,000</u>
Total Business-type Activities - Revenue Debt					<u><u>\$ 5,200,373</u></u>

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Revenue Debt	
	Principal	Interest
	2015	\$ 209,198
2016	230,911	147,834
2017	232,669	142,752
2018	239,475	138,860
2019	241,328	134,857
2020-2024	1,296,223	589,477
2025-2029	1,495,569	330,289
2030-2034	1,255,000	154,200
Totals	\$ 5,200,373	\$ 1,806,357

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.

Advance Refunding

On October 15, 2014, the electric utility issued \$795,000 in revenue bonds with an average coupon rate of 3% to advance refund \$805,000 of outstanding bonds with an average coupon rate of 5%. The net proceeds along with existing funds of the electric utility were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The cash flow requirements on the refunded debt prior to the advance refunding was \$955,308 from 2014 through 2026. The cash flow requirements on the 2014 refunding bonds are \$871,024 from 2015 through 2026. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$68,218.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

Current Refunding

On October 15, 2014, the electric utility issued \$3,240,000 in revenue bonds with an average coupon rate of 3.46% to refund \$2,900,000 of outstanding bond anticipation notes with an average coupon rate of 1.00%. The net proceeds along with existing funds of the electric utility were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$2,914,500 from 2014 through 2015. The cash flow requirements on the 2014 refunding bonds are \$4,496,827 from 2015 through 2034. The current refunding resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$241,605. The refunded debt was due in a balloon payment on December 1, 2014. The current refunding was necessary to provide for long-term debt service payments.

On September 15, 2014, the sewer utility refunded \$204,542 of clean water fund debt with \$174,000 from a new bank loan at 1.95% plus internal funds.

The cash flow requirements on the refunded debt prior to the current refunding was \$220,309 from 2015 through 2016. The cash flow requirements on the 2014 promissory note is \$177,827 from 2015 through 2016. The economic gain or loss has not been determined.

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 \$56,862 reported as landfill postclosure care liability at December 31, 2014, 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, 2014, the village had landfill maintenance and monitoring costs in the amount of \$7,874. 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, 2014

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, 2014, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 334,426
Other capital assets, net of accumulated depreciation	3,917,187
Less: Long-term debt outstanding	<u>(1,182,500)</u>
 Total Net Investment in Capital Assets	 <u><u>\$ 3,069,113</u></u>

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2014, include the following:

	General Fund	Debt Service	Capital Improvements	Nonmajor Funds	Totals
Fund Balances					
Nonspendable:					
Advances	\$ 1,054,030	\$ -	\$ -	\$ -	\$ 1,054,030
Delinquent taxes	3,487	-	-	-	3,487
Restricted for:					
Impact fees	15,309	-	-	-	15,309
Debt service	-	27,589	-	-	27,589
Capital improvements	-	-	401	-	401
Donor restrictions - library	-	-	-	111,471	111,471
Donor restrictions - Trempealeau Trust	-	-	-	18,286	18,286
State statutes - library	-	-	-	9,220	9,220
Unassigned (deficit):	<u>15,563</u>	<u>-</u>	<u>-</u>	<u>(250,690)</u>	<u>(235,127)</u>
 Total Fund Balances (Deficit)	 <u><u>\$ 1,088,389</u></u>	 <u><u>\$ 27,589</u></u>	 <u><u>\$ 401</u></u>	 <u><u>\$ (111,713)</u></u>	 <u><u>\$ 1,004,666</u></u>

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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
Construction in progress	79,024
Other capital assets, net of accumulated depreciation	7,233,531
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(4,408,376)
Plus: Noncapital debt proceeds	<u>424,274</u>
Total Net Investment in Capital Assets	<u>\$ 3,454,764</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, 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 changed to one-half of the actuarially determined contribution rate for employees in the General Employment category, 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, 2014 were:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The payroll for village employees covered by the WRS for the year ended December 31, 2014 was \$546,593; the employer's total payroll was \$599,860. The total required contribution for the year ended December 31, 2014 was \$79,673 or 14.6% of covered payroll. Of this amount, 7.58 percent was contributed by the employer and 7.00 percent was contributed by the employee for the current year. Total contributions for the years ended 2013 and 2012 were \$71,661 and \$63,008, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. 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, 2014 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.

VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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.

Purchased Power 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 with American Electric Power Corporation. The village has agreed to purchase all electric power and energy for the electric utility from GLU.

On November 1, 2014, the village entered into a long term full requirements power supply contract with GLU. The contract has an initial term of 25 years and thereafter until terminated with notice as specified in the agreement. This agreement replaces the old requirements power supply contract with GLU dated November 1, 2013.

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 is obligated by the joint venture agreement to remit an amount annually to the district. The village made a payment to the district of \$39,885 in 2014.

Financial information of the district as of December 31, 2014 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, 2014

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 \$13,584 to the Commission in 2014. 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. SUBSEQUENT EVENT

On January 30, 2015, the village drew an additional \$500,000 on the 2014 state trust fund loan. The terms for this loan include an interest rate of 3.5% with principal and interest payments due in 10 annual installments beginning on March 15, 2016.

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

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

- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 71, *Pension - Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68*

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

G. 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.

VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

G. STATUS OF TAX INCREMENTAL FINANCING DISTRICT (cont.)

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

	2014	From Date of Creation
Project Costs		
Capital expenditures	\$ 150	\$ 598,192
Interest and fiscal charges	10,860	279,814
Total Costs	11,010	878,006
 Project Revenues		
Tax increments	41,355	497,868
Special assessments	-	6,561
Miscellaneous	-	68,119
Sale of property	-	36,810
Total Revenues	41,355	609,358
 Net Costs Recoverable Through TIF Increments - December 31, 2014		
	\$ (30,345)	\$ 268,648
 Reconciliation of Recoverable Costs		
General obligation debt		\$ 18,035
Plus: Fund balance deficit		250,613
 Net Costs Recoverable Through TIF Increments - December 31, 2014		
		\$ 268,648

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 \$42,599.

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
TAXES				
Property	\$ 215,442	\$ 215,442	\$ 216,443	\$ 1,001
Mobile home taxes	30,000	30,000	40,421	10,421
Public accommodation (room) taxes	5,000	5,000	7,432	2,432
Payments in lieu of taxes	7,000	7,000	7,337	337
Total Taxes	<u>257,442</u>	<u>257,442</u>	<u>271,633</u>	<u>14,191</u>
INTERGOVERNMENTAL REVENUES				
State shared revenues	231,506	231,506	231,506	-
Fire insurance tax from state	3,587	3,587	4,241	654
State aid - computer exemption	1,000	1,000	448	(552)
State aid - law enforcement improvement	300	300	2,203	1,903
State aid - connecting streets	51,468	51,468	51,457	(11)
State aid - local road improvement program	-	-	7,809	7,809
Aid in lieu of taxes	257	257	289	32
County aid - parks - capital	-	-	100,000	100,000
Total Intergovernmental Revenues	<u>288,118</u>	<u>288,118</u>	<u>397,953</u>	<u>109,835</u>
LICENSES AND PERMITS				
Liquor and malt beverage licenses	3,000	3,000	3,385	385
Operators' license	500	500	425	(75)
Cigarette licenses	25	25	5	(20)
Soda licenses	50	50	75	25
Dog licenses	200	200	642	442
Building permits	4,500	4,500	10,685	6,185
Zoning permits and fees	500	500	1,000	500
Other permits	400	400	475	75
Total Licenses and Permits	<u>9,175</u>	<u>9,175</u>	<u>16,692</u>	<u>7,517</u>
FINES, FORFEITURES AND PENALTIES				
Court penalties and costs	4,000	4,000	7,702	3,702
Parking violations	100	100	300	200
Other law and ordinance violations	100	100	125	25
Total Fines, Forfeitures and Penalties	<u>4,200</u>	<u>4,200</u>	<u>8,127</u>	<u>3,927</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
Clerk's fees	\$ 6,500	\$ 6,500	\$ 6,571	\$ 71
License publication fees	50	50	40	(10)
Landfill	2,500	2,500	3,937	1,437
Swimming areas	25,000	25,000	17,311	(7,689)
Parkland development	2,250	2,250	2,000	(250)
Total Public Charges for Services	<u>36,300</u>	<u>36,300</u>	<u>29,859</u>	<u>(6,441)</u>
SPECIAL ASSESSMENTS				
Street improvements	-	-	2,886	2,886
INVESTMENT INCOME				
Investment income	4,160	4,160	2,318	(1,842)
Interest on advances to other funds	19,300	19,300	19,257	(43)
Interest on special assessments	-	-	103	103
Total Investment Income	<u>23,460</u>	<u>23,460</u>	<u>21,678</u>	<u>(1,782)</u>
MISCELLANEOUS				
Donations	3,000	3,000	61	(2,939)
Rent	1,000	1,000	1,225	225
Other miscellaneous	12,000	12,000	41,107	29,107
Total Miscellaneous	<u>16,000</u>	<u>16,000</u>	<u>42,393</u>	<u>26,393</u>
Total Revenues	<u>634,695</u>	<u>634,695</u>	<u>791,221</u>	<u>156,526</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Attorney	4,299	4,299	4,291	8
Legal	5,000	5,000	17,013	(12,013)
Village clerk	31,740	31,740	21,570	10,170
Clerk - elections	25,207	25,207	24,109	1,098
Elections	1,600	1,600	4,235	(2,635)
Treasurer	10,000	10,000	13,846	(3,846)
Treasury	15,038	15,038	16,683	(1,645)
Village hall	8,500	8,500	7,761	739
General buildings/plant/hall	34,000	34,000	32,709	1,291
Property and liability insurance	20,000	20,000	15,486	4,514
Other general government	12,894	12,894	11,941	953
Total General Government	<u>168,278</u>	<u>168,278</u>	<u>169,644</u>	<u>(1,366)</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC SAFETY				
Police	\$ 183,720	\$ 183,720	\$ 209,189	\$ (25,469)
Fire protection	39,000	39,000	39,885	(885)
EMT	4,677	4,677	4,776	(99)
Building inspection	7,000	7,000	16,720	(9,720)
Total Public Safety	<u>234,397</u>	<u>234,397</u>	<u>270,570</u>	<u>(36,173)</u>
PUBLIC WORKS				
Shop operations	98,694	98,694	17,069	81,625
Machinery operation and maintenance	6,000	6,000	10,728	(4,728)
Street maintenance	9,500	9,500	52,912	(43,412)
Tree and brush removal	-	-	14,153	(14,153)
Snow and ice control	22,250	22,250	27,383	(5,133)
Traffic control	1,500	1,500	104	1,396
Sidewalks	1,500	1,500	5,500	(4,000)
Street lighting	34,560	34,560	34,974	(414)
Refuse and garbage collection	-	-	114	(114)
Recycling	13,552	13,552	13,584	(32)
Sanitary landfill	4,500	4,500	7,874	(3,374)
Weed control	-	-	3,863	(3,863)
Total Public Works	<u>192,056</u>	<u>192,056</u>	<u>188,258</u>	<u>3,798</u>
HEALTH AND HUMAN SERVICES				
Cemetery	600	600	600	-
Senior activities	150	150	47	103
Total Health and Human Services	<u>750</u>	<u>750</u>	<u>647</u>	<u>103</u>
CULTURE, RECREATION AND EDUCATION				
Parks	11,899	11,899	11,898	1
Recreation	9,000	9,000	7,800	1,200
Celebrations and entertainment	200	200	3,335	(3,135)
Swimming pool	84,509	84,509	98,509	(14,000)
Total Culture, Recreation and Education	<u>105,608</u>	<u>105,608</u>	<u>121,542</u>	<u>(15,934)</u>
CONSERVATION AND DEVELOPMENT				
Planning	1,000	1,000	-	1,000
Zoning	1,000	1,000	34,706	(33,706)
Economic development	750	750	183	567
Total Conservation and Development	<u>2,750</u>	<u>2,750</u>	<u>34,889</u>	<u>(32,139)</u>
Total Expenditures	<u>703,839</u>	<u>703,839</u>	<u>785,550</u>	<u>(81,711)</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, 2014

	<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	\$ (69,144)	\$ (69,144)	5,671	\$ 74,815
OTHER FINANCING SOURCES (USES)				
Debt issued	-	200,000	200,000	-
Transfers in	120,612	120,612	152,544	31,932
Transfers out	(51,468)	(251,468)	(251,468)	-
Total Other Financing Sources (Uses)	<u>69,144</u>	<u>69,144</u>	<u>101,076</u>	<u>31,932</u>
Net Change in Fund Balance	-	-	106,747	106,747
FUND BALANCE - Beginning of Year	<u>981,642</u>	<u>981,642</u>	<u>981,642</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 981,642</u>	<u>\$ 981,642</u>	<u>\$ 1,088,389</u>	<u>\$ 106,747</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, 2014

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.

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 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, 2014

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	Library	Block Grant	Trempealeau Trust Fund	TIF	
ASSETS					
Cash and investments	\$ 121,993	\$ 5,735	\$ 18,286	\$ -	\$ 146,014
Receivables					
Taxes	67,981	-	-	42,599	110,580
Accrued interest	703	-	-	-	703
Notes	-	96,887	-	-	96,887
TOTAL ASSETS	<u>\$ 190,677</u>	<u>\$ 102,622</u>	<u>\$ 18,286</u>	<u>\$ 42,599</u>	<u>\$ 354,184</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,005	\$ 5,812	\$ -	\$ -	\$ 7,817
Advances from other funds	-	-	-	250,613	250,613
Total Liabilities	<u>2,005</u>	<u>5,812</u>	<u>-</u>	<u>250,613</u>	<u>258,430</u>
Deferred Inflows of Resources					
Unearned revenues	67,981	-	-	42,599	110,580
Unavailable revenues	-	96,887	-	-	96,887
Total Deferred Inflows of Resources	<u>67,981</u>	<u>96,887</u>	<u>-</u>	<u>42,599</u>	<u>207,467</u>
Fund Balances (Deficit)					
Restricted	120,691	-	18,286	-	138,977
Unassigned (deficit)	-	(77)	-	(250,613)	(250,690)
Total Fund Balances (Deficit)	<u>120,691</u>	<u>(77)</u>	<u>18,286</u>	<u>(250,613)</u>	<u>(111,713)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 190,677</u>	<u>\$ 102,622</u>	<u>\$ 18,286</u>	<u>\$ 42,599</u>	<u>\$ 354,184</u>

VILLAGE OF TREMPEALEAU

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	Library	Block Grant	Trempealeau Trust Fund	TIF	
REVENUES					
Taxes	\$ 63,535	\$ -	\$ -	\$ 41,355	\$ 104,890
Intergovernmental	28,712	-	-	-	28,712
Investment income	1,235	-	148	-	1,383
Miscellaneous	<u>9,534</u>	<u>13,824</u>	-	-	<u>23,358</u>
Total Revenues	<u>103,016</u>	<u>13,824</u>	<u>148</u>	<u>41,355</u>	<u>158,343</u>
EXPENDITURES					
Current					
Culture, recreation and education	110,384	-	-	-	110,384
Conservation and development	-	13,903	-	150	14,053
Debt Service					
Principal	-	-	-	35,000	35,000
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,860</u>	<u>10,860</u>
Total Expenditures	<u>110,384</u>	<u>13,903</u>	<u>-</u>	<u>46,010</u>	<u>170,297</u>
Net Change in Fund Balances	(7,368)	(79)	148	(4,655)	(11,954)
FUND BALANCES (DEFICIT)					
- Beginning of Year	<u>128,059</u>	<u>2</u>	<u>18,138</u>	<u>(245,958)</u>	<u>(99,759)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 120,691</u>	<u>\$ (77)</u>	<u>\$ 18,286</u>	<u>\$ (250,613)</u>	<u>\$ (111,713)</u>

VILLAGE OF TREMPEALEAU

DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - ELECTRIC For the Year Ended December 31, 2014

OPERATING REVENUES

Sales of Electricity	
Residential	\$ 1,133,329
Small commercial	382,569
Large power	342,775
Public street lighting	33,628
Total Sales of Electricity	<u>1,892,301</u>
Other Operating Revenues	
Forfeited discounts	6,424
Rent from electric property	2,361
Other electric revenues	3,962
Total Other Operating Revenues	<u>12,747</u>
Total Operating Revenues	<u>1,905,048</u>

OPERATING EXPENSES

Operation and Maintenance Expenses	
Other Power Supply Expenses	
Purchased power	1,029,878
Total Other Power Supply Expenses	<u>1,029,878</u>
Transmission Expenses	
Operation supervision and labor	61,980
Total Transmission Expenses	<u>61,980</u>
Distribution Expenses	
Line and station supplies and expenses	8,179
Meter expenses	104.00
Maintenance of structures	4,282
Maintenance of lines	14,375
Maintenance of line transformers	2,619
Maintenance of street lighting	2,760
Maintenance of meters	910
Miscellaneous distribution expenses	3,122
Total Distribution Expenses	<u>36,351</u>

VILLAGE OF TREMPEALEAU

DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - ELECTRIC (cont.) For the Year Ended December 31, 2014

OPERATING EXPENSES (cont.)

Operation and Maintenance Expenses (cont.)

Customer Accounts Expenses

Meter reading labor	\$ 5,007
Accounting and collecting labor	64,834
Supplies and expenses	2,384
Uncollectible accounts	<u>6,343</u>
Total Customer Accounts Expenses	<u>78,568</u>

Administrative and General Expenses

Administrative and general salaries	2,400
Office supplies and expenses	8,895
Outside services employed	20,237
Property insurance	8,899
Injuries and damages	3,417
Employee pensions and benefits	45,525
Miscellaneous general expenses	30,307
Transportation expenses	10,891
Maintenance of general plant	<u>8,425</u>

Total Administrative and General Expenses 138,996

Total Operation and Maintenance Expenses 1,345,773

Depreciation 212,634

Taxes 24,028

Total Operating Expenses 1,582,435

NET OPERATING INCOME \$ 322,613

VILLAGE OF TREMPEALEAU

DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - WATER For the Year Ended December 31, 2014

OPERATING REVENUES

Sales of Water	
Metered sales – residential	\$ 217,166
Metered sales – commercial	31,001
Metered sales – multi-family residential	3,799
Public fire protection	108,315
Other sales to public authorities	<u>26,000</u>
Total Sales of Water	<u>386,281</u>
Other Operating Revenues	
Forfeited discounts	1,172
Other water revenue	<u>14,103</u>
Total Other Operating Revenues	<u>15,275</u>
Total Operating Revenues	<u>401,556</u>

OPERATING EXPENSES

Operation and Maintenance Expenses	
Pumping Expenses	
Fuel or power purchased for pumping	24,472
Operation supplies and expenses	5,520
Maintenance of pumping plant	<u>44,839</u>
Total Pumping Expenses	<u>74,831</u>
Water Treatment Expenses	
Chemicals	12,333
Operation supplies and expenses	<u>4,228</u>
Total Water Treatment Expenses	<u>16,561</u>
Transmission and Distribution Expenses	
Maintenance of mains	3,711
Maintenance of services	1,270
Maintenance of meters	596
Maintenance of hydrants	<u>2,280</u>
Total Transmission and Distribution Expenses	<u>7,857</u>

VILLAGE OF TREMPEALEAU

DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - WATER (cont.) For the Year Ended December 31, 2014

OPERATING EXPENSES (cont.)

Operation and Maintenance Expenses (cont.)

Customer Accounts Expenses

Meter reading labor	\$ 3,101
Accounting and collecting labor	39,995
Uncollectible accounts	<u>1,289</u>
Total Customer Accounts Expenses	<u>44,385</u>

Administrative and General Expenses

Administrative and general salaries	1,500
Office supplies and expenses	4,386
Outside services employed	21,985
Property insurance	5,166
Employee pensions and benefits	28,557
Miscellaneous general expenses	12,049
Transportation expenses	<u>3,740</u>
Total Administrative and General Expenses	<u>77,383</u>

Total Operation and Maintenance Expenses 221,017

Depreciation expense 112,379

Taxes 5,640

Total Operating Expenses 339,036

NET OPERATING INCOME \$ 62,520

VILLAGE OF TREMPEALEAU

DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - SEWER For the Year Ended December 31, 2014

OPERATING REVENUES

Sewage Service	
Metered sales – residential	\$ 280,464
Metered sales – commercial	31,426
Total Sales of Water	<u>311,890</u>
Other Operating Revenues	
Forfeited discounts	964
Miscellaneous operating revenues	817
Total Other Operating Revenues	<u>1,781</u>
Total Operating Revenues	<u>313,671</u>

OPERATING EXPENSES

Operation and Maintenance Expenses	
Collection, Pumping and Treatment Expenses	
Power for pumping	34,986
Operating supplies	9,199
Maintenance of pumping equipment	4,276
Maintenance of collection system	50,235
Maintenance of treatment and disposal	225
Maintenance of general plant equipment	311
Total Collection, Pumping and Treatment Expenses	<u>99,232</u>
Customer Accounts Expenses	
Meter reading labor	3,317
Accounting and collecting labor	47,732
Uncollectible accounts	1,012
Total Customer Accounts Expenses	<u>52,061</u>
Administrative and General Expenses	
Administrative and general salaries	1,725
Office supplies and expenses	5,576
Outside services employed	18,366
Property insurance	6,992
Employee pensions and benefits	21,848
Miscellaneous general expenses	6,172
Transportation expenses	3,528
Rent	2,322
Total Administrative and General Expenses	<u>66,529</u>
Total Operation and Maintenance Expenses	<u>217,822</u>
Depreciation expense	128,872
Taxes	6,791
Total Operating Expenses	<u>353,485</u>
 NET OPERATING INCOME (LOSS)	 <u>\$ (39,814)</u>

VILLAGE OF TREMPÉALEAU

REQUIRED BOND DISCLOSURES For the Year Ended December 31, 2014

INSURANCE COVERAGE

Type	Coverage	Expiration
<i>Local Government Property Insurance</i>		
Buildings, Personal Property, Inland		
Marine Floater and Property in the Open	\$ 20,313,545	1/1/2015
Contractors Equipment	475,761	1/1/2015
<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	50,000/100,000	per person/per occurrence
Sewer Backup Extended Coverage	100,000/300,000	per occurrence/annual aggregate
Boiler/Mechanical Breakdown	30,000,000	1/1/2015
Transmission Provider	1,000,000	per occurrence

DEBT COVERAGE

	Electric 2014	Water 2014
Net income (loss)	\$ 156,688	\$ (25,985)
Depreciation and amortization	212,634	112,379
Interest expense	90,633	31,926
Property tax equivalent	88,583	63,961
Less: Capital contributions	<u>(8,528)</u>	<u>(7,078)</u>
Net Defined Earnings	<u>\$ 540,010</u>	<u>\$ 175,203</u>
Annual Debt Service	<u>\$ 98,730</u>	<u>\$ 94,456</u>
Annual Debt Coverage	<u>5.47</u>	<u>1.85</u>
Required Coverage per Resolution	<u>1.25</u>	<u>1.25</u>

VILLAGE OF TREMPEALEAU

REQUIRED BOND DISCLOSURES (cont.)
For the Year Ended December 31, 2014

NUMBER OF CUSTOMERS

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Residential	1,060	821	816
Commercial	189	57	53
Public authority	2	15	10
Fire protection	<u>-</u>	<u>2</u>	<u>-</u>
Totals	<u>1,251</u>	<u>895</u>	<u>879</u>