

**VILLAGE OF TREMPEALEAU**

Trempealeau, Wisconsin

**FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

# 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, 2019, 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.

## **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, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note I, the Village of Trempealeau adopted the provisions of GASB Statement No. 84, Fiduciary Activities, effective January 1, 2019. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information 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 opinions on the basic financial statements are 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Eau Claire, Wisconsin  
June 22, 2020

# VILLAGE OF TREMPEALEAU

## STATEMENT OF NET POSITION

As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 301,218	\$ 436,024	\$ 737,242
Receivables			
Taxes	915,096	-	915,096
Accounts	-	431,383	431,383
Notes	80,685	-	80,685
Special assessments	417	-	417
Delinquent personal property taxes	2,223	-	2,223
Other	15,223	6,856	22,079
Internal balances	440,555	(440,555)	-
Due from other governments	1,968	-	1,968
Inventories	-	74,507	74,507
Restricted assets			
Cash and investments	29,634	594,074	623,708
Capital Assets			
Land	334,426	152,680	487,106
Construction in progress	-	337,124	337,124
Other capital assets, net of depreciation	4,826,889	6,972,706	11,799,595
Total Assets	6,948,334	8,564,799	15,513,133
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	56,370	56,370
Pension related amounts	260,498	247,685	508,183
Total Deferred Outflows of Resources	260,498	304,055	564,553
<b>LIABILITIES</b>			
Accounts payable	10,911	122,892	133,803
Accrued liabilities	18,296	4,022	22,318
Deposits	-	5,952	5,952
Accrued interest	16,736	20,790	37,526
Noncurrent Liabilities			
Due within one year	355,906	296,286	652,192
Due in more than one year	998,298	4,064,516	5,062,814
Total Liabilities	1,400,147	4,514,458	5,914,605
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenues	923,069	-	923,069
Pension related amounts	131,067	131,496	262,563
Total Deferred Inflows of Resources	1,054,136	131,496	1,185,632
<b>NET POSITION</b>			
Net investment in capital assets	3,966,699	3,810,805	7,777,504
Restricted for			
Loan programs	80,705	-	80,705
Debt service	-	91,351	91,351
Impact fees - parks	29,634	-	29,634
Library	111,466	-	111,466
Trempealeau trust fund - community betterment	18,732	-	18,732
Unrestricted	547,313	320,744	868,057
<b>TOTAL NET POSITION</b>	<b>\$ 4,754,549</b>	<b>\$ 4,222,900</b>	<b>\$ 8,977,449</b>

See accompanying notes to financial statements.

# VILLAGE OF TREMPEALEAU

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 230,938	\$ 16,907	\$ -	\$ -
Public safety	424,376	2,588	6,984	-
Public works	460,284	6,884	89,633	-
Health and human services	78	-	-	-
Culture, education and recreation	373,575	33,963	63,293	8,000
Conservation and development	7,112	-	-	-
Interest and fiscal charges	<u>56,682</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>1,553,045</u>	<u>60,342</u>	<u>159,910</u>	<u>8,000</u>
Business-type Activities				
Electric Utility	2,069,804	2,147,728	-	2,579
Water Utility	412,463	493,746	-	-
Sewer Utility	<u>475,600</u>	<u>458,249</u>	<u>-</u>	<u>800</u>
Total Business-type Activities	<u>2,957,867</u>	<u>3,099,723</u>	<u>-</u>	<u>3,379</u>
Totals	<u>\$ 4,510,912</u>	<u>\$ 3,160,065</u>	<u>\$ 159,910</u>	<u>\$ 11,379</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for capital projects

Property taxes, levied for TIF districts

Property taxes, levied for the library

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total General Revenues

Transfers

### Change in net position

NET POSITION - Beginning of Year

**NET POSITION - END OF YEAR**

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (214,031)	\$ -	\$ (214,031)
(414,804)	-	(414,804)
(363,767)	-	(363,767)
(78)	-	(78)
(268,319)	-	(268,319)
(7,112)	-	(7,112)
<u>(56,682)</u>	<u>-</u>	<u>(56,682)</u>
<u>(1,324,793)</u>	<u>-</u>	<u>(1,324,793)</u>
-	80,503	80,503
-	81,283	81,283
-	<u>(16,551)</u>	<u>(16,551)</u>
-	<u>145,235</u>	<u>145,235</u>
<u>(1,324,793)</u>	<u>145,235</u>	<u>(1,179,558)</u>
314,736	-	314,736
338,443	-	338,443
100,389	-	100,389
69,890	-	69,890
88,325	-	88,325
62,040	-	62,040
235,638	-	235,638
36,685	11,464	48,149
<u>119,722</u>	<u>-</u>	<u>119,722</u>
<u>1,365,868</u>	<u>11,464</u>	<u>1,377,332</u>
<u>107,205</u>	<u>(107,205)</u>	<u>-</u>
148,280	49,494	197,774
<u>4,606,269</u>	<u>4,173,406</u>	<u>8,779,675</u>
<u>\$ 4,754,549</u>	<u>\$ 4,222,900</u>	<u>\$ 8,977,449</u>

See accompanying notes to financial statements.

## VILLAGE OF TREMPEALEAU

### BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	General Fund	Debt Service Fund	Capital Improvements Fund
<b>ASSETS</b>			
Cash and investments	\$ 166,370	\$ 142	\$ 3,915
Receivables			
Taxes	315,958	316,828	123,002
Delinquent personal property taxes	2,223	-	-
Special assessments	417	-	-
Notes	-	-	-
Other	14,916	-	-
Due from other governments	1,968	-	-
Restricted cash	29,634	-	-
Due from other funds	2,309	-	-
Advances to other funds	<u>473,576</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,007,371</u></b>	<b><u>\$ 316,970</u></b>	<b><u>\$ 126,917</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 6,423	\$ -	\$ 3,915
Accrued liabilities	18,296	-	-
Due to other funds	-	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>24,719</u>	<u>-</u>	<u>3,915</u>
Deferred Inflows of Resources			
Unearned revenues	323,931	316,828	123,002
Unavailable revenues	<u>35,281</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>359,212</u>	<u>316,828</u>	<u>123,002</u>
Fund Balances (Deficit)			
Nonspendable	475,799	-	-
Restricted	29,634	142	-
Unassigned (Deficit)	<u>118,007</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>623,440</u>	<u>142</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 1,007,371</u></b>	<b><u>\$ 316,970</u></b>	<b><u>\$ 126,917</u></b>



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Nonmajor Governmental Funds	Totals
\$ 130,791	\$ 301,218
159,308	915,096
-	2,223
-	417
80,685	80,685
307	15,223
-	1,968
-	29,634
-	2,309
<u>-</u>	<u>473,576</u>
<u>\$ 371,091</u>	<u>\$ 1,822,349</u>

\$ 573	\$ 10,911
-	18,296
2,309	2,309
<u>33,021</u>	<u>33,021</u>
<u>35,903</u>	<u>64,537</u>

159,308	923,069
<u>80,685</u>	<u>115,966</u>
<u>239,993</u>	<u>1,039,035</u>

-	475,799
130,218	159,994
<u>(35,023)</u>	<u>82,984</u>
<u>95,195</u>	<u>718,777</u>

<u>\$ 371,091</u>	<u>\$ 1,822,349</u>
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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, 2019

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Total Fund Balances - Governmental Funds	\$ 718,777
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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	7,276,589
Less: Accumulated depreciation	(2,449,700)

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	20,000
Loans receivable	80,685
Special assessments	417
Other receivables	14,864

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

260,498

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

(131,067)

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	(1,194,616)
Compensated absences	(33,066)
Accrued interest	(16,736)
Net pension liability	(99,338)
Landfill liability	(27,184)

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

\$ 4,754,549

## VILLAGE OF TREMPEALEAU

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

For the Year Ended December 31, 2019

	General Fund	Debt Service Fund	Capital Improvements Fund
<b>REVENUES</b>			
Taxes	\$ 376,776	\$ 338,443	\$ 100,389
Intergovernmental	331,892	-	-
Licenses and permits	7,728	-	-
Fines, forfeitures and penalties	2,588	-	-
Public charges for services	47,598	-	-
Special assessments	3,228	-	-
Investment income	41,548	-	-
Miscellaneous	45,161	-	74,250
Total Revenues	856,519	338,443	174,639
<b>EXPENDITURES</b>			
Current			
General government	214,215	-	-
Public safety	392,746	-	-
Public works	259,670	-	-
Health and human services	78	-	-
Culture, recreation and education	181,675	-	-
Conservation and development	3,755	-	-
Capital Outlay	-	-	223,223
Debt Service			
Principal	-	300,994	-
Interest and fiscal charges	-	43,913	-
Total Expenditures	1,052,139	344,907	223,223
Excess (deficiency) of revenues over expenditures	(195,620)	(6,464)	(48,584)
<b>OTHER FINANCING SOURCES (USES)</b>			
General obligation debt issued	-	-	-
Transfers in	142,503	-	49,057
Transfers out	(84,355)	-	-
Total Other Financing Sources (Uses)	58,148	-	49,057
<b>Net Change in Fund Balances</b>	(137,472)	(6,464)	473
FUND BALANCES (DEFICIT) - Beginning of Year	760,912	6,606	(473)
<b>FUND BALANCES - END OF YEAR</b>	\$ 623,440	\$ 142	\$ -

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Nonmajor Governmental Funds		Totals
\$ 158,215	\$ 973,823	
54,476	386,368	
-	7,728	
-	2,588	
-	47,598	
-	3,228	
5,137	46,685	
<u>16,325</u>	<u>135,736</u>	
<u>234,153</u>	<u>1,603,754</u>	
-	214,215	
-	392,746	
-	259,670	
-	78	
167,068	348,743	
1,622	5,377	
225,000	448,223	
-	300,994	
<u>7,833</u>	<u>51,746</u>	
<u>401,523</u>	<u>2,021,792</u>	
<u>(167,370)</u>	<u>(418,038)</u>	
225,000	225,000	
-	191,560	
-	(84,355)	
<u>225,000</u>	<u>332,205</u>	
57,630	(85,833)	
<u>37,565</u>	<u>804,610</u>	
<u>\$ 95,195</u>	<u>\$ 718,777</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, 2019

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Net change in fund balances - total governmental funds	\$ (85,833)
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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	448,223
Some items reported as capital outlay were not capitalized	(49,690)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	55,940
Depreciation is reported in the government-wide financial statements	(261,306)

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.

Special assessments are deferred on the fund statements	(5,124)
Interest income on TIF advance is deferred on fund 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	(225,000)
Principal repaid	300,994

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	10,946
Accrued interest on debt	(4,933)
Landfill liability	2,447
Net pension liability (and pension related deferred outflows/inflows of resources)	<u>(28,384)</u>

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 148,280</u></b>
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See accompanying notes to financial statements.

## VILLAGE OF TREMPEALEAU

### STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2019

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 104,008	\$ 332,016	\$ -	\$ 436,024
Receivables				
Accounts	297,134	63,070	71,179	431,383
Other	6,015	596	245	6,856
Inventories	74,507	-	-	74,507
Restricted Assets				
Redemption account	36,335	68,286	-	104,621
Total Current Assets	<u>517,999</u>	<u>463,968</u>	<u>71,424</u>	<u>1,053,391</u>
Noncurrent Assets				
Restricted Assets				
Reserve account	286,525	-	-	286,525
Construction	202,928	-	-	202,928
Capital Assets				
Construction in progress	282,493	-	54,631	337,124
Utility plant	6,688,317	4,299,007	4,185,560	15,172,884
Less: Accumulated depreciation	<u>(2,911,123)</u>	<u>(1,621,317)</u>	<u>(3,515,058)</u>	<u>(8,047,498)</u>
Other Assets				
Total Noncurrent Assets	<u>4,549,140</u>	<u>2,677,690</u>	<u>725,133</u>	<u>7,951,963</u>
Total Assets	<u>5,067,139</u>	<u>3,141,658</u>	<u>796,557</u>	<u>9,005,354</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	56,370	-	-	56,370
Pension related amounts	<u>127,157</u>	<u>60,806</u>	<u>59,722</u>	<u>247,685</u>
Total Deferred Outflows of Resources	<u>183,527</u>	<u>60,806</u>	<u>59,722</u>	<u>304,055</u>

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 117,201	\$ 2,084	\$ 3,607	\$ 122,892
Accrued liabilities	4,022	-	7,520	11,542
Deposits	5,952	-	-	5,952
Current portion of compensated absences	12,869	5,378	5,470	23,717
General obligation bonds and notes payable	9,500	-	14,838	24,338
Liabilities Payable from Restricted Assets				
Current portion of revenue bonds	175,000	73,231	-	248,231
Accrued interest payable	9,594	3,676	-	13,270
Total Current Liabilities	<u>334,138</u>	<u>84,369</u>	<u>31,435</u>	<u>449,942</u>
Noncurrent Liabilities				
Long-Term Debt				
General obligation debt payable	-	-	159,162	159,162
Revenue bonds payable	3,045,000	753,561	-	3,798,561
Unamortized debt discount	(25,054)	-	-	(25,054)
Compensated absences	24,748	9,803	9,857	44,408
Advance from other funds	-	-	440,555	440,555
Net pension liability	47,574	19,861	20,004	87,439
Total Noncurrent Liabilities	<u>3,092,268</u>	<u>783,225</u>	<u>629,578</u>	<u>4,505,071</u>
Total Liabilities	<u>3,426,406</u>	<u>867,594</u>	<u>661,013</u>	<u>4,955,013</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related amounts	<u>69,232</u>	<u>31,244</u>	<u>31,020</u>	<u>131,496</u>
Total Deferred Inflows of Resources	<u>69,232</u>	<u>31,244</u>	<u>31,020</u>	<u>131,496</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,408,774	1,850,898	551,133	3,810,805
Restricted for				
Debt service	26,741	64,610	-	91,351
Unrestricted (Deficit)	<u>319,513</u>	<u>388,118</u>	<u>(386,887)</u>	<u>320,744</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,755,028</u>	<u>\$ 2,303,626</u>	<u>\$ 164,246</u>	<u>\$ 4,222,900</u>

## VILLAGE OF TREMPEALEAU

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
<b>OPERATING REVENUES</b>				
Public charges for services	\$ 2,147,728	\$ 493,746	\$ 458,249	\$ 3,099,723
Total Operating Revenues	<u>2,147,728</u>	<u>493,746</u>	<u>458,249</u>	<u>3,099,723</u>
<b>OPERATING EXPENSES</b>				
Operation and maintenance	1,656,597	262,603	300,363	2,219,563
Depreciation	260,269	122,297	157,790	540,356
Taxes	30,159	4,990	10,195	45,344
Total Operating Expenses	<u>1,947,025</u>	<u>389,890</u>	<u>468,348</u>	<u>2,805,263</u>
Operating Income (Loss)	<u>200,703</u>	<u>103,856</u>	<u>(10,099)</u>	<u>294,460</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	8,828	105	2,531	11,464
Interest expense	(113,056)	(22,573)	(7,252)	(142,881)
Amortization expense	<u>(9,723)</u>	<u>-</u>	<u>-</u>	<u>(9,723)</u>
Total Nonoperating Revenues (Expenses)	<u>(113,951)</u>	<u>(22,468)</u>	<u>(4,721)</u>	<u>(141,140)</u>
Income (Loss) Before Contributions and Transfers	<u>86,752</u>	<u>81,388</u>	<u>(14,820)</u>	<u>153,320</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital contributions	2,579	-	800	3,379
Transfers in	-	-	35,298	35,298
Transfers out	<u>(72,758)</u>	<u>(69,745)</u>	<u>-</u>	<u>(142,503)</u>
Total Contributions and Transfers	<u>(70,179)</u>	<u>(69,745)</u>	<u>36,098</u>	<u>(103,826)</u>
<b>Change in Net Position</b>	16,573	11,643	21,278	49,494
NET POSITION - Beginning of Year	<u>1,738,455</u>	<u>2,291,983</u>	<u>142,968</u>	<u>4,173,406</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,755,028</u>	<u>\$ 2,303,626</u>	<u>\$ 164,246</u>	<u>\$ 4,222,900</u>

See accompanying notes to financial statements.



## VILLAGE OF TREMPEALEAU

### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 2,126,077	\$ 498,828	\$ 438,992	\$ 3,063,897
Cash received from village	34,432	-	-	34,432
Paid to suppliers for goods and services	(1,391,733)	(165,779)	(196,289)	(1,753,801)
Paid to employees for services	(242,492)	(91,243)	(102,128)	(435,863)
Net Cash Flows From Operating Activities	<u>526,284</u>	<u>241,806</u>	<u>140,575</u>	<u>908,665</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	8,828	105	2,531	11,464
Investments purchased	(143,000)	-	-	(143,000)
Investments sold	139,942	-	-	139,942
Net Cash Flows From Investing Activities	<u>5,770</u>	<u>105</u>	<u>2,531</u>	<u>8,406</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Paid to municipality for tax equivalent	(72,758)	(69,745)	-	(142,503)
Transfers in	-	-	35,298	35,298
Advance received from other funds	156,934	-	-	156,934
Negative cash implicitly financed	-	-	(175,668)	(175,668)
Net Cash Flows From Noncapital Financing Activities	<u>84,176</u>	<u>(69,745)</u>	<u>(140,370)</u>	<u>(125,939)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Debt issued	-	-	156,368	156,368
Debt retired	(179,500)	(71,329)	-	(250,829)
Interest paid	(113,053)	(23,010)	-	(136,063)
Acquisition and construction of capital assets	(603,066)	(2,990)	(159,904)	(765,960)
Contributions received for construction	2,579	-	800	3,379
Net Cash Flows From Capital and Related Financing Activities	<u>(893,040)</u>	<u>(97,329)</u>	<u>(2,736)</u>	<u>(993,105)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(276,810)	74,837	-	(201,973)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>618,548</u>	<u>325,465</u>	<u>-</u>	<u>944,013</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 341,738</u>	<u>\$ 400,302</u>	<u>\$ -</u>	<u>\$ 742,040</u>

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 200,703	\$ 103,856	\$ (10,099)	\$ 294,460
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	260,269	122,297	157,790	540,356
Depreciation charged to other funds	-	8,314	(8,314)	-
Changes in assets and liabilities, deferred outflows and deferred inflows				
Accounts receivable	13,031	(3,232)	(10,943)	(1,144)
Prepays	29,287	-	-	29,287
Accounts payable	(11,044)	1,929	3,522	(5,593)
Other current liabilities	12,395	1,264	1,269	14,928
Customer deposits	(250)	-	-	(250)
Pension related deferrals and liability/asset	21,893	7,378	7,350	36,621
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 526,284</u>	<u>\$ 241,806</u>	<u>\$ 140,575</u>	<u>\$ 908,665</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>				
Cash and investments	\$ 104,008	\$ 332,016	\$ -	\$ 436,024
Restricted cash and investments				
Redemption account	36,335	68,286	-	104,621
Reserve account	286,525	-	-	286,525
Construction account	202,928	-	-	202,928
Total Cash and Investments	629,796	400,302	-	1,030,098
Less: Noncash equivalents	(288,058)	-	-	(288,058)
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 341,738</u>	<u>\$ 400,302</u>	<u>\$ -</u>	<u>\$ 742,040</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Amortization of debt discount and deferred charge on refunding	\$ 9,722	\$ -	\$ -	

# VILLAGE OF TREMPEALEAU

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUND As of December 31, 2019

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	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 1,100,714
Taxes receivable	<u>1,314,821</u>
Total Assets	<u>2,415,535</u>
<b>LIABILITIES</b>	
Due to other governments	<u>2,415,535</u>
Total Liabilities	<u>2,415,535</u>
<b>TOTAL NET POSITION</b>	<u>\$ -</u>

See accompanying notes to financial statements.

# VILLAGE OF TREMPEALEAU

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND For the Year Ended December 31, 2019

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	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>ADDITIONS</b>	
Taxes collected for other governments	\$ 1,499,331
Total Additions	<u>1,499,331</u>
<b>DEDUCTIONS</b>	
Taxes distributed to other governments	<u>1,499,331</u>
Total Deductions	<u>1,499,331</u>
<b>Change in Fiduciary Net Position</b>	-
NET POSITION - Beginning of Year	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

# VILLAGE OF TREMPEALEAU

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

### **A. REPORTING ENTITY**

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The village has not identified any organizations that meet this criteria.

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

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

In June 2018, the GASB issued statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard was implemented January 1, 2019.

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

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

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

---

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

---

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

Financial statements of the 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.

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.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

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

The village reports the following major governmental funds: (cont.)

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

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:

Custodial Fund - used to account for and report assets controlled by the village and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Collection Fund



# VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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### ***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.

#### ***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.

# VILLAGE OF TREMPEALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

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

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the electric, water and sewer utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.
- 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.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

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

- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

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

Custodial credit risk will be minimize 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 methods and inputs as outlined in Note III. A. 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 fiduciary net position.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

---

## 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 - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

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**

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.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

---

## 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 acquisition 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, and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

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

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

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

# VILLAGE OF TREMPEALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

##### ***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, 2019, are determined on the basis of current salary rates and include salary related payments.

##### ***8. Long-Term Obligations***

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, net pension liability and landfill liability.

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are 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.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

#### **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.

##### ***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.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

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

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

- 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 do not meet the criteria to be classified as restricted or committed. The Board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

See Note III. H. for further information.

#### ***11. Pension***

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

#### **12. Basis for Existing Rates**

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

Electric utility rates were authorized by order 5940-ER-107, which is effective for services rendered on or after May 31, 2019.

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

Water rates were authorized by order 5940-WQ-100, which is effective for services rendered on or after January 1, 2019.

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

Sewer rates effective for services rendered on or after September 1, 2019 were approved by village ordinance dated July 6, 2017.

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## NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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### **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	\$ 991,296	\$ 1,052,139	\$ 60,843
Capital Improvements	190,000	223,223	33,223
Library	147,738	167,068	19,330
TIF	30,170	234,455	204,285

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, 2019

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

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#### ***C. DEFICIT BALANCES***

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

As of December 31, 2019, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF	\$ 35,023	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.

#### ***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.

#### ***E. VIOLATION OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS***

At December 31, 2019, the village was not in compliance with the provisions of the electric revenue bond covenants that require cash available to fund one month of operation and maintenance expenses. As of year end, the village was required to have \$138,050 in cash and investments for this purpose, however \$104,008 was available.

Loans at the local bank require a separate debt service repayment account be set up for the repayment of principal and interest on the loans. A separate account has not been established.

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 2,173,406	\$ 2,301,194	Custodial credit risk
US agencies - implicitly guaranteed	144,882	144,882	Custodial credit, credit, interest rate and concentration of credit risks
Negotiable certificates of deposits	143,176	143,176	Custodial credit, credit, interest rate and concentration of credit risks
Petty cash	200	-	N/A
Total Deposits and Investments	\$ 2,461,664	\$ 2,589,252	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 737,242		
Restricted cash and investments	623,708		
Per statement of fiduciary net position - fiduciary fund			
Custodial Fund	1,100,714		
Total Deposits and Investments	\$ 2,461,664		

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, 2019, the banks had pledged various government securities in the amount of \$2,167,055 to secure the village's deposits.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

The village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- > Quoted prices for similar assets in active markets.

Investment Type	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Negotiable certificates of deposit	\$ -	\$ 143,176	\$ -	\$ 143,176
US agencies - implicitly guaranteed	-	144,882	-	144,882
Total	\$ -	\$ 288,058	\$ -	\$ 288,058

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

#### **Deposits**

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

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

#### **Investments**

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

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

### ***Credit Risk***

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

The village had investments in implicitly guaranteed agencies of the United States government which were rated AAA and AA+ by Standard & Poors. Negotiable certificates of deposit are not rated.

### ***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.

**VILLAGE OF TREMPÉALEAU**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

**Concentration of Credit Risk (cont.)**

At December 31, 2019, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Pinnacle Bank	Negotiable certificates of deposit	49.70%
Federal Farm Credit Banks	US agencies - implicitly guaranteed	50.30%

**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, 2019, the village's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
US agencies - explicitly guaranteed	\$ 144,882	.25
Negotiable certificates of deposit	143,176	.46

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

**B. RECEIVABLES**

All receivables are expected to be collected within one year except \$80,685 in the Block Grant Fund.

# VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 915,901	\$ -
Special assessments not yet due	-	417
Housing loans	-	80,685
Interest receivable on advance to TIF	-	20,000
Other receivables	-	14,864
Payment in lieu of taxes	7,168	-
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 923,069	 \$ 115,966

### **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.

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

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

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

Following is a list of restricted assets at December 31, 2019:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 104,621	\$ 13,270	\$ 91,351
Construction account	202,928	-	n/a
Bond reserve account	286,525	-	n/a
Impact fee account	29,634	-	29,634
Total	\$ 623,708	\$ 13,270	\$ 120,985

#### D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 334,426	\$ -	\$ -	\$ 334,426
Total Capital Assets Not Being Depreciated	334,426	-	-	334,426
Capital assets being depreciated				
Land improvements	315,184	148,784	-	463,968
Buildings	3,219,840	-	-	3,219,840
Vehicles and equipment	805,353	56,023	5,657	855,719
Infrastructure	2,487,396	249,666	-	2,737,062
Total Capital Assets Being Depreciated	6,827,773	454,473	5,657	7,276,589
Total Capital Assets	7,162,199	454,473	5,657	7,611,015

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

**D. CAPITAL ASSETS** (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b> (cont.)				
Less: Accumulated depreciation for				
Land improvements	\$ (42,607)	\$ (17,363)	\$ -	\$ (59,970)
Buildings	(900,759)	(72,748)	-	(973,507)
Vehicles and equipment	(233,323)	(58,217)	5,657	(285,883)
Infrastructure	(1,017,362)	(112,978)	-	(1,130,340)
Total Accumulated Depreciation	(2,194,051)	(261,306)	5,657	(2,449,700)
Net Capital Assets Being Depreciated	4,633,722	193,167	-	4,826,889
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 4,968,148	\$ 193,167	\$ -	\$ 5,161,315

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 8,159
Public safety	19,725
Public works, which includes depreciation of infrastructure	166,353
Culture, education, and recreation	67,069
Total Governmental Activities Depreciation Expense	\$ 261,306



## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

### 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	\$ 85,009	\$ -	\$ -	\$ 85,009
Construction in progress	11,016	282,787	11,310	282,493
Total Capital Assets Not Being Depreciated	96,025	282,787	11,310	367,502
Capital assets being depreciated				
Transmission and distribution plant	5,827,492	338,636	75,663	6,090,465
General plant	511,877	966	-	512,843
Total Capital Assets Being Depreciated	6,339,369	339,602	75,663	6,603,308
Total Capital Assets	6,435,394	622,389	86,973	6,970,810
Less: Accumulated depreciation for				
Electric plant	(2,726,517)	(260,269)	75,663	(2,911,123)
Total Accumulated Depreciation	(2,726,517)	(260,269)	75,663	(2,911,123)
Net Capital Assets Being Depreciated	3,612,852	79,333	-	3,692,185
Net Electric Capital Assets	\$ 3,708,877	\$ 362,120	\$ 11,310	\$ 4,059,687

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 64,571	\$ -	\$ -	\$ 64,571
Total Capital Assets Not Being Depreciated	64,571	-	-	64,571
Capital assets being depreciated				
Source of supply plant	468,236	-	-	468,236
General plant	55,006	966	-	55,972
Pumping plant	306,063	-	-	306,063
Transmission and distribution plant	2,037,763	2,024	-	2,039,787
Water treatment plant	1,364,378	-	-	1,364,378
Total Capital Assets Being Depreciated	4,231,446	2,990	-	4,234,436
Total Capital Assets	4,296,017	2,990	-	4,299,007
Less: Accumulated depreciation for				
Water plant	(1,490,706)	(130,611)	-	(1,621,317)
Total Accumulated Depreciation	(1,490,706)	(130,611)	-	(1,621,317)
Net Capital Assets Being Depreciated	2,740,740	(127,621)	-	2,613,119
Net Water Capital Assets	\$ 2,805,311	\$ (127,621)	\$ -	\$ 2,677,690

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

### 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	65,288	158,724	169,381	54,631
Total Capital Assets Not Being Depreciated	68,388	158,724	169,381	57,731
Capital assets being depreciated				
Collection system plant	1,319,542	-	-	1,319,542
Pumping equipment	482,611	-	-	482,611
Treatment and disposal plant	2,081,374	169,381	-	2,250,755
General plant	129,086	466	-	129,552
Total Capital Assets Being Depreciated	4,012,613	169,847	-	4,182,460
Total Capital Assets	4,081,001	328,571	169,381	4,240,191
Less: Accumulated depreciation for				
Sewer plant	(3,365,582)	(149,476)	-	(3,515,058)
Total Accumulated Depreciation	(3,365,582)	(149,476)	-	(3,515,058)
Net Capital Assets Being Depreciated	647,031	20,371	-	667,402
Net Sewer Capital Assets	\$ 715,419	\$ 179,095	\$ 169,381	\$ 725,133
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 7,229,607	\$ 413,594	\$ 180,691	\$ 7,462,510

Depreciation expense was charged to functions as follows:

##### Business-type Activities

Electric	\$ 260,269
Water	122,297
Sewer	157,790
Total Business-type Activities Depreciation Expense	\$ 540,356

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

**VILLAGE OF TREMPEALEAU**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

***E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS***

***Interfund Receivables/Payables***

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

Receivable Fund	Payable Fund	Amount
General Fund	TIF	\$ 2,309
Total - Fund Financial Statements		2,309
Less: Fund eliminations		(2,309)
Add: Interfund advances		<u>440,555</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 440,555</u></u>

All amounts are due within one year.

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

***Advances***

The general fund is advancing funds to TIF. The amount advanced is determined by the deficiency of revenues and other financing sources over expenditures 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	\$ 33,021	\$ 33,021
General Fund	Sewer Utility	<u>440,555</u>	440,555
Total - Fund Financial Statements		473,576	
Less: Fund eliminations		<u>(33,021)</u>	
Total - Interfund Advances		<u><u>\$ 440,555</u></u>	

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

# VILLAGE OF TREMPEALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

##### **Transfers**

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Electric Utility	\$ 72,758	Property tax equivalent
General Fund	Water Utility	69,745	Property tax equivalent
Capital Improvements	General Fund	49,057	Operating subsidy
Sewer Utility	General Fund	<u>35,298</u>	Operating subsidy
Total - Fund Financial Statements		226,858	
Less: Fund eliminations		(49,057)	
Less: Government-wide eliminations		<u>(70,596)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 107,205</u>	

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, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation bonds	\$ 285,000	\$ -	\$ 105,000	\$ 180,000	\$ 100,000
General obligation debt from direct borrowings and direct placements	<u>985,613</u>	<u>225,000</u>	<u>195,997</u>	<u>1,014,616</u>	<u>235,501</u>
Sub-totals	<u>1,270,613</u>	<u>225,000</u>	<u>300,997</u>	<u>1,194,616</u>	<u>335,501</u>
Other Liabilities					
Vested compensated absences	44,012	42,953	53,899	33,066	15,905
Net pension liability	-	99,338	-	99,338	-
Landfill liability	<u>29,631</u>	<u>-</u>	<u>2,447</u>	<u>27,184</u>	<u>4,500</u>
Total Other Liabilities	<u>73,643</u>	<u>142,291</u>	<u>56,346</u>	<u>159,588</u>	<u>20,405</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,344,256</u>	<u>\$ 367,291</u>	<u>\$ 357,343</u>	<u>\$ 1,354,204</u>	<u>\$ 355,906</u>

# VILLAGE OF TREMPÉALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt from					
direct borrowings and direct					
placements	\$ 36,632	\$ 156,368	\$ 9,500	\$ 183,500	\$ 24,338
Revenue bonds	3,390,000	-	170,000	3,220,000	175,000
(Discounts)/Premiums	(26,724)	-	(1,670)	(25,054)	-
Revenue debt from direct					
borrowing and direct					
placements	898,121	-	71,329	826,792	73,231
Sub-totals	4,298,029	156,368	249,159	4,205,238	272,569
Other Liabilities					
Vested compensated					
absences	55,829	62,066	49,770	68,125	23,717
Net pension liability	-	87,439	-	87,439	-
Total Other Liabilities	55,829	149,505	49,770	155,564	23,717
Total Business-type					
Activities Long-Term					
Liabilities	\$ 4,353,858	\$ 305,873	\$ 298,929	\$ 4,360,802	\$ 296,286

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, 2019, was \$6,990,570. Total general obligation debt outstanding at year end was \$1,378,119.

# VILLAGE OF TREMPEALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### 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, 2019
General obligation refunding bonds	4/28/2009	10/1/2021	2.0 - 4.2%	\$ 1,155,000	\$ 180,000
State trust fund loan *	9/22/2014	3/15/2024	3.5%	1,002,500	601,065
Capital equipment loan *	2/28/2017	2/1/2020	2.95%	59,124	20,292
Capital equipment loan *	3/27/2018	3/27/2023	3.00%	130,666	108,312
Capital loan	9/7/2018	9/1/2020	2.95%	75,695	28,912
Capital equipment loan *	9/27/2018	9/27/2023	3.55%	41,000	31,038
Capital improvement loan *	2/7/2019	2/7/2024	3.88%	225,000	<u>225,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 1,194,619</u>

##### **Business-type Activities**

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Electric capital equipment loan *	2/1/2018	2/1/2020	2.95%	\$ 28,500	\$ 9,500
Sewer state trust fund loan *	10/9/2018	3/15/2028	4.25%	174,000	<u>174,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 183,500</u>

\* - Considered direct placement or direct borrowing.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

#### General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Bonds	
	Principal	Interest
2020	\$ 100,000	\$ 7,560
2021	80,000	3,360
Totals	<u>\$ 180,000</u>	<u>\$ 10,920</u>

Years	Governmental Activities Bonds from Direct Borrowings and Direct Placements		Business-type Activities General Obligation Bonds From Direct Borrowings And Direct Placements	
	Principal	Interest	Principal	Interest
2020	\$ 235,501	\$ 42,261	\$ 24,338	\$ 9,594
2021	193,786	26,463	17,122	6,764
2022	200,594	19,655	17,850	6,037
2023	206,702	12,619	18,608	5,278
2024	178,033	4,686	19,387	4,500
2025-2028	-	-	86,195	9,351
Totals	<u>\$ 1,014,616</u>	<u>\$ 105,684</u>	<u>\$ 183,500</u>	<u>\$ 41,524</u>

#### 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 59% of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,178,885. Principal and interest paid for the current year and total customer net revenues were \$281,846 and \$469,800, respectively.



# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

#### *Revenue Debt* (cont.)

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 42% of net revenues. The total principal and interest remaining to be paid on the bonds is \$941,873. Principal and interest paid for the current year and total customer net revenues were \$94,339 and \$226,258, respectively.

Revenue debt payable at December 31, 2019, 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, 2019</u>
<u>Water Utility</u>					
Safe drinking water loan from direct borrowing or direct placement	11/12/2009	5/1/2029	2.668%	\$ 1,417,481	<u>\$ 826,792</u>
<u>Electric Utility</u>					
Electric revenue bonds	10/15/2014	12/1/2034	1.25 - 4.00%	4,035,000	<u>3,220,000</u>
Total Business-type Activities - Revenue Debt					<u><u>\$ 4,046,792</u></u>

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

## 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
2020	\$ 175,000	\$ 109,126
2021	175,000	105,626
2022	185,000	101,514
2023	185,000	96,704
2024	190,000	91,431
2025-2029	1,055,000	300,284
2030-2034	1,255,000	154,200
Totals	\$ 3,220,000	\$ 958,885

<u>Years</u>	Business-type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	Principal	Interest
2020	\$ 73,231	\$ 21,082
2021	75,185	19,102
2022	77,191	17,069
2023	79,251	14,982
2024	81,365	12,840
2025-2029	440,569	30,005
Totals	\$ 826,792	\$ 115,080

#### ***Other Debt Information***

Estimated payments of compensated absences, net pension liabilities and landfill liabilities are not included in the debt service requirement schedules. The vested compensated absences, net pension liabilities 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, except as disclosed in Note II. E.

# VILLAGE OF TREMPEALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

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

The village's outstanding State Trust Fund Loans from direct borrowings related to governmental activities of \$601,065 and business type activities of \$174,000 contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the village.

The village's outstanding notes and loans from direct borrowings related to governmental activities of \$413,554 and business type activities of \$9,500 contain provisions that in an event of default, outstanding amounts become immediately due and payable.

The village's outstanding debt from direct borrowings or direct placement related to business type activities of \$826,793 contain provisions that (1) any delinquent payments can be deducted from any state payments that are due to the village or a special charge may be added to the taxes apportioned to and levied upon the county in which the village is located and (2) in an event of default, outstanding amounts become immediately due and payable or the interest rate may be increased to the market interest rate and (3) any delinquent payments may be intercepted from the revenue off the utility system.

#### **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. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the village reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$27,184 reported as landfill closure and postclosure care liability at December 31, 2019, 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, 2019, the village had landfill maintenance and monitoring costs in the amount of \$2,447. The maintenance and monitoring expenses for long-term care will be budgeted for each year by the village and the amount averages \$4,500 annually.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

## 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, 2019, includes the following:

#### Governmental Activities

Net Investment in Capital Assets	
Land	\$ 334,426
Other capital assets, net of accumulated depreciation	4,826,889
Less: Long-term debt outstanding	<u>(1,194,616)</u>
Total Net Investment in Capital Assets	<u><u>\$ 3,966,699</u></u>

#### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General Fund	Debt Service	Nonmajor Funds	Totals
<b>Fund Balances</b>				
<b>Nonspendable:</b>				
Advances	\$ 473,576	\$ -	\$ -	\$ 473,576
Delinquent taxes	<u>2,223</u>	<u>-</u>	<u>-</u>	<u>2,223</u>
Sub-total	<u>475,799</u>	<u>-</u>	<u>-</u>	<u>475,799</u>
<b>Restricted for:</b>				
Impact fees - parks	29,634	-	-	29,634
Debt service	-	142	-	142
Housing loan - grantor restrictions	-	-	20	20
Trempealeau Trust - community betterment	-	-	18,732	18,732
Donor restrictions - library	-	-	98,178	98,178
State statues - library	<u>-</u>	<u>-</u>	<u>13,288</u>	<u>13,288</u>
Sub-total	<u>29,634</u>	<u>142</u>	<u>130,218</u>	<u>159,994</u>
<b>Unassigned (deficit):</b>	<u>118,007</u>	<u>-</u>	<u>(35,023)</u>	<u>82,984</u>
<b>Total Fund Balances</b>	<u><u>\$ 623,440</u></u>	<u><u>\$ 142</u></u>	<u><u>\$ 95,195</u></u>	<u><u>\$ 718,777</u></u>

# VILLAGE OF TREMPPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

#### *Business-type Activities*

Net Investment in Capital Assets	
Land	\$ 152,680
Construction in progress	337,124
Other capital assets, net of accumulated depreciation	6,972,706
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(4,027,364)
Plus: Noncapital debt proceeds	<u>375,659</u>
Total Net Investment in Capital Assets	<u>\$ 3,810,805</u>

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## NOTE IV - OTHER INFORMATION

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### A. EMPLOYEES' RETIREMENT SYSTEM

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 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.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**Vesting.** 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.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to receive a retirement benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant receives earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

# VILLAGE OF TREMPALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**Post-retirement adjustments.** The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

# VILLAGE OF TREMPEALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate 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.

During the reporting period, the WRS recognized \$57,313 in contributions from the village.

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

#### ***Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2019, the village reported a liability of \$186,777 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension liability was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the village's proportion was 0.00524998%, which was an increase of 0.00032805% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the village recognized pension expense of \$122,718.

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

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

At December 31, 2019, the village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 145,471	\$ 257,141
Changes in assumptions	31,483	-
Net differences between projected and actual earnings on pension plan investments	272,776	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	5,422
Employer contributions subsequent to the measurement date	58,453	-
Totals	\$ 508,183	\$ 262,563

\$58,453 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ 67,045
2021	15,891
2022	29,783
2023	74,448



# VILLAGE OF TREMPALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

**Actuarial assumptions.** The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

# VILLAGE OF TREMPEALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

**Long-term expected return on plan assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
 <u>Variable Fund Asset Class</u>			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%  
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

**Single discount rate.** A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## NOTE IV - OTHER INFORMATION (cont.)

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

**Sensitivity of the village's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	\$742,274	\$186,777	\$(226,277)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2019, the village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

### 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, 2019

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## NOTE IV - OTHER INFORMATION (cont.)

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

#### ***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, 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.

### *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 \$41,048 in 2019.

Financial information of the district as of December 31, 2019 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.

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 \$27,463 to the Commission in 2019. During 2004, the Commission notified participants that part of the initial start-up assessment would be returned to the communities over the next five years. The final payment of the initial start-up assessment was received in 2008. Financial information can be obtained from the Village of Trempealeau or other participating communities.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## NOTE IV - OTHER INFORMATION (cont.)

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### ***E. SUBSEQUENT EVENTS***

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including areas impacting the village. The village's evaluation of the effects of these events is ongoing; however, based on current information, it is believed this situation could result in a decrease in certain revenue sources and an increase in delinquencies or uncollectible accounts receivable.

The extent of the impact of COVID-19 on the village's operational and financial performance will depend on future developments, including the duration and spread of the outbreak, and related governmental or other regulatory actions.

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

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

- > Statement No. 87, *Leases*
- > Statement No. 91, *Conduit Debt Obligations*

When they become effective, application of these standards may restate portions of these financial statements. The statements listed above had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87, which was postponed by one and a half years.

### ***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, 2019

## 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:

	2019	From Date of Creation
<b>Project Costs</b>		
Capital expenditures	\$ 226,622	\$ 840,907
Interest and fiscal charges	7,833	322,389
Total Costs	234,455	1,163,296
<b>Project Revenues</b>		
Tax increments	69,890	791,169
Special assessments	-	6,561
Miscellaneous	614	68,733
Sale of property	-	36,810
Total Revenues	70,504	903,273
Net Costs Recoverable Through TIF Increments - December 31, 2019	\$ 163,951	\$ 260,023
<b>Reconciliation of Recoverable Costs</b>		
General obligation debt		\$ 225,000
Plus: fund balance deficit		35,023
Net Costs Recoverable Through TIF Increments - December 31, 2019		\$ 260,023

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 date.

The District's last date to incur project costs was September 29, 2019. The last year the District may collect an increment is 2025. The tax increment to be collected in 2020 is \$70,236.

**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, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
<b>TAXES</b>			
Property	\$ 319,946	\$ 314,736	\$ (5,210)
Mobile home taxes	60,000	54,704	(5,296)
Public accommodation (room) taxes	5,500	7,336	1,836
Payments in lieu of taxes	<u>9,000</u>	<u>-</u>	<u>(9,000)</u>
Total Taxes	<u>394,446</u>	<u>376,776</u>	<u>(17,670)</u>
<b>INTERGOVERNMENTAL REVENUES</b>			
State shared revenues	244,855	234,507	(10,348)
Fire insurance tax from state	4,500	5,864	1,364
State aid - computer exemption	500	397	(103)
State aid - law enforcement improvement	3,000	1,120	(1,880)
State aid - connecting streets	90,000	89,270	(730)
State aid - local road improvement program	9,041	-	(9,041)
Aid in lieu of taxes	<u>500</u>	<u>734</u>	<u>234</u>
Total Intergovernmental Revenues	<u>352,396</u>	<u>331,892</u>	<u>(20,504)</u>
<b>LICENSES AND PERMITS</b>			
Liquor and malt beverage licenses	3,400	3,365	(35)
Operators' license	350	355	5
Cigarette licenses	10	10	-
Soda licenses	70	65	(5)
Dog and cat licenses	1,100	563	(537)
Zoning permits and fees	2,000	1,970	(30)
Other business and occupational licenses	-	25	25
Other permits	<u>1,250</u>	<u>1,375</u>	<u>125</u>
Total Licenses and Permits	<u>8,180</u>	<u>7,728</u>	<u>(452)</u>
<b>FINES, FORFEITURES AND PENALTIES</b>			
Court penalties and costs	1,750	2,463	713
Parking violations	125	125	-
Other law and ordinance violations	<u>100</u>	<u>-</u>	<u>(100)</u>
Total Fines, Forfeitures and Penalties	<u>1,975</u>	<u>2,588</u>	<u>613</u>
<b>PUBLIC CHARGES FOR SERVICES</b>			
Clerk's fees	9,500	9,179	(321)
License publication fees	50	-	(50)
Landfill	2,500	3,656	1,156
Swimming areas	33,000	33,963	963
Parkland development	<u>3,000</u>	<u>800</u>	<u>(2,200)</u>
Total Public Charges for Services	<u>48,050</u>	<u>47,598</u>	<u>(452)</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, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>SPECIAL ASSESSMENTS</b>			
Street improvements	\$ 18,000	\$ 3,228	\$ (14,772)
<b>INVESTMENT INCOME</b>			
Investment income	5,160	17,976	12,816
Interest on advances to other funds	10,000	17,833	7,833
Interest on special assessments	5,800	5,739	(61)
Total Investment Income	<u>20,960</u>	<u>41,548</u>	<u>20,588</u>
<b>MISCELLANEOUS</b>			
Donations	30,000	12,475	(17,525)
Rent	6,600	12,890	6,290
Other miscellaneous	25,000	19,796	(5,204)
Total Miscellaneous	<u>61,600</u>	<u>45,161</u>	<u>(16,439)</u>
Total Revenues	<u>905,607</u>	<u>856,519</u>	<u>(49,088)</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Village board	4,030	4,590	(560)
Legal	10,000	15,106	(5,106)
Administrator	31,944	22,813	9,131
Clerk	29,166	31,512	(2,346)
Elections	5,600	2,300	3,300
Accounting	15,725	15,725	-
Office	28,908	48,326	(19,418)
Assessor	8,500	8,279	221
General buildings/plant/hall	29,000	36,281	(7,281)
Property and liability insurance	20,000	20,470	(470)
Other general government	10,000	8,813	1,187
Total General Government	<u>192,873</u>	<u>214,215</u>	<u>(21,342)</u>
<b>PUBLIC SAFETY</b>			
Police	320,092	344,330	(24,238)
Fire protection	45,000	41,048	3,952
EMT	7,500	7,368	132
Building inspection	100	-	100
Total Public Safety	<u>372,692</u>	<u>392,746</u>	<u>(20,054)</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, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>PUBLIC WORKS</b>			
Shop operations	\$ 121,377	\$ 20,176	\$ 101,201
Machinery operation and maintenance	21,800	13,982	7,818
Street maintenance	11,400	72,758	(61,358)
Tree and brush removal	2,000	10,313	(8,313)
Snow and ice control	22,000	61,544	(39,544)
Traffic control	10,000	3,048	6,952
Sidewalks	-	1,150	(1,150)
Street lighting	34,032	41,392	(7,360)
Recycling	21,934	27,463	(5,529)
Sanitary landfill	2,500	7,202	(4,702)
Weed control	-	642	(642)
Total Public Works	247,043	259,670	(12,627)
<b>HEALTH AND HUMAN SERVICES</b>			
Cemetery	600	-	600
Senior activities	150	78	72
Total Health and Human Services	750	78	672
<b>CULTURE, RECREATION AND EDUCATION</b>			
Parks	69,988	62,930	7,058
Recreation	9,250	12,989	(3,739)
Celebrations and entertainment	750	4,842	(4,092)
Swimming pool	95,200	100,914	(5,714)
Total Culture, Recreation and Education	175,188	181,675	(6,487)
<b>CONSERVATION AND DEVELOPMENT</b>			
Planning	1,000	-	1,000
Zoning	1,000	3,755	(2,755)
Economic development	750	-	750
Total Conservation and Development	2,750	3,755	(1,005)
Total Expenditures	991,296	1,052,139	(60,843)
Excess (deficiency) of revenues over (under) expenditures	(85,689)	(195,620)	(109,931)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	175,000	142,503	(32,497)
Transfers out	(89,311)	(84,355)	4,956
Total Other Financing Sources (Uses)	85,689	58,148	(27,541)
<b>Net Change in Fund Balance</b>	-	(137,472)	(137,472)
FUND BALANCE - Beginning of Year	760,912	760,912	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 760,912</b>	<b>\$ 623,440</b>	<b>\$ (137,472)</b>

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

## VILLAGE OF TREMPEALEAU

### SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

WRS Fiscal Year End Date	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Covered Payroll	Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/18	0.00524998%	\$ (186,777)	\$ 751,857	24.84%	96.45%
12/31/17	0.00492193%	146,137	743,581	19.65%	102.93%
12/31/16	0.00444463%	(36,634)	613,338	5.97%	99.12%
12/31/15	0.00427860%	(69,526)	610,634	11.39%	98.20%
12/31/14	0.00409911%	100,685	546,593	18.42%	102.74%

### SCHEDULE OF EMPLOYER CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

Village Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 58,453	\$ 58,453	\$ -	779,800	7.50%
12/31/18	57,713	57,713	-	751,857	7.68%
12/31/17	56,848	56,848	-	743,581	7.65%
12/31/16	43,334	43,334	-	613,338	7.07%
12/31/15	44,343	44,343	-	610,634	7.26%

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, 2019

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### ***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.

### ***WISCONSIN RETIREMENT SYSTEM***

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The village is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in assumptions.* Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

**SUPPLEMENTARY INFORMATION**

## VILLAGE OF TREMPEALEAU

### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2019

	Special Revenue		
	Library	Block Grant	Trempealeau Trust Fund
<b>ASSETS</b>			
Cash and investments	\$ 112,039	\$ 20	\$ 18,732
Receivables			
Taxes	89,072	-	-
Notes	-	80,685	-
Other	-	-	-
	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 201,111</b>	<b>\$ 80,705</b>	<b>\$ 18,732</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 573	\$ -	\$ -
Due to other funds	-	-	-
Advances from other funds	-	-	-
Total Liabilities	573	-	-
Deferred Inflows of Resources			
Unearned revenues	89,072	-	-
Unavailable revenues	-	80,685	-
Total Deferred Inflows of Resources	89,072	80,685	-
Fund Balances (Deficit)			
Restricted	111,466	20	18,732
Unassigned (deficit)	-	-	-
Total Fund Balances (Deficit)	111,466	20	18,732
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 201,111</b>	<b>\$ 80,705</b>	<b>\$ 18,732</b>

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<u>Capital Projects</u>		<u>Total Nonmajor Governmental Funds</u>
<u>TIF</u>		
\$ -	\$	130,791
70,236		159,308
-		80,685
<u>307</u>		<u>307</u>
<u>\$ 70,543</u>	<u>\$</u>	<u>371,091</u>

\$ -	\$	573
2,309		2,309
<u>33,021</u>		<u>33,021</u>
<u>35,330</u>		<u>35,903</u>

70,236		159,308
-		80,685
<u>70,236</u>		<u>239,993</u>

-		130,218
<u>(35,023)</u>		<u>(35,023)</u>
<u>(35,023)</u>		<u>95,195</u>

<u>\$ 70,543</u>	<u>\$</u>	<u>371,091</u>
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## VILLAGE OF TREMPEALEAU

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2019

	Special Revenue		
	Library	Block Grant	Trempealeau Trust Fund
<b>REVENUES</b>			
Taxes	\$ 88,325	\$ -	\$ -
Intergovernmental	54,476	-	-
Investment income	4,770	-	61
Miscellaneous	<u>16,017</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>163,588</u>	<u>-</u>	<u>61</u>
<b>EXPENDITURES</b>			
Current			
Culture, recreation and education	167,068	-	-
Conservation and development	-	-	-
Capital Outlay	-	-	-
Debt Service			
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>167,068</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(3,480)</u>	<u>-</u>	<u>61</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
General obligation debt issued	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(3,480)	-	61
FUND BALANCES (DEFICIT) - Beginning of Year	<u>114,946</u>	<u>20</u>	<u>18,671</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 111,466</u>	<u>\$ 20</u>	<u>\$ 18,732</u>



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<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<u>TIF</u>	
\$ 69,890	\$ 158,215
-	54,476
306	5,137
<u>308</u>	<u>16,325</u>
<u>70,504</u>	<u>234,153</u>
-	167,068
1,622	1,622
225,000	225,000
<u>7,833</u>	<u>7,833</u>
<u>234,455</u>	<u>401,523</u>
<u>(163,951)</u>	<u>(167,370)</u>
<u>225,000</u>	<u>225,000</u>
<u>225,000</u>	<u>225,000</u>
61,049	57,630
<u>(96,072)</u>	<u>37,565</u>
<u>\$ (35,023)</u>	<u>\$ 95,195</u>

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - ELECTRIC For the Year Ended December 31, 2019

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#### OPERATING REVENUES

Sales of Electricity	
Residential	\$ 1,282,867
Small commercial	496,155
Large power	323,604
Public street lighting	34,432
Total Sales of Electricity	<u>2,137,058</u>
Other Operating Revenues	
Forfeited discounts	3,905
Rent from electric property	3,882
Other electric revenues	2,883
Total Other Operating Revenues	<u>10,670</u>
Total Operating Revenues	<u>2,147,728</u>

#### OPERATING EXPENSES

Operation and Maintenance Expenses	
Other Power Supply Expenses	
Purchased power	<u>1,170,827</u>
Total Other Power Supply Expenses	<u>1,170,827</u>
Transmission Expenses	
Operation supervision and labor	<u>99,856</u>
Total Transmission Expenses	<u>99,856</u>
Distribution Expenses	
Line and station supplies and expenses	41,278
Meter expenses	30
Maintenance of structures	16,198
Maintenance of lines	7,237
Maintenance of line transformers	7,563
Maintenance of street lighting	11,644
Maintenance of meters	1,189
Miscellaneous distribution expenses	312
Total Distribution Expenses	<u>85,451</u>

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - ELECTRIC (cont.) For the Year Ended December 31, 2019

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<b>OPERATING EXPENSES</b> (cont.)	
Operation and Maintenance Expenses (cont.)	
Customer Accounts Expenses	
Meter reading labor	\$ 21
Accounting and collecting labor	81,216
Supplies and expenses	7,100
Uncollectible accounts	714
Total Customer Accounts Expenses	<u>89,051</u>
Administrative and General Expenses	
Administrative and general salaries	3,352
Office supplies and expenses	211
Outside services employed	27,245
Property insurance	12,417
Employee pensions and benefits	103,679
Regulatory commission expense	15,048
Miscellaneous general expenses	36,026
Transportation expenses	4,308
Maintenance of general plant	9,126
Total Administrative and General Expenses	<u>211,412</u>
Total Operation and Maintenance Expenses	<u>1,656,597</u>
Depreciation	260,269
Taxes	30,159
Total Operating Expenses	<u>1,947,025</u>
<b>OPERATING INCOME</b>	<u>\$ 200,703</u>

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - WATER For the Year Ended December 31, 2019

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#### OPERATING REVENUES

Sales of Water	
Metered sales – residential	\$ 272,823
Metered sales – commercial	56,022
Metered sales – multi-family residential	5,436
Public fire protection	116,139
Other sales to public authorities	<u>28,746</u>
Total Sales of Water	<u>479,166</u>
Other Operating Revenues	
Forfeited discounts	957
Other water revenue	<u>13,623</u>
Total Other Operating Revenues	<u>14,580</u>
Total Operating Revenues	<u>493,746</u>

#### OPERATING EXPENSES

Operation and Maintenance Expenses	
Pumping Expenses	
Fuel or power purchased for pumping	24,957
Operation supplies and expenses	7,889
Maintenance of pumping plant	<u>52,043</u>
Total Pumping Expenses	<u>84,889</u>
Water Treatment Expenses	
Chemicals	15,073
Operation supplies and expenses	<u>2,910</u>
Total Water Treatment Expenses	<u>17,983</u>
Transmission and Distribution Expenses	
Maintenance of reservoirs	251
Maintenance of mains	10,791
Maintenance of services	<u>110</u>
Total Transmission and Distribution Expenses	<u>11,152</u>

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - WATER (cont.) For the Year Ended December 31, 2019

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<b>OPERATING EXPENSES</b> (cont.)	
Operation and Maintenance Expenses (cont.)	
Customer Accounts Expenses	
Accounting and collecting labor	\$ 49,821
Supplies and expenses	771
Uncollectible accounts	<u>334</u>
Total Customer Accounts Expenses	<u>50,926</u>
Administrative and General Expenses	
Administrative and general salaries	2,095
Outside services employed	25,818
Property insurance	8,700
Employee pensions and benefits	54,842
Miscellaneous general expenses	5,316
Transportation expenses	<u>882</u>
Total Administrative and General Expenses	<u>97,653</u>
Total Operation and Maintenance Expenses	262,603
Depreciation expense	122,297
Taxes	<u>4,990</u>
Total Operating Expenses	<u>389,890</u>
<b>OPERATING INCOME</b>	<u><u>\$ 103,856</u></u>

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - SEWER For the Year Ended December 31, 2019

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#### OPERATING REVENUES

Sewage Service	
Metered sales – residential	\$ 379,207
Metered sales – commercial	77,360
Total Sales of Water	<u>456,567</u>
Other Operating Revenues	
Forfeited discounts	977
Miscellaneous operating revenues	705
Total Other Operating Revenues	<u>1,682</u>
Total Operating Revenues	<u>458,249</u>

#### OPERATING EXPENSES

Operation and Maintenance Expenses	
Collection, Pumping and Treatment Expenses	
Supervision and labor	13
Power for pumping	42,197
Operating supplies	8,594
Maintenance of pumping equipment	7,885
Maintenance of collection system	71,068
Maintenance of treatment and disposal	141
Maintenance of general plant equipment	991
Total Collection, Pumping and Treatment Expenses	<u>130,889</u>
Customer Accounts Expenses	
Accounting and collecting labor	55,664
Uncollectible accounts	364
Total Customer Accounts Expenses	<u>56,028</u>
Administrative and General Expenses	
Administrative and general salaries	2,409
Office supplies and expenses	28
Outside services employed	32,079
Property insurance	10,587
Employee pensions and benefits	57,569
Miscellaneous general expenses	4,345
Transportation expenses	740
Rent	5,689
Total Administrative and General Expenses	<u>113,446</u>
Total Operation and Maintenance Expenses	<u>300,363</u>
Depreciation expense	157,790
Taxes	10,195
Total Operating Expenses	<u>468,348</u>

**OPERATING LOSS** \$ (10,099)

## VILLAGE OF TREMPEALEAU

### REQUIRED BOND DISCLOSURES For the Year Ended December 31, 2019

#### INSURANCE COVERAGE

Type	Coverage	Expiration
<i>Municipal Property Insurance Company</i>		
Buildings, Personal Property, Inland		
Marine Floater and Property in the Open	\$ 22,310,496	1/1/2020
Contractors Equipment	623,002	1/1/2020
Equipment	23,310,496	
Monies and Securities	10,000	
<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	505,252	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	100,000,000	1/1/2020

#### DEBT COVERAGE

	Electric 2019	Water 2019
Net income (loss)	\$ 16,573	\$ 11,643
Depreciation and amortization	269,992	122,297
Interest expense	113,056	22,573
Property tax equivalent	72,758	69,745
Less: Capital contributions	(2,579)	-
Net Defined Earnings	<u>\$ 469,800</u>	<u>\$ 226,258</u>
Annual Debt Service	<u>\$ 281,846</u>	<u>\$ 94,363</u>
Annual Debt Coverage	<u>1.67</u>	<u>2.40</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, 2019

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#### NUMBER OF CUSTOMERS

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Residential	1,163	771	829
Commercial	216	57	10
Public authority	2	15	-
Multi-family residential	-	4	-
Fire protection	-	2	-
<b>TOTALS</b>	<u>1,381</u>	<u>849</u>	<u>839</u>