

Village of Trempealeau

Financial Statements and
Supplementary Information

December 31, 2020

Village of Trempealeau

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Independent Auditors' Report

To the Village Board of
Village of Trempealeau

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, 2020, 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, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Trempealeau's basic financial statements. The 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 US, LLP

Eau Claire, Wisconsin
July 15, 2021

Village of Trempealeau

Statement of Net Position

December 31, 2020

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 281,981	\$ 415,029	\$ 697,010
Receivables (net):			
Taxes receivable	850,750	-	850,750
Accounts	-	440,554	440,554
Notes	80,685	-	80,685
Delinquent personal property taxes	2,322	-	2,322
Other	26,889	5,150	32,039
Internal balances	447,736	(447,736)	-
Due from other governments	2,723	497	3,220
Inventories and prepaid items	28,954	100,012	128,966
Restricted assets:			
Cash and investments	29,670	363,474	393,144
Net pension asset	96,909	82,692	179,601
Capital assets:			
Land	334,426	152,680	487,106
Construction in progress	-	96,442	96,442
Other capital assets, net of depreciation	<u>4,680,936</u>	<u>7,396,794</u>	<u>12,077,730</u>
Total assets	<u>6,863,981</u>	<u>8,605,588</u>	<u>15,469,569</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	46,975	46,975
Pension related amounts	<u>211,213</u>	<u>205,022</u>	<u>416,235</u>
Total deferred outflows of resources	<u>211,213</u>	<u>251,997</u>	<u>463,210</u>
Liabilities, Deferred inflows of Resources and Net Position			
Liabilities			
Accounts payable	19,429	108,920	128,349
Accrued liabilities	11,530	4,844	16,374
Deposits	-	3,352	3,352
Accrued interest	6,222	20,454	26,676
Noncurrent liabilities:			
Due within one year	300,034	331,135	631,169
Due in more than one year	<u>621,565</u>	<u>3,948,720</u>	<u>4,570,285</u>
Total liabilities	<u>958,780</u>	<u>4,417,425</u>	<u>5,376,205</u>
Deferred Inflows of Resources			
Unearned revenues	859,050	-	859,050
Pension related amounts	<u>283,177</u>	<u>257,695</u>	<u>540,872</u>
Total deferred inflows of resources	<u>1,142,227</u>	<u>257,695</u>	<u>1,399,922</u>

See notes to financial statements

Village of Trempealeau

Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Net Position			
Net investment in capital assets	\$ 4,153,387	\$ 3,770,623	\$ 7,924,010
Restricted for:			
Loan programs	80,705	-	80,705
Debt service	-	200,122	200,122
Impact fees - parks	29,670	-	29,670
Net pension asset	96,909	82,692	179,601
Library	127,147	-	127,147
Trempealeau trust fund - community betterment	19,030	-	19,030
Unrestricted	<u>467,339</u>	<u>129,028</u>	<u>596,367</u>
 Total net position	 <u>\$ 4,974,187</u>	 <u>\$ 4,182,465</u>	 <u>\$ 9,156,652</u>

See notes to financial statements

Village of Trempealeau

Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 237,286	\$ 33,217	\$ -	\$ -	\$ (204,069)	\$ -	\$ (204,069)
Public safety	417,140	2,877	7,716	-	(406,547)	-	(406,547)
Public works	416,576	3,390	102,660	-	(310,526)	-	(310,526)
Culture, education and recreation	364,779	8,671	85,185	1,630	(269,293)	-	(269,293)
Conservation and development	24,320	-	-	-	(24,320)	-	(24,320)
Interest and fiscal charges	<u>38,308</u>	-	-	-	<u>(38,308)</u>	-	<u>(38,308)</u>
Total governmental activities	<u>1,498,409</u>	<u>48,155</u>	<u>195,561</u>	<u>1,630</u>	<u>(1,253,063)</u>	<u>-</u>	<u>(1,253,063)</u>
Business-type activities:							
Electric Utility	2,084,396	2,040,802	-	12,003	-	(31,591)	(31,591)
Water Utility	402,207	501,564	-	-	-	99,357	99,357
Sewer Utility	<u>493,586</u>	<u>508,802</u>	-	<u>6,800</u>	-	<u>22,016</u>	<u>22,016</u>
Total business-type activities	<u>2,980,189</u>	<u>3,051,168</u>	<u>-</u>	<u>18,803</u>	<u>-</u>	<u>89,782</u>	<u>89,782</u>
Total	<u>\$ 4,478,598</u>	<u>\$ 3,099,323</u>	<u>\$ 195,561</u>	<u>\$ 20,433</u>	<u>(1,253,063)</u>	<u>89,782</u>	<u>(1,163,281)</u>
General Revenues							
Taxes							
Property taxes, levied for general purposes					315,836	-	315,836
Property taxes, levied for debt service					316,828	-	316,828
Property taxes, levied for capital projects					123,002	-	123,002
Property taxes, levied for TIF districts					70,236	-	70,236
Property taxes, levied for the library					89,072	-	89,072
Other taxes					76,546	-	76,546
Intergovernmental revenues not restricted to specific programs					277,350	-	277,350
Investment income					8,972	11,153	20,125
Miscellaneous					<u>53,489</u>	-	<u>53,489</u>
Total general revenues					<u>1,331,331</u>	<u>11,153</u>	<u>1,342,484</u>
Transfers					<u>141,370</u>	<u>(141,370)</u>	<u>-</u>
Change in net position					219,638	(40,435)	179,203
Net Position, Beginning					<u>4,754,549</u>	<u>4,222,900</u>	<u>8,977,449</u>
Net Position, Ending					<u>\$ 4,974,187</u>	<u>\$ 4,182,465</u>	<u>\$ 9,156,652</u>

See notes to financial statements

Village of Trempealeau

Balance Sheet
 Governmental Funds
 December 31, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Improvements Fund</u>
Assets			
Cash and investments	\$ 135,058	\$ -	\$ -
Receivables:			
Taxes	362,365	252,177	75,785
Delinquent personal property taxes	2,322	-	-
Notes	-	-	-
Other	26,889	-	-
Due from other governments	2,723	-	-
Restricted cash	29,670	-	-
Due from other funds	2,565	-	-
Prepaid items	28,954	-	-
Advances to other funds	<u>463,557</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,054,103</u>	<u>\$ 252,177</u>	<u>\$ 75,785</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 17,783	\$ -	\$ -
Accrued liabilities	11,530	-	-
Due to other funds	-	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>29,313</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Unearned revenues	370,664	252,177	75,785
Unavailable revenues	<u>10,000</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>380,664</u>	<u>252,177</u>	<u>75,785</u>
Fund Balances			
Nonspendable	494,833	-	-
Restricted	29,670	-	-
Unassigned	<u>119,623</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>644,126</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,054,103</u>	<u>\$ 252,177</u>	<u>\$ 75,785</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 146,923	\$ 281,981
160,423	850,750
-	2,322
80,685	80,685
-	26,889
-	2,723
-	29,670
-	2,565
-	28,954
<u>-</u>	<u>463,557</u>
<u>\$ 388,031</u>	<u>\$ 1,770,096</u>

\$ 1,646	\$ 19,429
-	11,530
2,565	2,565
<u>15,821</u>	<u>15,821</u>
<u>20,032</u>	<u>49,345</u>

160,424	859,050
<u>80,685</u>	<u>90,685</u>
<u>241,109</u>	<u>949,735</u>

-	494,833
146,197	175,867
<u>(19,307)</u>	<u>100,316</u>
<u>126,890</u>	<u>771,016</u>

<u>\$ 388,031</u>	<u>\$ 1,770,096</u>
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Village of Trempealeau

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2020

Total Fund Balances, Governmental Funds \$ 771,016

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	7,408,554
Less accumulated depreciation	(2,727,618)

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	10,000
Loans receivable	80,685

The net pension asset does not relate to current financial resources and is not
reported in the governmental funds.

96,909

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

211,213

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

(283,177)

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	(861,975)
Compensated absences	(43,719)
Accrued interest	(6,222)
Landfill liability	(15,905)

Net Position of Governmental Activities

\$ 4,974,187

Village of Trempealeau

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Improvements Fund</u>
Revenues			
Taxes	\$ 392,382	\$ 316,828	\$ 123,002
Intergovernmental	387,726	-	-
Licenses and permits	7,785	-	-
Fines, forfeitures and penalties	2,877	-	-
Public charges for services	45,876	-	-
Special assessments	14,098	-	-
Investment income	18,667	-	-
Miscellaneous	<u>40,862</u>	<u>-</u>	<u>12,348</u>
Total revenues	<u>910,273</u>	<u>316,828</u>	<u>135,350</u>
Expenditures			
Current:			
General government	231,872	-	-
Public safety	386,224	-	-
Public works	210,605	-	-
Culture, recreation and education	133,852	-	-
Conservation and development	21,736	-	-
Capital outlay	-	-	169,746
Debt service:			
Principal	-	291,914	-
Interest and fiscal charges	<u>-</u>	<u>37,328</u>	<u>-</u>
Total expenditures	<u>984,289</u>	<u>329,242</u>	<u>169,746</u>
Excess (deficiency) of revenues over expenditures	<u>(74,016)</u>	<u>(12,414)</u>	<u>(34,396)</u>
Other Financing Sources (Uses)			
Transfers in	141,370	12,272	34,396
Transfers out	<u>(46,668)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>94,702</u>	<u>12,272</u>	<u>34,396</u>
Net change in fund balances	20,686	(142)	-
Fund Balances, Beginning	<u>623,440</u>	<u>142</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 644,126</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 159,308	\$ 991,520
69,417	457,143
-	7,785
-	2,877
-	45,876
-	14,098
305	18,972
<u>10,477</u>	<u>63,687</u>
<u>239,507</u>	<u>1,601,958</u>
-	231,872
-	386,224
-	210,605
153,007	286,859
2,584	24,320
-	169,746
40,727	332,641
<u>11,494</u>	<u>48,822</u>
<u>207,812</u>	<u>1,691,089</u>
<u>31,695</u>	<u>(89,131)</u>
-	188,038
<u>-</u>	<u>(46,668)</u>
<u>-</u>	<u>141,370</u>
31,695	52,239
<u>95,195</u>	<u>718,777</u>
<u>\$ 126,890</u>	<u>\$ 771,016</u>

See 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
Year Ended December 31, 2020

Net Change in Fund Balances, Total Governmental Funds	\$ 52,239
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	169,746
Some items reported as capital outlay were not capitalized	(37,781)
Depreciation is reported in the government-wide financial statements	(277,918)
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	(15,281)
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.	
Principal repaid	332,641
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	(10,653)
Accrued interest on debt	10,514
Landfill liability	11,279
Net pension asset (and pension related deferred outflows/ inflows of resources)	<u>(5,148)</u>
Change in Net Position of Governmental Activities	<u>\$ 219,638</u>

Village of Trempealeau

Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Assets				
Current assets:				
Cash and investments	\$ -	\$ 415,029	\$ -	\$ 415,029
Receivables:				
Accounts	298,827	64,185	77,542	440,554
Other	4,554	596	-	5,150
Due from other governments	497	-	-	497
Inventories	100,012	-	-	100,012
Restricted assets:				
Redemption account	<u>158,788</u>	<u>56,433</u>	<u>-</u>	<u>215,221</u>
Total current assets	<u>562,678</u>	<u>536,243</u>	<u>77,542</u>	<u>1,176,463</u>
Noncurrent assets:				
Restricted assets:				
Reserve account	148,253	-	-	148,253
Net pension asset	45,139	17,738	19,815	82,692
Capital assets:				
Construction in progress	-	-	96,442	96,442
Utility plant	7,608,487	4,311,515	4,197,008	16,117,010
Less Accumulated depreciation	<u>(3,154,455)</u>	<u>(1,746,091)</u>	<u>(3,666,990)</u>	<u>(8,567,536)</u>
Other assets:				
Total noncurrent assets	<u>4,647,424</u>	<u>2,583,162</u>	<u>646,275</u>	<u>7,876,861</u>
Total assets	<u>5,210,102</u>	<u>3,119,405</u>	<u>723,817</u>	<u>9,053,324</u>
Deferred Outflows of Resources				
Deferred charge on refunding	46,975	-	-	46,975
Pension related amounts	<u>113,726</u>	<u>44,125</u>	<u>47,171</u>	<u>205,022</u>
Total deferred outflows of resources	<u>160,701</u>	<u>44,125</u>	<u>47,171</u>	<u>251,997</u>

See notes to financial statements

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Liabilities				
Current liabilities:				
Accounts payable	\$ 103,191	\$ 3,091	\$ 2,638	\$ 108,920
Accrued liabilities	4,844	-	5,355	10,199
Deposits	3,352	-	-	3,352
Current portion of compensated absences	12,812	6,641	6,778	26,231
General obligation bonds and notes payable	37,597	-	17,122	54,719
Liabilities Payable from Restricted Assets				
Current portion of revenue bonds	175,000	75,185	-	250,185
Accrued interest payable	11,749	3,350	-	15,099
Total current liabilities	<u>348,545</u>	<u>88,267</u>	<u>31,893</u>	<u>468,705</u>
Noncurrent liabilities:				
Long-term debt:				
General obligation debt payable	244,288	-	142,040	386,328
Revenue bonds payable	2,870,000	678,376	-	3,548,376
Unamortized debt discount	(23,105)	-	-	(23,105)
Compensated absences	20,304	8,399	8,418	37,121
Advance from other funds	106,988	-	340,748	447,736
Total noncurrent liabilities	<u>3,218,475</u>	<u>686,775</u>	<u>491,206</u>	<u>4,396,456</u>
Total liabilities	<u>3,567,020</u>	<u>775,042</u>	<u>523,099</u>	<u>4,865,161</u>
Deferred Inflows of Resources				
Pension related amounts	<u>147,477</u>	<u>50,816</u>	<u>59,402</u>	<u>257,695</u>
Total deferred inflows of resources	<u>147,477</u>	<u>50,816</u>	<u>59,402</u>	<u>257,695</u>
Net Position				
Net investment in capital assets	1,491,462	1,811,863	467,298	3,770,623
Restricted for:				
Debt service	147,039	53,083	-	200,122
Pension	45,139	17,738	19,815	82,692
Unrestricted (Deficit)	<u>(27,334)</u>	<u>454,988</u>	<u>(298,626)</u>	<u>129,028</u>
Total net position	<u>\$ 1,656,306</u>	<u>\$ 2,337,672</u>	<u>\$ 188,487</u>	<u>\$ 4,182,465</u>

See notes to financial statements

Village of Trempealeau

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Operating Revenues				
Public charges for services	\$ 2,040,802	\$ 501,564	\$ 508,802	\$ 3,051,168
Total operating revenues	<u>2,040,802</u>	<u>501,564</u>	<u>508,802</u>	<u>3,051,168</u>
Operating Expenses				
Operation and maintenance	1,638,427	254,142	316,275	2,208,844
Depreciation	290,797	122,673	160,294	573,764
Taxes	<u>31,794</u>	<u>5,147</u>	<u>10,134</u>	<u>47,075</u>
Total operating expenses	<u>1,961,018</u>	<u>381,962</u>	<u>486,703</u>	<u>2,829,683</u>
Operating income	<u>79,784</u>	<u>119,602</u>	<u>22,099</u>	<u>221,485</u>
Nonoperating Revenues (Expenses)				
Investment income	8,796	132	2,225	11,153
Interest expense	(112,034)	(20,245)	(6,883)	(139,162)
Amortization expense	<u>(11,344)</u>	<u>-</u>	<u>-</u>	<u>(11,344)</u>
Total nonoperating revenues (expenses)	<u>(114,582)</u>	<u>(20,113)</u>	<u>(4,658)</u>	<u>(139,353)</u>
Income (loss) before contributions and transfers	<u>(34,798)</u>	<u>99,489</u>	<u>17,441</u>	<u>82,132</u>
Contributions and Transfers				
Capital contributions	12,003	-	6,800	18,803
Transfers out	<u>(75,927)</u>	<u>(65,443)</u>	<u>-</u>	<u>(141,370)</u>
Total contributions and transfers	<u>(63,924)</u>	<u>(65,443)</u>	<u>6,800</u>	<u>(122,567)</u>
Change in net position	(98,722)	34,046	24,241	(40,435)
Net Position, Beginning	<u>1,755,028</u>	<u>2,303,626</u>	<u>164,246</u>	<u>4,222,900</u>
Net Position, Ending	<u>\$ 1,656,306</u>	<u>\$ 2,337,672</u>	<u>\$ 188,487</u>	<u>\$ 4,182,465</u>

See notes to financial statements

Village of Trempealeau

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Cash Flows From Operating Activities				
Received from customers	\$ 2,006,745	\$ 508,811	\$ 494,322	\$ 3,009,878
Cash received from village	30,728	-	-	30,728
Paid to suppliers for goods and services	(1,351,577)	(163,193)	(224,979)	(1,739,749)
Paid to employees for services	(242,081)	(96,576)	(101,416)	(440,073)
Net cash flows from operating activities	<u>443,815</u>	<u>249,042</u>	<u>167,927</u>	<u>860,784</u>
Cash Flows From Investing Activities				
Investment income	8,796	132	2,225	11,153
Investments purchased	(148,000)	-	-	(148,000)
Investments sold	287,839	-	-	287,839
Net cash flows from investing activities	<u>148,635</u>	<u>132</u>	<u>2,225</u>	<u>150,992</u>
Cash Flows From Noncapital Financing Activities				
Paid to municipality for tax equivalent	(75,927)	(65,443)	-	(141,370)
Advance received (paid) from (to) other funds	-	-	(99,807)	(99,807)
Net cash flows from noncapital financing activities	<u>(75,927)</u>	<u>(65,443)</u>	<u>(99,807)</u>	<u>(241,177)</u>
Cash Flows From Capital and Related Financing Activities				
Debt issued	281,881	-	-	281,881
Debt retired	(184,496)	(73,231)	(14,838)	(272,565)
Interest paid	(109,879)	(20,571)	(9,048)	(139,498)
Acquisition and construction of capital assets	(698,948)	(18,769)	(53,259)	(770,976)
Contributions received for construction	12,003	-	6,800	18,803
Net cash flows from capital and related financing activities	<u>(699,439)</u>	<u>(112,571)</u>	<u>(70,345)</u>	<u>(882,355)</u>
Net change in cash and cash equivalents	(182,916)	71,160	-	(111,756)
Cash and Cash Equivalents, Beginning	<u>341,738</u>	<u>400,302</u>	<u>-</u>	<u>742,040</u>
Cash and Cash Equivalents, Ending	<u>\$ 158,822</u>	<u>\$ 471,462</u>	<u>\$ -</u>	<u>\$ 630,284</u>

See notes to financial statements

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Reconciliation of Operating Income to Net Cash Flows From Operating Activities				
Operating income	\$ 79,784	\$ 119,602	\$ 22,099	\$ 221,485
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	290,797	122,673	160,294	573,764
Depreciation charged to other funds	-	8,362	(8,362)	-
Changes in assets and liabilities:				
Accounts receivable	(729)	(1,115)	(6,118)	(7,962)
Inventories	(25,505)	-	-	(25,505)
Accounts payable	(204)	1,007	(969)	(166)
Other current liabilities	(3,679)	(141)	(131)	(3,951)
Customer deposits	(2,600)	-	-	(2,600)
Pension related deferrals and liability/asset	(1,037)	(1,346)	1,114	(1,269)
Payable to village	106,988	-	-	106,988
Net cash flows from operating activities	<u>\$ 443,815</u>	<u>\$ 249,042</u>	<u>\$ 167,927</u>	<u>\$ 860,784</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds				
Cash and investments	\$ -	\$ 415,029	\$ -	\$ 415,029
Restricted cash and investments:				
Redemption account	158,788	56,433	-	215,221
Reserve account	148,253	-	-	148,253
Total cash and investments	307,041	471,462	-	778,503
Less noncash equivalents	(148,219)	-	-	(148,219)
Cash and cash equivalents	<u>\$ 158,822</u>	<u>\$ 471,462</u>	<u>\$ -</u>	<u>\$ 630,284</u>
Noncash Capital and Related Financing Activities				
Amortization of debt discount and deferred charge on refunding	<u>\$ (11,344)</u>	<u>\$ -</u>	<u>\$ -</u>	

See notes to financial statements

Village of Trempealeau

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2020

	<u>Custodial Fund</u> <u>Tax Collection Fund</u>
Assets	
Cash and investments	\$ 965,004
Taxes receivable	<u>1,495,990</u>
Total assets	<u>2,460,994</u>
Liabilities	
Due to other governments	<u>2,460,994</u>
Total liabilities	<u>2,460,994</u>
Net Position	
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

Village of Trempealeau

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Year Ended December 31, 2020

	<u>Custodial Fund</u> <u>Tax Collection Fund</u>
Additions	
Taxes collected for other governments	\$ <u>1,638,052</u>
Total additions	<u>1,638,052</u>
Deductions	
Taxes distributed to other governments	<u>1,638,052</u>
Total deductions	<u>1,638,052</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u>\$ -</u>

See notes to financial statements

Village of Trempealeau

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December 31, 2020

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Village of Trempealeau

Notes to Financial Statements
December 31, 2020

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Trempealeau, Wisconsin (the Village) 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).

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.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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 percent 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 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

- 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

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 Funds

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

Capital Projects Funds

Capital Improvements Capital Projects Fund is used to account for financial resources restricted, committed or assigned for the acquisition or construction of equipment and/or major capital facilities.

Enterprise Funds

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

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

Library
Block Grant
Trempealeau Trust Fund

Debt Service Funds

Debt Service Funds are 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.

TIF

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

In addition, the Village reports the following fund type:

Custodial Funds

Custodial Funds are 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

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.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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

Proprietary and Fiduciary Funds

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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

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.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

- 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 3. 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 3. for further information.

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.

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

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

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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.

Inventories and Prepaid Items

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

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

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.

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.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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.

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.

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, 2020, are determined on the basis of current salary rates and include salary related payments.

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 and landfill liability.

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

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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.

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.

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.
- c. *Committed* - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

- 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 3. for further information.

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.

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 December 1, 2020 were approved by Village ordinance dated November 5, 2020.

2. Stewardship, Compliance and Accountability

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.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

Excess Expenditures Over Appropriations

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
TIF	\$ 30,150	\$ 54,805	\$ 24,655

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.

Deficit Balances

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

As of December 31, 2020, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF	\$ 19,307	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.

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.

Violation of Finance-Related Legal or Contractual Provisions

At December 31, 2020, 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 \$136,536 in cash and investments for this purpose, however \$0 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
December 31, 2020

3. Detailed Notes on All Funds

Deposits and Investments

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

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risks</u>
Deposits	\$ 1,789,617	\$ 1,857,130	Custodial credit risk
Negotiable certificates of deposits	148,253	148,253	Custodial credit, credit, interest rate and concentration of credit risks
2a7-like pools	117,088	117,504	Credit risk
Petty cash	<u>200</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 2,055,158</u>	<u>\$ 2,122,887</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 697,010		
Restricted cash and investments	393,144		
Per statement of fiduciary net position - fiduciary fund			
Custodial fund	<u>965,004</u>		
Total deposits and investments	<u>\$ 2,055,158</u>		

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, 2020, the banks had pledged various government securities in the amount of \$2,167,055 to secure the Village's deposits.

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.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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

Quoted prices for similar assets in active markets

Investment Type	December 31, 2020			Total
	Level 1	Level 2	Level 3	
Negotiable certificates of deposit	\$ -	\$ 148,253	\$ -	\$ 148,253
2a7-like pools	117,088	-	-	117,088
Total	<u>\$ 117,088</u>	<u>\$ 148,253</u>	<u>\$ -</u>	<u>\$ 265,341</u>

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.

As of December 31, 2020, the Village's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Negotiable certificates of deposit	Not rated	Aaa
2a7-like pools	AAA	Aaa

Concentration of Credit Risk

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

At December 31, 2020, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
American Express Bank	Negotiable certificates of deposit	100.00 %

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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, 2020, the Village's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Negotiable certificates of deposit	<u>\$ 148,253</u>	.21

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

Receivables

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

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 850,750	\$ -
Housing loans	-	80,685
Interest receivable on advance to TIF	-	10,000
Other receivables	<u>8,300</u>	<u>-</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 859,050</u>	<u>\$ 90,685</u>

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.

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.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

Following is a list of restricted assets at December 31, 2020:

	<u>Restricted Assets</u>	<u>Liabilities Payable from Restricted Assets</u>	<u>Restricted Net Position</u>
Bond redemption account	\$ 215,221	\$ 15,099	\$ 200,122
Bond reserve account	148,253	-	n/a
Impact fee account	29,670	-	29,670
Net pension asset	<u>179,601</u>	<u>-</u>	<u>179,601</u>
Total	<u>\$ 572,745</u>	<u>\$ 15,099</u>	<u>\$ 409,393</u>

Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 334,426	\$ -	\$ -	\$ 334,426
Total capital assets not being depreciated	<u>334,426</u>	<u>-</u>	<u>-</u>	<u>334,426</u>
Capital assets being depreciated:				
Land improvements	463,968	-	-	463,968
Buildings	3,219,840	10,992	-	3,230,832
Vehicles and equipment	855,719	15,392	-	871,111
Infrastructure	<u>2,737,062</u>	<u>105,581</u>	<u>-</u>	<u>2,842,643</u>
Total capital assets being depreciated	<u>7,276,589</u>	<u>131,965</u>	<u>-</u>	<u>7,408,554</u>
Total capital assets	<u>7,611,015</u>	<u>131,965</u>	<u>-</u>	<u>7,742,980</u>
Less accumulated depreciation for:				
Land improvements	(59,970)	(20,181)	-	(80,151)
Buildings	(973,507)	(73,298)	-	(1,046,805)
Vehicles and equipment	(285,883)	(62,580)	-	(348,463)
Infrastructure	<u>(1,130,340)</u>	<u>(121,859)</u>	<u>-</u>	<u>(1,252,199)</u>
Total accumulated depreciation	<u>(2,449,700)</u>	<u>(277,918)</u>	<u>-</u>	<u>(2,727,618)</u>
Net capital assets being depreciated	<u>4,826,889</u>	<u>(145,953)</u>	<u>-</u>	<u>4,680,936</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 5,161,315</u>	<u>\$ (145,953)</u>	<u>\$ -</u>	<u>\$ 5,015,362</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 8,709
Public safety	20,777
Public works, which includes depreciation of infrastructure	176,657
Culture, education and recreation	<u>71,775</u>
Total governmental activities depreciation expense	<u>\$ 277,918</u>

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Electric				
Capital assets not being depreciated:				
Land and land rights	\$ 85,009	\$ -	\$ -	\$ 85,009
Construction in progress	<u>282,493</u>	<u>-</u>	<u>282,493</u>	<u>-</u>
Total capital assets not being depreciated	<u>367,502</u>	<u>-</u>	<u>282,493</u>	<u>85,009</u>
Capital assets being depreciated:				
Transmission and distribution plant	6,090,465	175,901	47,466	6,218,900
General plant	<u>512,843</u>	<u>791,735</u>	<u>-</u>	<u>1,304,578</u>
Total capital assets being depreciated	<u>6,603,308</u>	<u>967,636</u>	<u>47,466</u>	<u>7,523,478</u>
Total capital assets	<u>6,970,810</u>	<u>967,636</u>	<u>329,959</u>	<u>7,608,487</u>
Less accumulated depreciation for:				
Electric plant	<u>(2,911,123)</u>	<u>(290,798)</u>	<u>47,466</u>	<u>(3,154,455)</u>
Total accumulated depreciation	<u>(2,911,123)</u>	<u>(290,798)</u>	<u>47,466</u>	<u>(3,154,455)</u>
Net capital assets being depreciated	<u>3,692,185</u>	<u>676,838</u>	<u>-</u>	<u>4,369,023</u>
Net electric capital assets	<u>\$ 4,059,687</u>	<u>\$ 676,838</u>	<u>\$ 282,493</u>	<u>\$ 4,454,032</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land and land rights	\$ 64,571	\$ -	\$ -	\$ 64,571
Total capital assets not being depreciated	<u>64,571</u>	<u>-</u>	<u>-</u>	<u>64,571</u>
Capital assets being depreciated:				
Source of supply plant	468,236	-	-	468,236
General plant	55,972	3,093	-	59,065
Pumping plant	306,063	10,995	5,301	311,757
Transmission and distribution plant	2,039,787	4,681	960	2,043,508
Water treatment plant	<u>1,364,378</u>	<u>-</u>	<u>-</u>	<u>1,364,378</u>
Total capital assets being depreciated	<u>4,234,436</u>	<u>18,769</u>	<u>6,261</u>	<u>4,246,944</u>
Total capital assets	<u>4,299,007</u>	<u>18,769</u>	<u>6,261</u>	<u>4,311,515</u>
Less accumulated depreciation for:				
Water plant	<u>(1,621,317)</u>	<u>(131,035)</u>	<u>6,261</u>	<u>(1,746,091)</u>
Total accumulated depreciation	<u>(1,621,317)</u>	<u>(131,035)</u>	<u>6,261</u>	<u>(1,746,091)</u>
Net capital assets being depreciated	<u>2,613,119</u>	<u>(112,266)</u>	<u>-</u>	<u>2,500,853</u>
Net water capital assets	<u>\$ 2,677,690</u>	<u>\$ (112,266)</u>	<u>\$ -</u>	<u>\$ 2,565,424</u>

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Sewer				
Capital assets not being depreciated:				
Land and land rights	\$ 3,100	\$ -	\$ -	\$ 3,100
Construction in progress	<u>54,631</u>	<u>41,811</u>	<u>-</u>	<u>96,442</u>
Total capital assets not being depreciated	<u>57,731</u>	<u>41,811</u>	<u>-</u>	<u>99,542</u>
Capital assets being depreciated:				
Collection system plant	1,319,542	-	-	1,319,542
Pumping equipment	482,611	-	-	482,611
Treatment and disposal plant	2,250,755	11,105	-	2,261,860
General plant	<u>129,552</u>	<u>343</u>	<u>-</u>	<u>129,895</u>
Total capital assets being depreciated	<u>4,182,460</u>	<u>11,448</u>	<u>-</u>	<u>4,193,908</u>
Total capital assets	<u>4,240,191</u>	<u>53,259</u>	<u>-</u>	<u>4,293,450</u>
Less accumulated depreciation for:				
Sewer plant	<u>(3,515,058)</u>	<u>(151,932)</u>	<u>-</u>	<u>(3,666,990)</u>
Total accumulated depreciation	<u>(3,515,058)</u>	<u>(151,932)</u>	<u>-</u>	<u>(3,666,990)</u>
Net capital assets being depreciated	<u>667,402</u>	<u>(140,484)</u>	<u>-</u>	<u>526,918</u>
Net sewer capital assets	<u>\$ 725,133</u>	<u>\$ (98,673)</u>	<u>\$ -</u>	<u>\$ 626,460</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 7,462,510</u>	<u>\$ 465,899</u>	<u>\$ 282,493</u>	<u>\$ 7,645,916</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Electric	\$ 290,797
Water	122,673
Sewer	<u>160,294</u>
Total business-type activities depreciation expense	<u>\$ 573,764</u>

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
December 31, 2020

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	TIF	\$ 2,565
Total, fund financial statements		2,565
Less fund eliminations		(2,565)
Add interfund advances		<u>447,736</u>
Total internal balances, government-wide statement of net position		<u>\$ 447,736</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 percent annually.

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	TIF	\$ 15,821	\$ 15,821
General Fund	Sewer Utility	340,748	340,748
General Fund	Electric Utility	<u>106,988</u>	106,988
Total, fund financial statements		463,557	
Less fund eliminations		<u>(15,821)</u>	
Total, interfund advances		<u>\$ 447,736</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
December 31, 2020

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Electric Utility	\$ 75,927	Property tax equivalent
General Fund	Water Utility	65,443	Property tax equivalent
Capital Improvements	General Fund	34,396	Operating subsidy
Debt Service Fund	General Fund	<u>12,272</u>	Operating subsidy
Total, fund financial statements		188,038	
Less fund eliminations		<u>(46,668)</u>	
Total transfers, government-wide statement of activities		<u>\$ 141,370</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.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation bonds	\$ 180,000	\$ -	\$ 100,000	\$ 80,000	\$ 80,000
General obligation debt from direct borrowings and direct placements	<u>1,014,616</u>	<u>-</u>	<u>232,641</u>	<u>781,975</u>	<u>193,772</u>
Subtotal	<u>1,194,616</u>	<u>-</u>	<u>332,641</u>	<u>861,975</u>	<u>273,772</u>
Other liabilities:					
Vested compensated absences	33,066	35,197	24,544	43,719	19,162
Net pension liability	99,338	-	99,338	-	-
Landfill liability	<u>27,184</u>	<u>-</u>	<u>11,279</u>	<u>15,905</u>	<u>7,100</u>
Total other liabilities	<u>159,588</u>	<u>35,197</u>	<u>135,161</u>	<u>59,624</u>	<u>26,262</u>
Total governmental activities long-term liabilities	<u>\$ 1,354,204</u>	<u>\$ 35,197</u>	<u>\$ 467,802</u>	<u>\$ 921,599</u>	<u>\$ 300,034</u>

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt from direct borrowings and direct placements	\$ 183,500	\$ 281,881	\$ 24,334	\$ 441,047	\$ 54,719
Revenue bonds (Discounts)/Premium	3,220,000 (25,054)	-	175,000 (1,949)	3,045,000 (23,105)	175,000 -
Revenue debt from direct borrowing and direct placements	<u>826,792</u>	<u>-</u>	<u>73,231</u>	<u>753,561</u>	<u>75,185</u>
Subtotal	<u>4,205,238</u>	<u>281,881</u>	<u>270,616</u>	<u>4,216,503</u>	<u>304,904</u>
Other liabilities:					
Vested compensated absences	68,125	53,447	58,220	63,352	26,231
Net pension liability	<u>87,439</u>	<u>-</u>	<u>87,439</u>	<u>-</u>	<u>-</u>
Total other liabilities	<u>155,564</u>	<u>53,447</u>	<u>145,659</u>	<u>63,352</u>	<u>26,231</u>
Total business-type activities long-term liabilities	<u>\$ 4,360,802</u>	<u>\$ 335,328</u>	<u>\$ 416,275</u>	<u>\$ 4,279,855</u>	<u>\$ 331,135</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5 percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2020, was \$7,303,085. Total general obligation debt outstanding at year end was \$1,303,022.

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.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
General obligation refunding bonds	4/28/2009	10/1/2021	2.0 - 4.2%	\$ 1,155,000	\$ 80,000
State trust fund loan *	9/22/2014	3/15/2024	3.5%	1,002,500	489,020
Capital equipment loan *	3/27/2018	3/27/2023	3.00%	130,666	85,284
Capital equipment loan *	9/27/2018	9/27/2023	3.55%	41,000	23,398
Capital improvement loan *	2/7/2019	2/7/2024	3.88%	225,000	<u>184,273</u>
Total governmental activities, general obligation debt					<u>\$ 861,975</u>

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

<u>Business-Type Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
<u>General Obligation Debt</u>					
Sewer state trust fund loan *	10/9/2018	3/15/2028	4.25%	\$ 174,000	\$ 159,166
Electric bank loan *	8/27/2020	8/27/2027	3.54%	281,881	<u>281,881</u>
Total business-type activities, general obligation debt					<u>\$ 441,047</u>

* - Considered direct placement or direct borrowing.

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 80,000	\$ 3,360
Total	<u>\$ 80,000</u>	<u>\$ 3,360</u>

<u>Years</u>	<u>Governmental Activities Bonds from Direct Borrowings and Direct Placements</u>		<u>Business-Type Activities General Obligation Bonds From Direct Borrowings And Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 193,772	\$ 26,477	\$ 54,719	\$ 13,195
2022	200,579	19,670	56,305	11,609
2023	209,591	12,575	57,941	9,974
2024	178,033	4,686	59,606	8,308
2025	-	-	61,370	6,544
2026-2028	-	-	151,106	8,612
Total	<u>\$ 781,975</u>	<u>\$ 63,408</u>	<u>\$ 441,047</u>	<u>\$ 58,242</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 73 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,894,759. Principal and interest paid for the current year and total customer net revenues were \$284,126 and \$379,377, respectively.

The water utility has pledged future water revenues, net of specified operating expenses, to repay revenue bonds issued in 2009. Proceeds from the bonds provided financing for the utility system improvements. The bonds are payable solely from water revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 39 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$847,559. Principal and interest paid for the current year and total customer net revenues were \$94,313 and \$242,407, respectively.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

Revenue debt payable at December 31, 2020, 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, 2020</u>
Water Utility					
Safe drinking water loan from direct borrowing or direct placement	11/12/2009	5/1/2029	2.668%	\$ 1,417,481	\$ <u>753,561</u>
Electric Utility					
Electric revenue bonds	10/15/2014	12/1/2034	1.25 - 4.00%	4,035,000	<u>3,045,000</u>
Total business-type activities, revenue debt					<u>\$ 3,798,561</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities Revenue Debt	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 175,000	\$ 105,626
2022	185,000	101,514
2023	185,000	96,704
2024	190,000	91,431
2025	200,000	85,731
2026-2030	1,090,000	264,753
2031-2034	<u>1,020,000</u>	<u>104,000</u>
Total	<u>\$ 3,045,000</u>	<u>\$ 849,759</u>

<u>Years</u>	Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 75,185	\$ 19,102
2022	77,191	17,069
2023	79,251	14,982
2024	81,365	12,840
2025	83,536	10,640
2026-2029	<u>357,033</u>	<u>19,365</u>
Total	<u>\$ 753,561</u>	<u>\$ 93,998</u>

Other Debt Information

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

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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 2.

The Village's outstanding State Trust Fund Loans from direct borrowings related to governmental activities of \$489,020 and business type activities of \$159,162 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 \$292,955 and business type activities of \$281,881 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 \$753,561 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.

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 \$15,905 reported as landfill closure and postclosure care liability at December 31, 2020, 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, 2020, the Village had landfill maintenance and monitoring costs in the amount of \$11,279. The maintenance and monitoring expenses for long-term care will be budgeted for each year by the Village and the amount averages \$7,100 annually.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 334,426
Other capital assets, net of accumulated depreciation	4,680,936
Less long-term debt outstanding	<u>(861,975)</u>

Total net investment in capital assets \$ 4,153,387

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances			
Nonspendable:			
Advances	\$ 463,557	\$ -	\$ 463,557
Delinquent taxes	2,322	-	2,322
Prepaid items	<u>28,954</u>	<u>-</u>	<u>28,954</u>
Subtotal	<u>494,833</u>	<u>-</u>	<u>494,833</u>
Restricted for:			
Impact fees - parks	29,670	-	29,670
Housing loan - grantor restrictions	-	20	20
Trempealeau Trust - community betterment	-	19,030	19,030
Donor restrictions - library	-	97,712	97,712
State statues - library	<u>-</u>	<u>29,435</u>	<u>29,435</u>
Subtotal	<u>29,670</u>	<u>146,197</u>	<u>175,867</u>
Unassigned (deficit):	<u>119,623</u>	<u>(19,307)</u>	<u>100,316</u>
Total fund balances	<u>\$ 644,126</u>	<u>\$ 126,890</u>	<u>\$ 771,016</u>

Business-Type Activities

Net investment in capital assets:	
Land	\$ 152,680
Construction in progress	96,442
Other capital assets, net of accumulated depreciation	7,396,794
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	(4,239,608)
Plus noncapital debt proceeds	<u>364,315</u>
Total net investment in capital assets	<u>\$ 3,770,623</u>

4. Other Information

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 1,200 hours a year (880 hours teachers and school district educational support employees) 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, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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 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 period. Creditable service includes current service and prior service for which a participant received 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.

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>
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
2019	0.0	(10.0)

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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, including Teachers, 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 \$58,184 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.55 %	6.55 %
Protective with Social Security	6.55 %	10.55 %
Protective without Social Security	6.55 %	14.95 %

Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Village reported an asset of \$179,601 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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 asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.00556998 percent, which was an increase of 0.00032000 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$62,332.

At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 340,924	\$ 170,610
Changes in assumptions	13,995	-
Net differences between projected and actual earnings on pension plan investments	-	367,170
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	3,092
Employer contributions subsequent to the measurement date	<u>61,316</u>	<u>-</u>
Total	<u>\$ 416,235</u>	<u>\$ 540,872</u>

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

\$61,316 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2021	\$ (56,060)
2022	(41,374)
2023	5,981
2024	(94,500)

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
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 percent 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. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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 geometric real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent
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 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent 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
December 31, 2020

Sensitivity of the Village's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

The following presents the Village's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.00 percent, as well as what the Village's proportionate share of the net pension 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 (asset) liability	\$ 462,506	\$ (179,601)	\$ (659,650)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

At December 31, 2020, the Village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

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.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability band 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.

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.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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 \$57,342 in 2020.

Financial information of the District as of December 31, 2020 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 \$16,587 to the Commission in 2020. 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.

Subsequent Events

Relief through the American Rescue Plan Act

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The Villages's estimated award is \$160,000, which will be used to combat the negative effects of the public health emergency in the local economy. The Village received 50 percent of the funds in 2021, with the remaining expected a year later. The funds must be committed by December 31, 2024 with a deadline to expend funds by December 31, 2026.

New Debt

On April 15, 2021 the Village issued general obligation promissory notes in the amount of \$107,000 with an interest rate of 2.85 percent. This amount will be used for the purchase of vehicles.

Village of Trempealeau

Notes to Financial Statements
December 31, 2020

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*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

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

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 Trempealeau

Notes to Financial Statements
December 31, 2020

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

	<u>2020</u>	<u>From Date of Creation</u>
Project Costs		
Capital expenditures	\$ 2,584	\$ 843,491
Interest and fiscal charges	<u>11,494</u>	<u>333,883</u>
Total costs	<u>14,078</u>	<u>1,177,374</u>
Project Revenues		
Tax increments	70,236	861,405
Special assessments	-	6,561
Miscellaneous	285	69,018
Sale of property	<u>-</u>	<u>36,810</u>
Total revenues	<u>70,521</u>	<u>973,794</u>
Net costs recoverable through TIF increments - December 31, 2020	<u>\$ (56,443)</u>	<u>\$ 203,580</u>
Reconciliation of Recoverable Costs		
General obligation debt		\$ 184,273
Plus: fund balance deficit		<u>19,307</u>
Net costs recoverable through TIF increments - December 31, 2020		<u>\$ 203,580</u>

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 2021 is \$71,351.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Trempealeau

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes			
Property	\$ 319,946	\$ 315,836	\$ (4,110)
Mobile home taxes	60,000	47,120	(12,880)
Public accommodation (room) taxes	5,500	13,382	7,882
Payments in lieu of taxes	<u>9,000</u>	<u>16,044</u>	<u>7,044</u>
Total taxes	<u>394,446</u>	<u>392,382</u>	<u>(2,064)</u>
Intergovernmental Revenues			
State shared revenues	244,855	276,546	31,691
Fire insurance tax from state	4,500	6,027	1,527
State aid - computer exemption	500	396	(104)
State aid - law enforcement improvement	3,000	1,689	(1,311)
State aid - connecting streets	90,000	102,660	12,660
State aid - local road improvement program	9,041	-	(9,041)
Aid in lieu of taxes	<u>500</u>	<u>408</u>	<u>(92)</u>
Total intergovernmental revenues	<u>352,396</u>	<u>387,726</u>	<u>35,330</u>
Licenses and Permits			
Liquor and malt beverage licenses	3,400	1,790	(1,610)
Operators' license	350	395	45
Cigarette licenses	10	20	10
Soda licenses	70	60	(10)
Dog and cat licenses	1,100	460	(640)
Building permits	-	1,685	1,685
Zoning permits and fees	2,000	2,550	550
Other permits	<u>1,250</u>	<u>825</u>	<u>(425)</u>
Total licenses and permits	<u>8,180</u>	<u>7,785</u>	<u>(395)</u>
Fines, Forfeitures and Penalties			
Court penalties and costs	1,750	2,677	927
Parking violations	125	200	75
Other law and ordinance violations	<u>100</u>	<u>-</u>	<u>(100)</u>
Total fines, forfeitures and penalties	<u>1,975</u>	<u>2,877</u>	<u>902</u>
Public Charges for Services			
Clerk's fees	9,500	25,362	15,862
License publication fees	50	70	20
Landfill	2,500	4,573	2,073
Swimming areas	33,000	8,671	(24,329)
Parkland development	<u>3,000</u>	<u>7,200</u>	<u>4,200</u>
Total public charges for services	<u>48,050</u>	<u>45,876</u>	<u>(2,174)</u>
Special Assessments			
Street improvements	<u>18,000</u>	<u>14,098</u>	<u>(3,902)</u>

See notes to required supplementary information

Village of Trempealeau

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Investment Income			
Investment income	\$ 5,160	\$ 5,923	\$ 763
Interest on advances to other funds	10,000	12,642	2,642
Interest on special assessments	<u>5,800</u>	<u>102</u>	<u>(5,698)</u>
Total investment income	<u>20,960</u>	<u>18,667</u>	<u>(2,293)</u>
Miscellaneous			
Donations	30,000	-	(30,000)
Rent	6,600	11,649	5,049
Other miscellaneous	<u>25,000</u>	<u>29,213</u>	<u>4,213</u>
Total miscellaneous	<u>61,600</u>	<u>40,862</u>	<u>(20,738)</u>
Total revenues	<u>905,607</u>	<u>910,273</u>	<u>4,666</u>
Expenditures			
General Government			
Village board	4,030	4,305	(275)
Legal	10,000	9,708	292
Administrator	31,944	23,167	8,777
Clerk	29,166	33,066	(3,900)
Elections	5,600	9,117	(3,517)
Accounting	15,725	21,666	(5,941)
Office	28,908	29,855	(947)
Assessor	8,500	8,279	221
General buildings/plant/hall	29,000	34,920	(5,920)
Property and liability insurance	20,000	41,078	(21,078)
Other general government	<u>10,000</u>	<u>16,711</u>	<u>(6,711)</u>
Total general government	<u>192,873</u>	<u>231,872</u>	<u>(38,999)</u>
Public Safety			
Police	320,092	310,475	9,617
Fire protection	45,000	68,017	(23,017)
EMT	7,500	7,732	(232)
Building inspection	<u>100</u>	<u>-</u>	<u>100</u>
Total public safety	<u>372,692</u>	<u>386,224</u>	<u>(13,532)</u>

See notes to required supplementary information

Village of Trempealeau

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Public Works			
Shop operations	\$ 121,377	\$ 17,642	\$ 103,735
Machinery operation and maintenance	21,800	17,434	4,366
Street maintenance	11,400	67,138	(55,738)
Tree and brush removal	2,000	10,674	(8,674)
Snow and ice control	22,000	25,421	(3,421)
Traffic control	10,000	12,066	(2,066)
Sidewalks	-	864	(864)
Street lighting	34,032	27,850	6,182
Refuse and garbage collection	-	1,532	(1,532)
Recycling	21,934	16,587	5,347
Sanitary landfill	2,500	11,279	(8,779)
Weed control	-	2,118	(2,118)
	<u>247,043</u>	<u>210,605</u>	<u>36,438</u>
Health and Human Services			
Cemetery	600	-	600
Senior activities	<u>150</u>	<u>-</u>	<u>150</u>
	<u>750</u>	<u>-</u>	<u>750</u>
Culture, Recreation and Education			
Parks	69,988	49,904	20,084
Recreation	9,250	407	8,843
Celebrations and entertainment	750	2,637	(1,887)
Swimming pool	<u>95,200</u>	<u>80,904</u>	<u>14,296</u>
	<u>175,188</u>	<u>133,852</u>	<u>41,336</u>
Conservation and Development			
Planning	1,000	2,519	(1,519)
Zoning	1,000	12,223	(11,223)
Economic development	<u>750</u>	<u>6,994</u>	<u>(6,244)</u>
	<u>2,750</u>	<u>21,736</u>	<u>(18,986)</u>
Total expenditures	<u>991,296</u>	<u>984,289</u>	<u>7,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(85,689)</u>	<u>(74,016)</u>	<u>11,673</u>
Other Financing Sources (Uses)			
Transfers in	175,000	141,370	(33,630)
Transfers out	<u>(89,311)</u>	<u>(46,668)</u>	<u>42,643</u>
	<u>85,689</u>	<u>94,702</u>	<u>9,013</u>
Net change in fund balance	-	20,686	20,686
Fund Balance, Beginning	<u>623,440</u>	<u>623,440</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 623,440</u>	<u>\$ 644,126</u>	<u>\$ 20,686</u>

See notes to required supplementary information

Village of Trempealeau

Schedule of Employer's Proportionate Share of the Net Pension Asset (Liability)

Wisconsin Retirement System

Year Ended December 31, 2020

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
12/30/19	0.00556998 %	\$ 179,601	\$ 779,645	23.04 %	102.96 %
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

Year Ended December 31, 2020

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
12/30/20	\$ 61,316	\$ 61,316	\$ -	\$ 783,317	7.83 %
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 notes to required supplementary information

Village of Trempealeau

Notes to Required Supplementary Information
Year Ended December 31, 2020

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 1.

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. No significant change in assumptions were noted from the prior year.

SUPPLEMENTARY INFORMATION

Village of Trempealeau

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	<u>Special Revenue</u>			<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Library</u>	<u>Block Grant</u>	<u>Trempealeau Trust Fund</u>	<u>TIF</u>	
Assets					
Cash and investments	\$ 127,873	\$ 20	\$ 19,030	\$ -	\$ 146,923
Receivables:					
Taxes	89,072	-	-	71,351	160,423
Notes	<u>-</u>	<u>80,685</u>	<u>-</u>	<u>-</u>	<u>80,685</u>
Total assets	<u>\$ 216,945</u>	<u>\$ 80,705</u>	<u>\$ 19,030</u>	<u>\$ 71,351</u>	<u>\$ 388,031</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 726	\$ -	\$ -	\$ 920	\$ 1,646
Due to other funds	-	-	-	2,565	2,565
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,821</u>	<u>15,821</u>
Total liabilities	<u>726</u>	<u>-</u>	<u>-</u>	<u>19,306</u>	<u>20,032</u>
Deferred Inflows of Resources					
Unearned revenues	89,072	-	-	71,352	160,424
Unavailable revenues	<u>-</u>	<u>80,685</u>	<u>-</u>	<u>-</u>	<u>80,685</u>
Total deferred inflows of resources	<u>89,072</u>	<u>80,685</u>	<u>-</u>	<u>71,352</u>	<u>241,109</u>
Fund Balances (Deficit)					
Restricted	127,147	20	19,030	-	146,197
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,307)</u>	<u>(19,307)</u>
Total fund balances (deficit)	<u>127,147</u>	<u>20</u>	<u>19,030</u>	<u>(19,307)</u>	<u>126,890</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 216,945</u>	<u>\$ 80,705</u>	<u>\$ 19,030</u>	<u>\$ 71,351</u>	<u>\$ 388,031</u>

Village of Trempealeau

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	<u>Special Revenue</u>			<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Library</u>	<u>Block Grant</u>	<u>Trempealeau Trust Fund</u>	<u>TIF</u>	
Revenues					
Taxes	\$ 89,072	\$ -	\$ -	\$ 70,236	\$ 159,308
Intergovernmental	69,417	-	-	-	69,417
Investment income	1	-	298	6	305
Miscellaneous	<u>10,198</u>	<u>-</u>	<u>-</u>	<u>279</u>	<u>10,477</u>
Total revenues	<u>168,688</u>	<u>-</u>	<u>298</u>	<u>70,521</u>	<u>239,507</u>
Expenditures					
Current:					
Culture, recreation and education	153,007	-	-	-	153,007
Conservation and development	-	-	-	2,584	2,584
Debt service:					
Principal	-	-	-	40,727	40,727
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,494</u>	<u>11,494</u>
Total expenditures	<u>153,007</u>	<u>-</u>	<u>-</u>	<u>54,805</u>	<u>207,812</u>
Excess of revenues over expenditures	<u>15,681</u>	<u>-</u>	<u>298</u>	<u>15,716</u>	<u>31,695</u>
Net change in fund balances	15,681	-	298	15,716	31,695
Fund Balances (Deficit), Beginning	<u>111,466</u>	<u>20</u>	<u>18,732</u>	<u>(35,023)</u>	<u>95,195</u>
Fund Balances (Deficit), Ending	<u>\$ 127,147</u>	<u>\$ 20</u>	<u>\$ 19,030</u>	<u>\$ (19,307)</u>	<u>\$ 126,890</u>

Village of Trempealeau

Detailed Schedule of Operating Revenues and Expenses - Electric
Year Ended December 31, 2020

Operating Revenues

Sales of electricity:

Residential	\$ 1,279,705
Small commercial	443,407
Large power	277,258
Public street lighting	<u>30,728</u>

Total sales of electricity 2,031,098

Other operating revenues:

Forfeited discounts	1,285
Rent from electric property	3,300
Other electric revenues	<u>5,119</u>

Total other operating revenues 9,704

Total operating revenues 2,040,802

Operating Expenses

Operation and maintenance expenses:

Other power supply expenses:

Purchased power	<u>1,062,296</u>
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Total other power supply expenses 1,062,296

Transmission expenses:

Operation supervision and labor	<u>118,510</u>
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Total transmission expenses 118,510

Distribution expenses:

Line and station supplies and expenses	4,762
Meter expenses	53
Maintenance of structures	35,583
Maintenance of lines	34,374
Maintenance of line transformers	1,106
Maintenance of street lighting	3,518
Maintenance of meters	307
Miscellaneous distribution expenses	<u>2,634</u>

Total distribution expenses 82,337

Village of Trempealeau

Detailed Schedule of Operating Revenues and Expenses - Electric
Year Ended December 31, 2020

Operating Expenses (cont.)

Operation and maintenance expenses (cont.):

Customer accounts expenses:

Meter reading labor	\$ 125
Accounting and collecting labor	78,238
Supplies and expenses	8,308
Uncollectible accounts	<u>13</u>

Total customer accounts expenses 86,684

Administrative and general expenses:

Administrative and general salaries	3,630
Office supplies and expenses	11,110
Outside services employed	55,038
Property insurance	4,545
Injuries and damages	877
Employee pensions and benefits	82,556
Regulatory commission expense	2,797
Miscellaneous general expenses	92,550
Transportation expenses	5,915
Maintenance of general plant	<u>29,582</u>

Total administrative and general expenses 288,600

Total operation and maintenance expenses 1,638,427

Depreciation	290,797
Taxes	<u>31,794</u>

Total operating expenses 1,961,018

Operating income \$ 79,784

Village of Trempealeau

Detailed Schedule of Operating Revenues and Expenses - Water Year Ended December 31, 2020

Operating Revenues

Sales of water:

Metered sales – residential	\$ 286,859
Metered sales – commercial	54,432
Metered sales – multi-family residential	5,413
Public fire protection	115,015
Other sales to public authorities	<u>19,677</u>
Total sales of water	<u>481,396</u>

Other operating revenues:

Forfeited discounts	273
Other water revenue	<u>19,895</u>
Total other operating revenues	<u>20,168</u>
Total operating revenues	<u>501,564</u>

Operating Expenses

Operation and maintenance expenses:

Pumping expenses:

Fuel or power purchased for pumping	19,196
Operation supplies and expenses	9,702
Maintenance of pumping plant	<u>47,781</u>
Total pumping expenses	<u>76,679</u>

Water treatment expenses:

Chemicals	15,497
Operation supplies and expenses	<u>7,288</u>
Total water treatment expenses	<u>22,785</u>

Transmission and distribution expenses:

Maintenance of reservoirs	36
Maintenance of mains	1,330
Maintenance of services	84
Maintenance of meters	955
Maintenance of hydrants	<u>659</u>
Total transmission and distribution expenses	<u>3,064</u>

Village of Trempealeau

Detailed Schedule of Operating Revenues and Expenses - Water
Year Ended December 31, 2020

Operating Expenses (cont.):

Operation and maintenance expenses (cont.):

Customer accounts expenses:

Accounting and collecting labor	\$ 49,178
Supplies and expenses	23
Uncollectible accounts	<u>2</u>
Total customer accounts expenses	<u>49,203</u>

Administrative and general expenses:

Administrative and general salaries	2,269
Office supplies and expenses	6,863
Outside services employed	22,777
Property insurance	7,754
Employee pensions and benefits	53,050
Regulatory commission expense	1,959
Miscellaneous general expenses	7,160
Transportation expenses	<u>579</u>

Total administrative and general expenses 102,411

Total operation and maintenance expenses 254,142

Depreciation expense 122,673

Taxes 5,147

Total operating expenses 381,962

Operating income \$ 119,602

Village of Trempealeau

Detailed Schedule of Operating Revenues and Expenses - Sewer
Year Ended December 31, 2020

Operating Revenues

Sewage service:

Metered sales – residential	\$ 431,034
Metered sales – commercial	<u>77,128</u>
Total sales of water	<u>508,162</u>

Other operating revenues:

Forfeited discounts	326
Miscellaneous operating revenues	<u>314</u>
Total other operating revenues	<u>640</u>
Total operating revenues	<u>508,802</u>

Operating Expenses

Operation and maintenance expenses:

Collection, pumping and treatment expenses:

Power for pumping	42,075
Operating supplies	8,179
Maintenance of pumping equipment	11,154
Maintenance of collection system	86,680
Maintenance of general plant equipment	<u>283</u>
Total collection, pumping and treatment expenses	<u>148,371</u>

Customer accounts expenses:

Meter reading labor	73
Accounting and collecting labor	55,391
Uncollectible accounts	<u>2</u>
Total customer accounts expenses	<u>55,466</u>

Administrative and general expenses:

Administrative and general salaries	2,609
Office supplies and expenses	8,485
Outside services employed	30,346
Property insurance	6,417
Employee pensions and benefits	54,462
Miscellaneous general expenses	3,732
Transportation expenses	932
Rent	<u>5,455</u>
Total administrative and general expenses	<u>112,438</u>

Total operation and maintenance expenses	316,275
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Depreciation expense	160,294
Taxes	<u>10,134</u>
Total operating expenses	<u>486,703</u>

Operating income	<u>\$ 22,099</u>
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Village of Trempealeau

Required Bond Disclosures

Year Ended December 31, 2020

Insurance Coverage

Type	Coverage		Expiration
<i>Municipal Property Insurance Company</i>			
Buildings, Personal Property, Inland Marine Floater and Property in the Open	\$ 23,202,898		1/1/2021
Contractors Equipment	721,461		1/1/2021
Equipment	23,202,898		
Monies and Securities	10,000		
<i>League of Wisconsin Municipalities</i>			
Worker's Compensation - Accident	100,000	each accident	1/1/2021
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	642,611	replacement cost	
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	

Debt Coverage

	<u>Electric 2020</u>	<u>Water 2020</u>
Net income (loss)	\$ (98,722)	\$ 34,046
Depreciation and amortization	302,141	122,673
Interest expense	112,034	20,245
Property tax equivalent	75,927	65,443
Less capital contributions	(12,003)	-
 Net defined earnings	 <u>\$ 379,377</u>	 <u>\$ 242,407</u>
 Annual Debt Service	 <u>\$ 284,126</u>	 <u>\$ 94,313</u>
 Annual Debt Coverage	 <u>1.34</u>	 <u>2.57</u>
 Required Coverage per Resolution	 <u>1.25</u>	 <u>1.25</u>

Village of Trempealeau

Required Bond Disclosures

Year Ended December 31, 2020

Number of Customers

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Residential	1,173	777	835
Commercial	219	57	10
Public authority	2	15	-
Multi-family residential	-	4	-
Fire protection	-	3	-
	<u>1,394</u>	<u>856</u>	<u>845</u>