

# **Village of Trempealeau**

Financial Statements and  
Supplementary Information

December 31, 2021

# Village of Trempealeau

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December 31, 2021

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## **Independent Auditors' Report**

To the Village Board of  
Village of Trempealeau

### **Opinions**

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 (the Village), as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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 as of December 31, 2021 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.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

## **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 is the responsibility of management and, 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 financial statements in an appropriate operational, economic or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village'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  
April 12, 2022

# Village of Trempealeau

## Statement of Net Position

December 31, 2021

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets and Deferred Outflows of Resources</b>			
<b>Assets</b>			
Cash and investments	\$ 491,575	\$ 168,712	\$ 660,287
Receivables (net):			
Taxes receivable	808,267	-	808,267
Accounts	-	430,824	430,824
Notes	64,934	-	64,934
Delinquent personal property taxes	668	-	668
Other	71,753	1,688	73,441
Accrued interest	45	-	45
Internal balances	290,965	(290,965)	-
Due from other governments	2,592	497	3,089
Inventories and prepaid items	1,804	108,494	110,298
Restricted assets:			
Cash and investments	29,685	351,526	381,211
Net pension asset	176,757	167,603	344,360
Capital assets:			
Land	334,426	152,680	487,106
Construction in progress	-	452,110	452,110
Other capital assets, net of depreciation	<u>4,652,594</u>	<u>7,095,317</u>	<u>11,747,911</u>
Total assets	<u>6,926,065</u>	<u>8,638,486</u>	<u>15,564,551</u>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	-	38,922	38,922
Pension related amounts	<u>292,852</u>	<u>279,831</u>	<u>572,683</u>
Total deferred outflows of resources	<u>292,852</u>	<u>318,753</u>	<u>611,605</u>
<b>Liabilities, Deferred inflows of Resources and Net Position</b>			
<b>Liabilities</b>			
Accounts payable	25,920	359,422	385,342
Accrued liabilities	43,426	37,854	81,280
Deposits	-	4,052	4,052
Accrued interest	4,736	19,373	24,109
Unearned revenues	87,084	-	87,084
Noncurrent liabilities:			
Due within one year	250,819	342,679	593,498
Due in more than one year	<u>507,477</u>	<u>3,656,177</u>	<u>4,163,654</u>
Total liabilities	<u>919,462</u>	<u>4,419,557</u>	<u>5,339,019</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenues	803,170	-	803,170
Pension related amounts	<u>393,631</u>	<u>362,427</u>	<u>756,058</u>
Total deferred inflows of resources	<u>1,196,801</u>	<u>362,427</u>	<u>1,559,228</u>

See notes to financial statements

## Village of Trempealeau

Statement of Net Position  
December 31, 2021

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Net Position</b>			
Net investment in capital assets	\$ 4,292,195	\$ 4,112,677	\$ 8,404,872
Restricted for:			
Loan programs	65,014	-	65,014
TIF district, debt service	1,380	188,182	189,562
Impact fees, parks	29,685	-	29,685
Net pension asset	176,757	167,603	344,360
Library	121,304	-	121,304
Trempealeau trust fund, community betterment	19,072	-	19,072
Unrestricted (deficit)	<u>397,247</u>	<u>(293,207)</u>	<u>104,040</u>
 Total net position	 <u>\$ 5,102,654</u>	 <u>\$ 4,175,255</u>	 <u>\$ 9,277,909</u>

See notes to financial statements

# Village of Trempealeau

## Statement of Activities

Year Ended December 31, 2021

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
<b>Governmental activities:</b>							
General government	\$ 237,593	\$ 18,779	\$ 264	\$ -	\$ (218,550)	\$ -	\$ (218,550)
Public safety	385,446	2,985	7,244	-	(375,217)	-	(375,217)
Public works	513,259	5,900	121,409	-	(385,950)	-	(385,950)
Culture, education and recreation	441,561	35,965	88,436	1,000	(316,160)	-	(316,160)
Conservation and development	35,713	-	-	-	(35,713)	-	(35,713)
Interest and fiscal charges	<u>31,351</u>	-	-	-	<u>(31,351)</u>	-	<u>(31,351)</u>
Total governmental activities	<u>1,644,923</u>	<u>63,629</u>	<u>217,353</u>	<u>1,000</u>	<u>(1,362,941)</u>	<u>-</u>	<u>(1,362,941)</u>
<b>Business-type activities:</b>							
Electric utility	2,057,159	2,018,199	-	79,157	-	40,197	40,197
Water utility	413,292	503,399	-	-	-	90,107	90,107
Sewer utility	<u>532,741</u>	<u>534,292</u>	-	<u>2,000</u>	-	<u>3,551</u>	<u>3,551</u>
Total business-type activities	<u>3,003,192</u>	<u>3,055,890</u>	-	<u>81,157</u>	-	<u>133,855</u>	<u>133,855</u>
Total	<u>\$ 4,648,115</u>	<u>\$ 3,119,519</u>	<u>\$ 217,353</u>	<u>\$ 82,157</u>	<u>(1,362,941)</u>	<u>133,855</u>	<u>(1,229,086)</u>
<b>General Revenues</b>							
Taxes							
Property taxes, levied for general purposes					369,677	-	369,677
Property taxes, levied for debt service					252,177	-	252,177
Property taxes, levied for capital projects					75,785	-	75,785
Property taxes, levied for TIF district					71,352	-	71,352
Property taxes, levied for the library					89,072	-	89,072
Other taxes					93,418	-	93,418
Intergovernmental revenues not restricted to specific programs					248,742	-	248,742
Investment income					8,321	2,785	11,106
Miscellaneous					<u>139,014</u>	-	<u>139,014</u>
Total general revenues					<u>1,347,558</u>	<u>2,785</u>	<u>1,350,343</u>
Transfers					<u>143,850</u>	<u>(143,850)</u>	<u>-</u>
Change in net position					128,467	(7,210)	121,257
<b>Net Position, Beginning</b>					<u>4,974,187</u>	<u>4,182,465</u>	<u>9,156,652</u>
<b>Net Position, Ending</b>					<u>\$ 5,102,654</u>	<u>\$ 4,175,255</u>	<u>\$ 9,277,909</u>

See notes to financial statements

# Village of Trempealeau

Balance Sheet  
 Governmental Funds  
 December 31, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Improvements Fund</u>
<b>Assets</b>			
Cash and investments	\$ 256,634	\$ -	\$ -
Receivables:			
Taxes	453,907	191,019	-
Delinquent personal property taxes	668	-	-
Accrued interest	-	-	-
Notes	-	-	-
Other	27,295	-	44,458
Due from other governments	2,592	-	-
Restricted cash	29,685	-	-
Due from other funds	43,825	-	-
Prepaid items	1,804	-	-
Advances to other funds	<u>290,965</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,107,375</u>	<u>\$ 191,019</u>	<u>\$ 44,458</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 23,633	\$ -	\$ 633
Accrued liabilities	39,014	-	-
Due to other funds	-	-	43,825
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>62,647</u>	<u>-</u>	<u>44,458</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenues	448,810	191,019	-
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>448,810</u>	<u>191,019</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable	293,437	-	-
Restricted	29,685	-	-
Committed	11,660	-	-
Unassigned	<u>261,136</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>595,918</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,107,375</u>	<u>\$ 191,019</u>	<u>\$ 44,458</u>

See notes to financial statements

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<b>Nonmajor Governmental Funds</b>	<b>Total</b>
\$ 234,941	\$ 491,575
163,341	808,267
-	668
45	45
64,934	64,934
-	71,753
-	2,592
-	29,685
-	43,825
-	1,804
-	290,965
\$ 463,261	\$ 1,806,113

\$ 1,654	\$ 25,920
4,412	43,426
-	43,825
87,084	87,084
93,150	200,255

163,341	803,170
64,934	64,934
228,275	868,104

-	293,437
141,836	171,521
-	11,660
-	261,136
141,836	737,754

\$ 463,261	\$ 1,806,113
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## Village of Trempealeau

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
December 31, 2021

**Total Fund Balances, Governmental Funds** \$ 737,754

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	7,588,719
Less accumulated depreciation	(2,936,125)

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.

Loans receivable	64,934
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The net pension asset does not relate to current financial resources and is not reported in the governmental funds.

176,757

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

292,852

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

(393,631)

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	(694,825)
Compensated absences	(54,696)
Accrued interest	(4,736)
Landfill liability	(8,775)

**Net Position of Governmental Activities** \$ 5,102,654

## Village of Trempealeau

Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds  
Year Ended December 31, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Improvements Fund</u>
<b>Revenues</b>			
Taxes	\$ 462,010	\$ 252,177	\$ 75,785
Intergovernmental	377,005	-	-
Licenses and permits	11,181	-	-
Fines, forfeitures and penalties	2,985	-	-
Public charges for services	49,583	-	-
Special assessments	2,280	-	-
Investment income	15,717	-	-
Miscellaneous	<u>78,805</u>	<u>-</u>	<u>44,458</u>
Total revenues	<u>999,566</u>	<u>252,177</u>	<u>120,243</u>
<b>Expenditures</b>			
Current:			
General government	237,602	-	-
Public safety	417,907	-	-
Public works	240,569	-	-
Culture, recreation and education	189,918	-	-
Conservation and development	2,711	-	-
Capital outlay	-	-	326,194
Debt service:			
Principal	-	231,821	-
Interest and fiscal charges	<u>-</u>	<u>24,322</u>	<u>-</u>
Total expenditures	<u>1,088,707</u>	<u>256,143</u>	<u>326,194</u>
Excess (deficiency) of revenues over expenditures	<u>(89,141)</u>	<u>(3,966)</u>	<u>(205,951)</u>
<b>Other Financing Sources (Uses)</b>			
Debt issued	-	-	107,000
Transfers in	143,850	3,966	98,951
Transfers out	<u>(102,917)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>40,933</u>	<u>3,966</u>	<u>205,951</u>
Net change in fund balances	(48,208)	-	-
<b>Fund Balances, Beginning</b>	<u>644,126</u>	<u>-</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 595,918</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements

<b>Nonmajor Governmental Funds</b>	<b>Total</b>
\$ 160,424	\$ 950,396
78,267	455,272
-	11,181
-	2,985
-	49,583
-	2,280
2,604	18,321
<u>26,259</u>	<u>149,522</u>
<u>267,554</u>	<u>1,639,540</u>
-	237,602
-	417,907
-	240,569
184,513	374,431
17,251	19,962
-	326,194
42,329	274,150
<u>8,515</u>	<u>32,837</u>
<u>252,608</u>	<u>1,923,652</u>
<u>14,946</u>	<u>(284,112)</u>
-	107,000
-	246,767
<u>-</u>	<u>(102,917)</u>
<u>-</u>	<u>250,850</u>
14,946	(33,262)
<u>126,890</u>	<u>771,016</u>
<u>\$ 141,836</u>	<u>\$ 737,754</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, 2021

**Net Change in Fund Balances, Total Governmental Funds** \$ (33,262)

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	329,341
Some items reported as capital outlay were not capitalized	(59,201)
Depreciation is reported in the government-wide financial statements	(277,818)
Net book value of assets retired	(20,664)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Revenue from receivables on the fund statements are deferred until payment is received	(15,751)
Interest income on TIF advance is deferred on fund statements	(10,000)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(107,000)
Principal repaid	274,150

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	(10,977)
Accrued interest on debt	1,486
Landfill liability	7,130
Net pension asset (and pension related deferred outflows/ inflows of resources)	<u>51,033</u>

**Change in Net Position of Governmental Activities** \$ 128,467

# Village of Trempealeau

Statement of Net Position  
Proprietary Funds  
December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total</b>
<b>Assets</b>				
Current assets:				
Cash and investments	\$ -	\$ 168,712	\$ -	\$ 168,712
Receivables:				
Accounts	290,448	63,341	77,035	430,824
Other	1,688	-	-	1,688
Due from other governments	497	-	-	497
Inventories	107,244	1,250	-	108,494
Restricted assets:				
Redemption account	<u>144,338</u>	<u>58,438</u>	<u>-</u>	<u>202,776</u>
Total current assets	<u>544,215</u>	<u>291,741</u>	<u>77,035</u>	<u>912,991</u>
Noncurrent assets:				
Restricted assets:				
Reserve account	148,750	-	-	148,750
Net pension asset	94,306	35,775	37,522	167,603
Capital assets:				
Construction in progress	-	14,879	437,231	452,110
Utility plant	7,829,964	4,314,838	4,203,071	16,347,873
Less accumulated depreciation	(3,409,006)	(1,877,199)	(3,813,671)	(9,099,876)
Other assets:				
Advances to other funds	<u>-</u>	<u>307,973</u>	<u>-</u>	<u>307,973</u>
Total noncurrent assets	<u>4,664,014</u>	<u>2,796,266</u>	<u>864,153</u>	<u>8,324,433</u>
Total assets	<u>5,208,229</u>	<u>3,088,007</u>	<u>941,188</u>	<u>9,237,424</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	38,922	-	-	38,922
Pension related amounts	<u>156,784</u>	<u>59,642</u>	<u>63,405</u>	<u>279,831</u>
Total deferred outflows of resources	<u>195,706</u>	<u>59,642</u>	<u>63,405</u>	<u>318,753</u>

See notes to financial statements

# Village of Trempealeau

Statement of Net Position  
 Proprietary Funds  
 December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 92,524	\$ 2,819	\$ 264,079	\$ 359,422
Accrued liabilities	24,428	6,644	11,561	42,633
Deposits	4,052	-	-	4,052
Current portion of compensated absences	10,585	5,524	5,634	21,743
General obligation bonds and notes payable	40,895	-	17,850	58,745
Liabilities payable from restricted assets:				
Current portion of revenue bonds	185,000	77,191	-	262,191
Accrued interest payable	11,577	3,017	-	14,594
<b>Total current liabilities</b>	<b>369,061</b>	<b>95,195</b>	<b>299,124</b>	<b>763,380</b>
Noncurrent liabilities:				
Long-term debt:				
General obligation debt payable	210,711	-	124,190	334,901
Revenue bonds payable	2,685,000	601,185	-	3,286,185
Unamortized debt discount	(21,435)	-	-	(21,435)
Compensated absences	31,358	12,519	12,649	56,526
Advance from other funds	307,973	-	290,965	598,938
<b>Total noncurrent liabilities</b>	<b>3,213,607</b>	<b>613,704</b>	<b>427,804</b>	<b>4,255,115</b>
<b>Total liabilities</b>	<b>3,582,668</b>	<b>708,899</b>	<b>726,928</b>	<b>5,018,495</b>
<b>Deferred Inflows of Resources</b>				
Pension related amounts	206,408	73,171	82,848	362,427
<b>Total deferred inflows of resources</b>	<b>206,408</b>	<b>73,171</b>	<b>82,848</b>	<b>362,427</b>
<b>Net Position</b>				
Net investment in capital assets	1,653,944	1,774,142	684,591	4,112,677
Restricted for:				
Debt service	132,761	55,421	-	188,182
Pension	94,306	35,775	37,522	167,603
Unrestricted (deficit)	(266,152)	500,241	(527,296)	(293,207)
<b>Total net position</b>	<b>\$ 1,614,859</b>	<b>\$ 2,365,579</b>	<b>\$ 194,817</b>	<b>\$ 4,175,255</b>

See notes to financial statements

## Village of Trempealeau

### Statement of Revenues, Expenses and Changes in Net Position

#### Proprietary Funds

Year Ended December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total</b>
<b>Operating Revenues</b>				
Public charges for services	\$ 2,018,199	\$ 503,399	\$ 534,292	\$ 3,055,890
Total operating revenues	<u>2,018,199</u>	<u>503,399</u>	<u>534,292</u>	<u>3,055,890</u>
<b>Operating Expenses</b>				
Operation and maintenance	1,577,883	265,898	355,424	2,199,205
Depreciation	320,830	123,046	160,810	604,686
Taxes	<u>32,629</u>	<u>5,579</u>	<u>10,319</u>	<u>48,527</u>
Total operating expenses	<u>1,931,342</u>	<u>394,523</u>	<u>526,553</u>	<u>2,852,418</u>
Operating income	<u>86,857</u>	<u>108,876</u>	<u>7,739</u>	<u>203,472</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income (loss)	(49)	55	2,779	2,785
Interest expense	(116,094)	(18,769)	(6,188)	(141,051)
Amortization expense	<u>(9,723)</u>	<u>-</u>	<u>-</u>	<u>(9,723)</u>
Total nonoperating revenues (expenses)	<u>(125,866)</u>	<u>(18,714)</u>	<u>(3,409)</u>	<u>(147,989)</u>
Income (loss) before contributions and transfers	<u>(39,009)</u>	<u>90,162</u>	<u>4,330</u>	<u>55,483</u>
<b>Contributions and Transfers</b>				
Capital contributions	79,157	-	2,000	81,157
Transfers out	<u>(81,595)</u>	<u>(62,255)</u>	<u>-</u>	<u>(143,850)</u>
Total contributions and transfers	<u>(2,438)</u>	<u>(62,255)</u>	<u>2,000</u>	<u>(62,693)</u>
Change in net position	(41,447)	27,907	6,330	(7,210)
<b>Net Position, Beginning</b>	<u>1,656,306</u>	<u>2,337,672</u>	<u>188,487</u>	<u>4,182,465</u>
<b>Net Position, Ending</b>	<u>\$ 1,614,859</u>	<u>\$ 2,365,579</u>	<u>\$ 194,817</u>	<u>\$ 4,175,255</u>

See notes to financial statements

## Village of Trempealeau

### Statement of Cash Flows

#### Proprietary Funds

Year Ended December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>				
Received from customers	\$ 1,995,600	\$ 513,261	\$ 526,377	\$ 3,035,238
Cash received from village	34,544	-	-	34,544
Paid to suppliers for goods and services	(1,360,907)	(169,678)	(250,165)	(1,780,750)
Paid to employees for services	(272,387)	(104,873)	(101,416)	(478,676)
Net cash flows from operating activities	<u>396,850</u>	<u>238,710</u>	<u>174,796</u>	<u>810,356</u>
<b>Cash Flows From Investing Activities</b>				
Investment income	(49)	55	2,779	2,785
Investments purchased	(148,750)	-	-	(148,750)
Investments sold	148,219	-	-	148,219
Net cash flows from investing activities	<u>(580)</u>	<u>55</u>	<u>2,779</u>	<u>2,254</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Paid to municipality for tax equivalent	(81,595)	(62,255)	-	(143,850)
Negative cash implicitly financed	200,985	(307,973)	(49,783)	(156,771)
Net cash flows from noncapital financing activities	<u>119,390</u>	<u>(370,228)</u>	<u>(49,783)</u>	<u>(300,621)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Debt retired	(205,279)	(75,185)	(17,122)	(297,586)
Interest paid	(116,266)	(19,102)	(6,764)	(142,132)
Acquisition and construction of capital assets	(287,756)	(18,562)	(105,906)	(412,224)
Contributions received for construction	79,157	-	2,000	81,157
Net cash flows from capital and related financing activities	<u>(530,144)</u>	<u>(112,849)</u>	<u>(127,792)</u>	<u>(770,785)</u>
Net change in cash and cash equivalents	(14,484)	(244,312)	-	(258,796)
<b>Cash and Cash Equivalents, Beginning</b>	<u>158,822</u>	<u>471,462</u>	<u>-</u>	<u>630,284</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 144,338</u>	<u>\$ 227,150</u>	<u>\$ -</u>	<u>\$ 371,488</u>

See notes to financial statements

## Village of Trempealeau

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total</b>
<b>Reconciliation of Operating Income to Net Cash Flows From Operating Activities</b>				
Operating income	\$ 86,857	\$ 108,876	\$ 7,739	\$ 203,472
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	320,830	123,046	160,810	604,686
Depreciation charged to other funds	-	8,422	(8,422)	-
Changes in assets and liabilities:				
Accounts receivable	11,245	1,440	507	13,192
Prepays	(4,939)	(1,250)	-	(6,189)
Inventories	(2,293)	-	-	(2,293)
Accounts payable	(10,667)	(272)	14,788	3,849
Other current liabilities	28,411	9,647	9,869	47,927
Customer deposits	700	-	-	700
Pension related deferrals and liability/asset	(33,294)	(11,199)	(10,495)	(54,988)
Net cash flows from operating activities	<u>\$ 396,850</u>	<u>\$ 238,710</u>	<u>\$ 174,796</u>	<u>\$ 810,356</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds</b>				
Cash and investments	\$ -	\$ 168,712	\$ -	\$ 168,712
Restricted cash and investments:				
Redemption account	144,338	58,438	-	202,776
Reserve account	<u>148,750</u>	<u>-</u>	<u>-</u>	<u>148,750</u>
Total cash and investments	293,088	227,150	-	520,238
Less noncash equivalents	<u>(148,750)</u>	<u>-</u>	<u>-</u>	<u>(148,750)</u>
Cash and cash equivalents	<u>\$ 144,338</u>	<u>\$ 227,150</u>	<u>\$ -</u>	<u>\$ 371,488</u>
<b>Noncash Capital and Related Financing Activities</b>				
Amortization of debt discount and deferred charge on refunding	<u>\$ (9,723)</u>	<u>\$ -</u>	<u>\$ -</u>	

See notes to financial statements

## Village of Trempealeau

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2021

	<b>Custodial Fund Tax Collection Fund</b>
<b>Assets</b>	
Cash and investments	\$ 819,071
Taxes receivable	<u>1,694,358</u>
Total assets	<u>2,513,429</u>
<b>Liabilities</b>	
Due to other governments	<u>2,513,429</u>
Total liabilities	<u>2,513,429</u>
<b>Net Position</b>	
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, 2021

	<u>Custodial Fund</u> <u>Tax Collection Fund</u>
<b>Additions</b>	
Taxes collected for other governments	\$ 1,659,523
Total additions	<u>1,659,523</u>
<b>Deductions</b>	
Taxes distributed to other governments	<u>1,659,523</u>
Total deductions	<u>1,659,523</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u>\$ -</u>

See notes to financial statements

# Village of Trempealeau

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December 31, 2021

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# Village of Trempealeau

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Notes to Financial Statements  
December 31, 2021

## 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

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Notes to Financial Statements  
December 31, 2021

- 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  
ARPA Grant

## **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.

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# Village of Trempealeau

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Notes to Financial Statements  
December 31, 2021

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

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Notes to Financial Statements  
December 31, 2021

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, 2021

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

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

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

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on 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 - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale - 2021 delinquent real estate taxes	October 2024

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

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Notes to Financial Statements  
December 31, 2021

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

### **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 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, 2021

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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, 2021, 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, 2021

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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, 2021

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- 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 liability (asset), 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 funds and the capital projects fund. A budget has not been formally adopted for the block grant fund, ARPA 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, 2021

### Excess Expenditures Over Budget

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General Fund	\$ 1,074,988	\$ 1,191,624	\$ 116,636
Debt Service	252,177	256,143	3,966
Capital Improvements	254,335	326,194	71,859

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.

### 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, 2021, 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 \$131,490 in cash and investments for this purpose, however \$0 was available.

## 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	\$ 1,584,087	\$ 1,624,913	Custodial credit risk Custodial credit, credit, interest rate and concentration of credit
Negotiable certificates of deposits	158,750	158,750	risks
2a7-like pools	117,532	117,532	Credit risk
Petty cash	200	-	N/A
Total deposits and investments	<u>\$ 1,860,569</u>	<u>\$ 1,901,195</u>	

## Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

### Reconciliation to financial statements

#### Per statement of net position:

Unrestricted cash and investments	\$ 660,287
Restricted cash and investments	381,211

#### Per statement of fiduciary net position, fiduciary fund:

Custodial fund	<u>819,071</u>
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Total deposits and investments	<u><u>\$ 1,860,569</u></u>
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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, 2021, 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.

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

- Quoted prices for similar assets in active markets

Investment Type	December 31, 2021			Total
	Level 1	Level 2	Level 3	
Negotiable certificates of deposit	\$ -	\$ 158,750	\$ -	\$ 158,750
2a7-like pools	<u>117,532</u>	<u>-</u>	<u>-</u>	<u>117,532</u>
Total	<u><u>\$ 117,532</u></u>	<u><u>\$ 158,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 276,282</u></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.

## Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

### 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, 2021, the Village's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poors</u>	<u>Moody's Investors Services</u>
Negotiable certificates of deposit 2a7-like pools	Not rated AAA	Not rated 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, 2021, the village's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Sallie Mae Bank	Negotiable certificates of deposit	100.00 %

### 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, 2021, the Village's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Negotiable certificates of deposit	<u>\$ 158,750</u>	2.62

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

### Receivables

All receivables are expected to be collected within one year except \$64,934 in the Block Grant Fund.

## Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

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	\$ 803,170	\$ -
Housing loans	-	64,934
Grants received in advance	<u>87,084</u>	<u>-</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 890,254</u>	<u>\$ 64,934</u>
Unearned revenue included in liabilities	\$ 87,074	
Unearned revenue included in deferred inflows	<u>803,170</u>	
Total unearned revenue for governmental funds	<u>\$ 890,244</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.

Following is a list of restricted assets at December 31, 2021:

	<u>Restricted Assets</u>	<u>Liabilities Payable from Restricted Assets</u>	<u>Restricted Net Position</u>
Bond redemption account	\$ 202,776	\$ 14,594	\$ 188,182
Bond reserve account	148,750	-	n/a
Impact fee account	29,685	-	29,685
Net pension asset	<u>344,360</u>	<u>-</u>	<u>344,360</u>
Total	<u>\$ 725,571</u>	<u>\$ 14,594</u>	<u>\$ 562,227</u>

# Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

## Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
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	21,807	-	485,775
Buildings	3,230,832	28,110	-	3,258,942
Vehicles and equipment	871,111	128,467	89,975	909,603
Infrastructure	<u>2,842,643</u>	<u>91,756</u>	<u>-</u>	<u>2,934,399</u>
Total capital assets being depreciated	<u>7,408,554</u>	<u>270,140</u>	<u>89,975</u>	<u>7,588,719</u>
Total capital assets	<u>7,742,980</u>	<u>270,140</u>	<u>89,975</u>	<u>7,923,145</u>
Less accumulated depreciation for:				
Land improvements	(80,151)	(20,544)	-	(100,695)
Buildings	(1,046,805)	(74,343)	-	(1,121,148)
Vehicles and equipment	(348,463)	(56,139)	69,311	(335,291)
Infrastructure	<u>(1,252,199)</u>	<u>(126,792)</u>	<u>-</u>	<u>(1,378,991)</u>
Total accumulated depreciation	<u>(2,727,618)</u>	<u>(277,818)</u>	<u>69,311</u>	<u>(2,936,125)</u>
Net capital assets being depreciated	<u>4,680,936</u>	<u>(7,678)</u>	<u>20,664</u>	<u>4,652,594</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 5,015,362</u>	<u>\$ (7,678)</u>	<u>\$ 20,664</u>	<u>\$ 4,987,020</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 11,508
Public safety	11,326
Public works, which includes depreciation of infrastructure	183,325
Culture, education and recreation	<u>71,659</u>
Total governmental activities depreciation expense	<u>\$ 277,818</u>

# Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

## Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Electric</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 85,009	\$ -	\$ -	\$ 85,009
Total capital assets not being depreciated	<u>85,009</u>	<u>-</u>	<u>-</u>	<u>85,009</u>
Capital assets being depreciated:				
Transmission and distribution plant	6,218,900	287,256	66,279	6,439,877
General plant	1,304,578	500	-	1,305,078
Total capital assets being depreciated	<u>7,523,478</u>	<u>287,756</u>	<u>66,279</u>	<u>7,744,955</u>
Total capital assets	<u>7,608,487</u>	<u>287,756</u>	<u>66,279</u>	<u>7,829,964</u>
Less accumulated depreciation for:				
Electric plant	<u>(3,154,455)</u>	<u>(320,830)</u>	<u>66,279</u>	<u>(3,409,006)</u>
Total accumulated depreciation	<u>(3,154,455)</u>	<u>(320,830)</u>	<u>66,279</u>	<u>(3,409,006)</u>
Net capital assets being depreciated	<u>4,369,023</u>	<u>(33,074)</u>	<u>-</u>	<u>4,335,949</u>
Net electric capital assets	<u>\$ 4,454,032</u>	<u>\$ (33,074)</u>	<u>\$ -</u>	<u>\$ 4,420,958</u>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Water</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 64,571	\$ -	\$ -	\$ 64,571
Construction in progress	<u>-</u>	<u>14,879</u>	<u>-</u>	<u>14,879</u>
Total capital assets not being depreciated	<u>64,571</u>	<u>14,879</u>	<u>-</u>	<u>79,450</u>
Capital assets being depreciated:				
Source of supply plant	468,236	-	-	468,236
General plant	59,065	500	-	59,565
Pumping plant	311,757	-	-	311,757
Transmission and distribution plant	2,043,508	3,183	360	2,046,331
Water treatment plant	1,364,378	-	-	1,364,378
Total capital assets being depreciated	<u>4,246,944</u>	<u>3,683</u>	<u>360</u>	<u>4,250,267</u>
Total capital assets	<u>4,311,515</u>	<u>18,562</u>	<u>360</u>	<u>4,329,717</u>
Less accumulated depreciation for:				
Water plant	<u>(1,746,091)</u>	<u>(131,468)</u>	<u>360</u>	<u>(1,877,199)</u>
Total accumulated depreciation	<u>(1,746,091)</u>	<u>(131,468)</u>	<u>360</u>	<u>(1,877,199)</u>
Net capital assets being depreciated	<u>2,500,853</u>	<u>(127,785)</u>	<u>-</u>	<u>2,373,068</u>
Net water capital assets	<u>\$ 2,565,424</u>	<u>\$ (112,906)</u>	<u>\$ -</u>	<u>\$ 2,452,518</u>

## Village of Trempealeau

### Notes to Financial Statements

December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Sewer</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 3,100	\$ -	\$ -	\$ 3,100
Construction in progress	<u>96,442</u>	<u>340,789</u>	<u>-</u>	<u>437,231</u>
Total capital assets not being depreciated	<u>99,542</u>	<u>340,789</u>	<u>-</u>	<u>440,331</u>
Capital assets being depreciated:				
Collection system plant	1,319,542	-	-	1,319,542
Pumping equipment	482,611	11,770	5,707	488,674
Treatment and disposal plant	2,261,860	-	-	2,261,860
General plant	<u>129,895</u>	<u>-</u>	<u>-</u>	<u>129,895</u>
Total capital assets being depreciated	<u>4,193,908</u>	<u>11,770</u>	<u>5,707</u>	<u>4,199,971</u>
Total capital assets	<u>4,293,450</u>	<u>352,559</u>	<u>5,707</u>	<u>4,640,302</u>
Less accumulated depreciation for:				
Sewer plant	<u>(3,666,990)</u>	<u>(152,388)</u>	<u>5,707</u>	<u>(3,813,671)</u>
Total accumulated depreciation	<u>(3,666,990)</u>	<u>(152,388)</u>	<u>5,707</u>	<u>(3,813,671)</u>
Net capital assets being depreciated	<u>526,918</u>	<u>(140,618)</u>	<u>-</u>	<u>386,300</u>
Net sewer capital assets	<u>\$ 626,460</u>	<u>\$ 200,171</u>	<u>\$ -</u>	<u>\$ 826,631</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 7,645,916</u>	<u>\$ 54,191</u>	<u>\$ -</u>	<u>\$ 7,700,107</u>

Depreciation expense was charged to functions as follows:

#### Business-Type Activities

Electric	\$ 320,830
Water	123,046
Sewer	<u>160,810</u>
Total business-type activities depreciation expense	<u>\$ 604,686</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, 2021

## 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	Capital Improvement Funds	\$ 43,825
Total, fund financial statements		43,825
Less fund eliminations		(43,825)
Add interfund advances		<u>290,965</u>
Total internal balances, government-wide statement of net position		<u>\$ 290,965</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 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	Sewer Utility	\$ 290,965	\$ 290,965
Water Utility	Electric Utility	<u>307,973</u>	307,973
Total, fund financial statements		598,938	
Less fund eliminations		<u>(307,973)</u>	
Total, interfund advances		<u>\$ 290,965</u>	

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

The principal purpose of the advance from the electric utility to the water utility is to cover a deficit in unrestricted cash balances.

# Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

## 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	\$ 81,595	Property tax equivalent
General Fund	Water Utility	62,255	Property tax equivalent
Capital Improvements	General Fund	98,951	Operating subsidy
Debt Service Fund	General Fund	<u>3,966</u>	Operating subsidy
Total, fund financial statements		246,767	
Less fund eliminations		<u>(102,917)</u>	
Total transfers, government-wide statement of activities		<u>\$ 143,850</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, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation bonds	\$ 80,000	\$ -	\$ 80,000	\$ -	\$ -
General obligation debt from direct borrowings and direct placements	<u>781,975</u>	<u>107,000</u>	<u>194,150</u>	<u>694,825</u>	<u>221,163</u>
Total bonds and notes payable	<u>861,975</u>	<u>107,000</u>	<u>274,150</u>	<u>694,825</u>	<u>221,163</u>
Other liabilities:					
Vested compensated absences	43,719	42,052	31,075	54,696	22,656
Landfill liability	<u>15,905</u>	<u>-</u>	<u>7,130</u>	<u>8,775</u>	<u>7,000</u>
Total other liabilities	<u>59,624</u>	<u>42,052</u>	<u>38,205</u>	<u>63,471</u>	<u>29,656</u>
Total governmental activities long-term liabilities	<u>\$ 921,599</u>	<u>\$ 149,052</u>	<u>\$ 312,355</u>	<u>\$ 758,296</u>	<u>\$ 250,819</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 441,047	\$ -	\$ 47,401	\$ 393,646	\$ 58,745
Revenue bonds	3,045,000	-	175,000	2,870,000	185,000
(Discounts)/Premium	(23,105)	-	(1,670)	(21,435)	-
Revenue debt from direct borrowing and direct placements	<u>753,561</u>	<u>-</u>	<u>75,185</u>	<u>678,376</u>	<u>77,191</u>
Total bonds and notes payable	<u>4,216,503</u>	<u>-</u>	<u>295,916</u>	<u>3,920,587</u>	<u>320,936</u>
Other liabilities:					
Vested compensated absences	<u>63,352</u>	<u>55,936</u>	<u>41,019</u>	<u>78,269</u>	<u>21,743</u>
Total other liabilities	<u>63,352</u>	<u>55,936</u>	<u>41,019</u>	<u>78,269</u>	<u>21,743</u>
Total business-type activities long-term liabilities	<u>\$ 4,279,855</u>	<u>\$ 55,936</u>	<u>\$ 336,935</u>	<u>\$ 3,998,856</u>	<u>\$ 342,679</u>

# Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

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, 2021, was \$7,709,030. Total general obligation debt outstanding at year end was \$1,088,471.

## General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the Village. Debt 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, 2021</u>
<b>General Obligation Debt</b>					
State trust fund loan	9/22/2014	3/15/2024	3.5%	\$ 1,002,500	\$ 372,997
Capital loan	9/7/2018	9/1/2020	2.95%	75,695	61,546
Capital equipment loan	9/27/2018	9/27/2023	3.55%	41,000	15,103
Capital improvement loan	2/7/2019	2/7/2024	3.88%	225,000	141,943
Capital equipment loan	4/15/2021	4/15/2026	2.85%	30,000	26,236
Capital equipment loan	4/15/2021	4/15/2026	2.85%	40,000	40,000
Capital equipment loan	4/15/2021	4/15/2026	2.85%	37,000	37,000
Total governmental activities, general obligation debt					<u>\$ 694,825</u>

<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, 2021</u>
<b>General Obligation Debt</b>					
Sewer state trust fund loan	10/9/2018	3/15/2028	4.25%	\$ 174,000	\$ 142,040
Electric bank loan	8/27/2020	8/27/2027	3.54%	281,881	251,606
Total business-type activities, general obligation debt					<u>\$ 393,646</u>

Debt service requirements to maturity are as follows:

<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>
2022	\$ 221,163	\$ 21,637	\$ 58,745	\$ 9,169
2023	233,222	13,823	59,161	8,753
2024	198,866	6,404	60,826	7,088
2025	21,432	1,119	62,590	5,324
2026	20,142	533	64,389	3,526
2027-2028	-	-	87,935	3,866
Total	<u>\$ 694,825</u>	<u>\$ 43,516</u>	<u>\$ 393,646</u>	<u>\$ 37,726</u>

# Village of Trempealeau

Notes to Financial Statements

December 31, 2021

## 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 68 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,614,133. Principal and interest paid for the current year and total customer net revenues were \$280,626 and \$407,638, 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 41 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$753,272. Principal and interest paid for the current year and total customer net revenues were \$94,287 and \$231,977, respectively.

Revenue debt payable at December 31, 2021, 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, 2021</u>
<b><u>Water Utility</u></b>					
Safe drinking water loan from direct borrowing or direct placement	11/12/2009	5/1/2029	2.668%	\$ 1,417,481	<u>\$ 678,376</u>
<b><u>Electric Utility</u></b>					
Electric revenue bonds	10/15/2014	12/1/2034	1.25 - 4.00%	4,035,000	<u>2,870,000</u>
Total business-type activities, revenue debt					<u><u>\$ 3,548,376</u></u>

## Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Business-Type Activities Revenue Debt</b>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 185,000	\$ 101,514
2023	185,000	96,704
2024	190,000	91,431
2025	200,000	85,731
2026	205,000	79,531
2027-2031	1,125,000	226,022
2032-2034	<u>780,000</u>	<u>63,200</u>
Total	<u>\$ 2,870,000</u>	<u>\$ 744,133</u>

<u>Years</u>	<b>Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements</b>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 77,191	\$ 17,069
2023	79,251	14,982
2024	81,365	12,840
2025	83,536	10,640
2026	85,765	8,382
2027-2029	<u>271,268</u>	<u>10,983</u>
Total	<u>\$ 678,376</u>	<u>\$ 74,896</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.

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 \$372,997 and business type activities of \$142,040 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 \$321,828 and business type activities of \$251,606 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 \$678,376 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.

# Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

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## 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 \$8,775 reported as landfill closure and postclosure care liability at December 31, 2021, 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, 2021, the Village had landfill maintenance and monitoring costs in the amount of \$7,130. 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, 2021, includes the following:

### Governmental Activities

Net investment in capital assets:

Land	\$ 334,426
Other capital assets, net of accumulated depreciation	4,652,594
Less long-term debt outstanding	<u>(694,825)</u>
Total net investment in capital assets	<u>\$ 4,292,195</u>

# Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

## Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund Balances</b>			
<b>Nonspendable:</b>			
Advances	\$ 290,965	\$ -	\$ 290,965
Delinquent taxes	668	-	668
Prepaid items	1,804	-	1,804
Subtotal	<u>293,437</u>	<u>-</u>	<u>293,437</u>
<b>Restricted for:</b>			
TIF District, debt service	-	1,380	1,380
Housing loan, grantor restrictions	-	80	80
Trempealeau Trust, community betterment	-	19,072	19,072
Donor restrictions, library	-	100,906	100,906
State statues, library	-	20,398	20,398
Impact fees, parks	29,685	-	29,685
Subtotal	<u>29,685</u>	<u>141,836</u>	<u>171,521</u>
<b>Committed to:</b>			
Special projects, room tax	11,660	-	11,660
Subtotal	<u>11,660</u>	<u>-</u>	<u>11,660</u>
<b>Unassigned:</b>			
	<u>261,136</u>	<u>-</u>	<u>261,136</u>
Total fund balances (deficit)	<u>\$ 595,918</u>	<u>\$ 141,836</u>	<u>\$ 737,754</u>
<b>Business-Type Activities</b>			
Net investment in capital assets:			
Land		\$ 152,680	
Construction in progress		452,110	
Other capital assets, net of accumulated depreciation		7,095,317	
Less long-term debt outstanding		(3,942,022)	
Plus noncapital debt proceeds		<u>354,592</u>	
Total net investment in capital assets		<u>\$ 4,112,677</u>	

# Village of Trempealeau

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Notes to Financial Statements  
December 31, 2021

## 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, expected to work at least 1,200 hours a year (880 hours for 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 Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

#### 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.

## Village of Trempealeau

Notes to Financial Statements

December 31, 2021

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### 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>
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)
2020	1.7	21.0

## Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

### 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 \$61,325 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

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

At December 31, 2021, the Village reported an asset of \$344,360 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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, 2020, the Village's proportion was 0.00551582 percent, which was a decrease of 0.00005416 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized pension expense of \$(41,214).

At December 31, 2021, 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	\$ 498,395	\$ 107,353
Changes in assumptions	7,810	-
Net differences between projected and actual earnings on pension plan investments	-	646,508
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,197
Employer contributions subsequent to the measurement date	<u>66,478</u>	<u>-</u>
Total	<u>\$ 572,683</u>	<u>\$ 756,058</u>

## Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

\$66,478 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, 2022. 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>
2022	\$ (64,806)
2023	(17,905)
2024	(117,405)
2025	(49,737)

### Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
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, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

## Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

### 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:

<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
Global Equities	51%	7.2%	4.7%
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.3
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
<b>Variable Fund Asset Class</b>			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4 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 municipal bond rate of 2.00 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, 2020. 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 investment 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, 2021

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

The following presents the Village's proportionate share of the net pension asset 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:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 327,783	\$ (344,360)	\$ (838,044)

### 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, 2021, 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 and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

The Village has an open contract related to the Lakes District sewer system improvements. Contract costs total \$749,298. As of December 31, 2021, \$481,667 remains to be spent on the contract.

### 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

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Notes to Financial Statements  
December 31, 2021

### 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 \$56,015 in 2021.

Financial information of the District as of December 31, 2021 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 \$22,154 to the Commission in 2021. 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.

### 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.

## Village of Trempealeau

Notes to Financial Statements  
December 31, 2021

### Status of Tax Incremental Financing District

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

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

	<u>2021</u>	<u>From Date of Creation</u>
<b>Project Costs</b>		
Capital expenditures	\$ 1,560	\$ 845,051
Interest and fiscal charges	<u>8,515</u>	<u>342,398</u>
Total costs	<u>10,075</u>	<u>1,187,449</u>
<b>Project Revenues</b>		
Tax increments	71,352	932,757
Special assessments	-	6,561
Miscellaneous	1,739	70,757
Sale of property	<u>-</u>	<u>36,810</u>
Total revenues	<u>73,091</u>	<u>1,046,885</u>
Net costs recoverable through TIF increments, December 31, 2021	<u>\$ (63,016)</u>	<u>\$ 140,564</u>
<b>Reconciliation of Recoverable Costs</b>		
General obligation debt		\$ 141,944
Plus fund balance deficit		<u>(1,380)</u>
Net costs recoverable through TIF increments, December 31, 2021		<u>\$ 140,564</u>

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 2022 is \$71,737.

**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, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
<b>Taxes</b>			
Property	\$ 361,363	\$ 369,677	\$ 8,314
Mobile home taxes	60,000	55,983	(4,017)
Public accommodation (room) taxes	6,000	28,344	22,344
Payments in lieu of taxes	<u>9,000</u>	<u>8,006</u>	<u>(994)</u>
Total taxes	<u>436,363</u>	<u>462,010</u>	<u>25,647</u>
<b>Intergovernmental Revenues</b>			
State shared revenues	245,000	232,580	(12,420)
Fire insurance tax from state	6,025	6,284	259
Federal grants, CARES	-	7,550	7,550
State aid, computer exemption	500	133	(367)
State aid, law enforcement improvement	3,000	960	(2,040)
State aid, connecting streets	104,000	98,214	(5,786)
State aid, local road improvement program	10,000	23,195	13,195
State aid, workers comp	-	7,711	7,711
Aid in lieu of taxes	<u>1,275</u>	<u>378</u>	<u>(897)</u>
Total intergovernmental revenues	<u>369,800</u>	<u>377,005</u>	<u>7,205</u>
<b>Licenses and Permits</b>			
Liquor and malt beverage licenses	3,400	3,150	(250)
Operators' license	400	480	80
Cigarette licenses	20	20	-
Soda licenses	80	120	40
Dog and cat licenses	1,000	356	(644)
Building permits	1,700	5,050	3,350
Zoning permits and fees	2,800	1,100	(1,700)
Other business and occupational licenses	-	30	30
Other permits	<u>1,250</u>	<u>875</u>	<u>(375)</u>
Total licenses and permits	<u>10,650</u>	<u>11,181</u>	<u>531</u>
<b>Fines, Forfeitures and Penalties</b>			
Court penalties and costs	2,000	2,460	460
Parking violations	200	100	(100)
Other law and ordinance violations	<u>100</u>	<u>425</u>	<u>325</u>
Total fines, forfeitures and penalties	<u>2,300</u>	<u>2,985</u>	<u>685</u>
<b>Public Charges for Services</b>			
Clerk's fees	10,000	7,423	(2,577)
License publication fees	70	175	105
Landfill	3,500	3,620	120
Swimming areas	33,000	35,965	2,965
Parkland development	<u>6,000</u>	<u>2,400</u>	<u>(3,600)</u>
Total public charges for services	<u>52,570</u>	<u>49,583</u>	<u>(2,987)</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, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Special Assessments</b>			
Street improvements	\$ 1,255	\$ 2,280	\$ 1,025
<b>Investment Income</b>			
Investment income	6,350	4,268	(2,082)
Interest on advances to other funds	-	11,266	11,266
Interest on special assessments	<u>200</u>	<u>183</u>	<u>(17)</u>
Total investment income	<u>6,550</u>	<u>15,717</u>	<u>9,167</u>
<b>Miscellaneous</b>			
Donations	10,000	11,487	1,487
Rent	7,000	16,988	9,988
Other miscellaneous	<u>36,000</u>	<u>50,330</u>	<u>14,330</u>
Total miscellaneous	<u>53,000</u>	<u>78,805</u>	<u>25,805</u>
Total revenues	<u>932,488</u>	<u>999,566</u>	<u>67,078</u>
<b>Expenditures</b>			
<b>General Government</b>			
Village board	4,030	4,195	(165)
Legal	5,000	3,903	1,097
Administrator	21,514	28,060	(6,546)
Clerk	28,593	12,004	16,589
Treasurer	29,520	48,018	(18,498)
Accounting	15,000	25,180	(10,180)
Elections	3,700	1,250	2,450
Assessor	8,250	8,254	(4)
General buildings/plant/hall	28,800	60,865	(32,065)
Property and liability insurance	20,000	13,831	6,169
Other general government	<u>5,500</u>	<u>32,042</u>	<u>(26,542)</u>
Total general government	<u>169,907</u>	<u>237,602</u>	<u>(67,695)</u>
<b>Public Safety</b>			
Police	332,496	354,084	(21,588)
Fire protection	45,500	56,015	(10,515)
EMT	<u>8,000</u>	<u>7,808</u>	<u>192</u>
Total public safety	<u>385,996</u>	<u>417,907</u>	<u>(31,911)</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, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Public Works</b>			
Shop operations	\$ 157,135	\$ 22,946	\$ 134,189
Machinery operation and maintenance	6,250	20,720	(14,470)
Street maintenance	10,400	67,080	(56,680)
Tree and brush removal	6,500	13,450	(6,950)
Snow and ice control	12,000	35,851	(23,851)
Traffic control	6,000	7,815	(1,815)
Sidewalks	-	639	(639)
Street lighting	30,450	37,749	(7,299)
Refuse and garbage collection	-	2,750	(2,750)
Recycling	16,600	22,154	(5,554)
Sanitary landfill	2,500	7,130	(4,630)
Weed control	250	2,285	(2,035)
	<u>248,085</u>	<u>240,569</u>	<u>7,516</u>
<b>Culture, Recreation and Education</b>			
Parks	39,300	61,294	(21,994)
Recreation	10,000	12,790	(2,790)
Celebrations and entertainment	5,750	10,098	(4,348)
Swimming pool	96,400	105,736	(9,336)
	<u>151,450</u>	<u>189,918</u>	<u>(38,468)</u>
<b>Conservation and Development</b>			
Planning	550	-	550
Zoning	10,000	987	9,013
Economic development	5,000	1,724	3,276
	<u>15,550</u>	<u>2,711</u>	<u>12,839</u>
Total conservation and development	<u>15,550</u>	<u>2,711</u>	<u>12,839</u>
Total expenditures	<u>970,988</u>	<u>1,088,707</u>	<u>(117,719)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,500)</u>	<u>(89,141)</u>	<u>(50,641)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	142,500	143,850	1,350
Transfers out	(104,000)	(102,917)	1,083
	<u>38,500</u>	<u>40,933</u>	<u>2,433</u>
Total other financing sources (uses)	<u>38,500</u>	<u>40,933</u>	<u>2,433</u>
Net change in fund balance	-	(48,208)	(48,208)
<b>Fund Balance, Beginning</b>	<u>644,126</u>	<u>644,126</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 644,126</u>	<u>\$ 595,918</u>	<u>\$ (48,208)</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, 2021

<b>WRS Fiscal Year End Date</b>	<b>Proportion of the Net Pension Asset/Liability</b>	<b>Proportionate Share of the Net Pension Asset (Liability)</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
12/31/20	0.00551582 %	\$ 344,360	\$ 783,317	43.96 %	105.26 %
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, 2021

<b>Village Year Ending</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/21	\$ 66,478	\$ 66,478	\$ -	\$ 849,011	7.83 %
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

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Notes to Required Supplementary Information  
Year Ended December 31, 2021

### **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, 2021

	<u>Special Revenue</u>			
	<u>Library</u>	<u>Block Grant</u>	<u>Trempealeau Trust Fund</u>	<u>ARPA Grant</u>
<b>Assets</b>				
Cash and investments	\$ 126,860	\$ 80	\$ 19,027	\$ 87,084
Receivables:				
Taxes	91,604	-	-	-
Accrued interest	-	-	45	-
Notes	-	64,934	-	-
Total assets	<u>\$ 218,464</u>	<u>\$ 65,014</u>	<u>\$ 19,072</u>	<u>\$ 87,084</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,144	\$ -	\$ -	\$ -
Accrued liabilities	4,412	-	-	-
Unearned revenues	-	-	-	87,084
Total liabilities	<u>5,556</u>	<u>-</u>	<u>-</u>	<u>87,084</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	91,604	-	-	-
Unavailable revenues	-	64,934	-	-
Total deferred inflows of resources	<u>91,604</u>	<u>64,934</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	<u>121,304</u>	<u>80</u>	<u>19,072</u>	<u>-</u>
Total fund balances	<u>121,304</u>	<u>80</u>	<u>19,072</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 218,464</u>	<u>\$ 65,014</u>	<u>\$ 19,072</u>	<u>\$ 87,084</u>

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<u>Debt Service</u>	
TIF	Total Nonmajor Governmental Funds
\$ 1,890	\$ 234,941
71,737	163,341
-	45
-	64,934
<u>\$ 73,627</u>	<u>\$ 463,261</u>

\$ 510	\$ 1,654
-	4,412
-	87,084
<u>510</u>	<u>93,150</u>

71,737	163,341
-	64,934
<u>71,737</u>	<u>228,275</u>

<u>1,380</u>	<u>141,836</u>
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<u>1,380</u>	<u>141,836</u>
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<u>\$ 73,627</u>	<u>\$ 463,261</u>
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## Village of Trempealeau

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Nonmajor Governmental Funds  
Year Ended December 31, 2021

	<b>Special Revenue</b>			
	<b>Library</b>	<b>Block Grant</b>	<b>Trempealeau Trust Fund</b>	<b>ARPA Grant</b>
<b>Revenues</b>				
Taxes	\$ 89,072	\$ -	\$ -	\$ -
Intergovernmental	76,528	-	-	-
Investment income	2,464	-	140	-
Miscellaneous	<u>10,508</u>	<u>15,751</u>	<u>-</u>	<u>-</u>
Total revenues	<u>178,572</u>	<u>15,751</u>	<u>140</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Culture, recreation and education	184,415	-	98	-
Conservation and development	-	15,691	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>184,415</u>	<u>15,691</u>	<u>98</u>	<u>-</u>
Excess of revenues over expenditures	<u>(5,843)</u>	<u>60</u>	<u>42</u>	<u>-</u>
Net change in fund balances	(5,843)	60	42	-
<b>Fund Balances (Deficit), Beginning</b>	<u>127,147</u>	<u>20</u>	<u>19,030</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u><u>\$ 121,304</u></u>	<u><u>\$ 80</u></u>	<u><u>\$ 19,072</u></u>	<u><u>\$ -</u></u>

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<u>Debt Service</u>		
<u>TIF</u>		<u>Total Nonmajor Governmental Funds</u>
\$ 71,352	\$	160,424
1,739		78,267
-		2,604
<u>-</u>		<u>26,259</u>
<u>73,091</u>		<u>267,554</u>
-		184,513
1,560		17,251
42,329		42,329
<u>8,515</u>		<u>8,515</u>
<u>52,404</u>		<u>252,608</u>
<u>20,687</u>		<u>14,946</u>
20,687		14,946
<u>(19,307)</u>		<u>126,890</u>
<u>\$ 1,380</u>	<u>\$</u>	<u>141,836</u>

## Village of Trempealeau

Detailed Schedule of Operating Revenues and Expenses - Electric  
Year Ended December 31, 2021

### Operating Revenues

Sales of electricity:

Residential	\$ 1,256,970
Small commercial	437,396
Large power	277,780
Public street lighting	34,544

Total sales of electricity 2,006,690

Other operating revenues:

Forfeited discounts	3,985
Rent from electric property	371
Other electric revenues	7,153

Total other operating revenues 11,509

Total operating revenues 2,018,199

### Operating Expenses

Operation and maintenance expenses:

Other power supply expenses:

Purchased power	983,304
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Total other power supply expenses 983,304

Transmission expenses:

Operation supervision and labor	150,350
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Total transmission expenses 150,350

Distribution expenses:

Line and station supplies and expenses	22,036
Meter expenses	5,179
Maintenance of structures	33,856
Maintenance of lines	30,609
Maintenance of line transformers	2,237
Maintenance of street lighting	5,185
Maintenance of meters	458

Total distribution expenses 99,560

## Village of Trempealeau

Detailed Schedule of Operating Revenues and Expenses - Electric  
Year Ended December 31, 2021

Customer accounts expenses:	
Accounting and collecting labor	\$ 83,071
Supplies and expenses	7,158
Uncollectible accounts	<u>2,879</u>
Total customer accounts expenses	<u>93,108</u>
Administrative and general expenses:	
Administrative and general salaries	4,269
Office supplies and expenses	18,380
Outside services employed	89,891
Property insurance	19,845
Injuries and damages	960
Employee pensions and benefits	67,847
Regulatory commission expense	2,946
Miscellaneous general expenses	25,817
Transportation expenses	10,263
Maintenance of general plant	<u>11,343</u>
Total administrative and general expenses	<u>251,561</u>
Total operation and maintenance expenses	1,577,883
Depreciation	320,830
Taxes	<u>32,629</u>
Total operating expenses	<u>1,931,342</u>
Operating income	<u><u>\$ 86,857</u></u>

## Village of Trempealeau

Detailed Schedule of Operating Revenues and Expenses - Water  
Year Ended December 31, 2021

### Operating Revenues

Sales of water:

Metered sales, residential	\$ 288,623
Metered sales, commercial	55,833
Metered sales, multi-family residential	4,514
Public fire protection	118,008
Other sales to public authorities	<u>20,206</u>

Total sales of water 487,184

Other operating revenues:

Forfeited discounts	895
Other water revenue	<u>15,320</u>

Total other operating revenues 16,215

Total operating revenues 503,399

### Operating Expenses

Operation and maintenance expenses:

Pumping expenses:

Fuel or power purchased for pumping	16,071
Operation supplies and expenses	9,970
Maintenance of pumping plant	<u>57,946</u>

Total pumping expenses 83,987

Water treatment expenses:

Chemicals	15,682
Operation supplies and expenses	<u>7,235</u>

Total water treatment expenses 22,917

Transmission and distribution expenses:

Maintenance of services	40
Maintenance of meters	2,547
Maintenance of hydrants	<u>657</u>

Total transmission and distribution expenses 3,244

## Village of Trempealeau

Detailed Schedule of Operating Revenues and Expenses - Water  
Year Ended December 31, 2021

Customer accounts expenses:	
Meter reading labor	\$ 184
Accounting and collecting labor	51,863
Supplies and expenses	1,842
Uncollectible accounts	603
	<hr/>
Total customer accounts expenses	54,492
	<hr/>
Administrative and general expenses:	
Administrative and general salaries	2,668
Office supplies and expenses	10,207
Outside services employed	19,296
Property insurance	14,092
Employee pensions and benefits	45,175
Miscellaneous general expenses	8,026
Transportation expenses	1,314
Injuries and damages	480
	<hr/>
Total administrative and general expenses	101,258
	<hr/>
Total operation and maintenance expenses	265,898
	<hr/>
Depreciation expense	123,046
Taxes	5,579
	<hr/>
Total operating expenses	394,523
	<hr/>
Operating income	\$ 108,876
	<hr/>

## Village of Trempealeau

Detailed Schedule of Operating Revenues and Expenses - Sewer  
Year Ended December 31, 2021

### Operating Revenues

Sewage service:	
Metered sales, residential	\$ 448,378
Metered sales, commercial	82,894
	<hr/>
Total sales of water	531,272
	<hr/>
Other operating revenues:	
Forfeited discounts	1,128
Miscellaneous operating revenues	1,892
	<hr/>
Total other operating revenues	3,020
	<hr/>
Total operating revenues	534,292

### Operating Expenses

Operation and maintenance expenses:	
Collection, pumping and treatment expenses:	
Power for pumping	51,323
Operating supplies	21,278
Maintenance of pumping equipment	2,591
Maintenance of collection system	73,097
Maintenance of treatment and disposal	381
Maintenance of general plant equipment	1,742
	<hr/>
Total collection, pumping and treatment expenses	150,412
	<hr/>
Customer accounts expenses:	
Meter reading labor	384
Accounting and collecting labor	60,576
Uncollectible accounts	527
	<hr/>
Total customer accounts expenses	61,487
	<hr/>
Administrative and general expenses:	
Administrative and general salaries	3,068
Office supplies and expenses	11,667
Outside services employed	54,947
Property insurance	15,252
Employee pensions and benefits	43,840
Miscellaneous general expenses	8,187
Transportation expenses	1,324
Rent	5,240
	<hr/>
Total administrative and general expenses	143,525
	<hr/>
Total operation and maintenance expenses	355,424
	<hr/>
Depreciation expense	160,810
Taxes	10,319
	<hr/>
Total operating expenses	526,553
	<hr/>
Operating income	\$ 7,739

## Village of Trempealeau

Required Bond Disclosures

Year Ended December 31, 2021

### Insurance Coverage

Type	Coverage	Expiration
<b>Municipal Property Insurance Company</b>		
Buildings, Personal Property, Inland Marine Floater and Property in the Open	\$ 23,419,850	1/1/2022
Contractors Equipment	831,461	1/1/2022
Equipment	43,419,850	
Monies and Securities	10,000	
<b>League of Wisconsin Municipalities</b>		
Worker's Compensation, Accident	100,000	1/1/2022
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	500,000	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	835,821	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

	Electric 2021	Water 2021
Net income (loss)	\$ (41,447)	\$ 27,907
Depreciation and amortization	330,553	123,046
Interest expense	116,094	18,769
Property tax equivalent	81,595	62,255
Less capital contributions	(79,157)	-
Net defined earnings	\$ 407,638	\$ 231,977
<b>Annual Debt Service</b>	<b>\$ 280,626</b>	<b>\$ 94,287</b>
<b>Annual Debt Coverage</b>	<b>1.45</b>	<b>2.46</b>
<b>Required Coverage per Resolution</b>	<b>1.25</b>	<b>1.25</b>

## Village of Trempealeau

Required Bond Disclosures

Year Ended December 31, 2021

### Number of Customers

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Residential	1,178	788	849
Commercial	219	56	10
Public authority	2	15	-
Multi-family residential	-	4	-
Fire protection	-	3	-
Total	<u>1,399</u>	<u>866</u>	<u>859</u>