

CITY OF WEYAUWEGA
Weyauwega, Wisconsin

FINANCIAL STATEMENTS
December 31, 2012



CliftonLarsonAllen

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INDEPENDENT AUDITORS' REPORT

Members of the City Council
City of Weyauwega
Weyauwega, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Weyauwega, Wisconsin, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Members of the City Council
City of Weyauwega

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Weyauwega, Wisconsin, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 37 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The City of Weyauwega, Wisconsin has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2013, on our consideration of the City of Weyauwega, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Weyauwega, Wisconsin's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Stevens Point, Wisconsin
May 29, 2013

CITY OF WEYAUWEGA, WISCONSIN
STATEMENT OF NET POSITION
December 31, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,424,100	\$ 1,100,570	\$ 3,524,670
Restricted cash and cash equivalents	-	1,430,666	1,430,666
Temporary investments	8,104	523,304	531,408
Receivables	1,442,141	120,756	1,562,897
Inventories	-	57,694	57,694
Internal balances	(1,409,127)	1,409,127	-
Capital assets not being depreciated	94,929	34,210	129,139
Capital assets being depreciated, net of accumulated depreciation:			
Buildings and improvements	376,109	792,137	1,168,246
Machinery and equipment	275,518	2,274,764	2,550,282
Infrastructure	1,759,464	2,809,453	4,568,917
Total assets	<u>4,971,238</u>	<u>10,552,681</u>	<u>15,523,919</u>
DEFERRED OUTFLOWS			
Loss on refunding	-	22,821	22,821
LIABILITIES			
Accounts payable	44,408	31,707	76,115
Accrued expenses	76,695	18,043	94,738
Payable from restricted assets:			
Current maturities of long-term debt	-	292,289	292,289
Accrued interest	-	34,094	34,094
Noncurrent liabilities:			
Due within one year	155,833	-	155,833
Due in more than one year	914,452	3,954,013	4,868,465
Total liabilities	<u>1,191,388</u>	<u>4,330,146</u>	<u>5,521,534</u>
DEFERRED INFLOWS			
Succeeding year property taxes	896,585	-	896,585
NET POSITION			
Net investment in capital assets	1,760,537	2,119,033	3,554,768
Restricted	363,066	947,482	1,310,548
Unrestricted	759,662	3,178,841	4,263,305
TOTAL NET POSITION	<u>\$ 2,883,265</u>	<u>\$ 6,245,356</u>	<u>\$ 9,128,621</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF WEYAUWEGA, WISCONSIN
STATEMENT OF ACTIVITIES
Year Ended December 31, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Sales and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ 312,563	\$ 6,311	\$ 2,321	\$ -	\$ (303,931)	\$ -	\$ (303,931)
Public safety	470,697	37,816	7,493	-	(425,388)	-	(425,388)
Health and social services	1,992	-	-	-	(1,992)	-	(1,992)
Public works	413,095	108,669	103,611	-	(200,815)	-	(200,815)
Culture and recreation	281,546	28,475	48,842	-	(204,229)	-	(204,229)
Conservation and development	30,097	-	1,409	-	(28,688)	-	(28,688)
Interest on long-term debt	39,723	-	-	-	(39,723)	-	(39,723)
Total governmental activities	1,549,713	181,271	163,676	-	(1,204,766)	-	(1,204,766)
BUSINESS-TYPE ACTIVITIES							
Sewer utility	687,051	875,012	-	18,170	-	206,131	206,131
Water utility	375,861	431,201	-	27,000	-	82,340	82,340
Total business-type activities	1,062,912	1,306,213	-	45,170	-	288,471	288,471
Total primary government	\$ 2,612,625	\$ 1,487,484	\$ 163,676	\$ 45,170	(1,204,766)	288,471	(916,295)
GENERAL REVENUES							
Property taxes					884,620	-	884,620
Mobile home taxes					11,275	-	11,275
Franchise fees					9,973	-	9,973
State shared revenues					542,295	-	542,295
Interest and investment income					3,346	9,601	12,947
Other revenues					8,929	9,123	18,052
Total general revenues					1,460,438	18,724	1,479,162
CHANGE IN NET POSITION							
NET POSITION, BEGINNING (RESTATED)					255,672	307,195	562,867
NET POSITION, ENDING					2,627,593	5,938,161	8,565,754
					\$ 2,883,265	\$ 6,245,356	\$ 9,128,621

The accompanying notes are an integral part of the basic financial statements.

CITY OF WEYAUWEGA, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

	Special Revenue		Debt Service		Capital Projects		Total
	General	CDBG	General	TIF #3	General	TIF #4	
ASSETS							
Cash and cash equivalents	\$ 600,683	\$ 41,837	\$ 67,619	\$ -	\$ 1,121,886	\$ 592,065	\$ 2,424,100
Temporary investments	8,104	-	-	-	-	-	8,104
Taxes receivable	610,601	-	138,743	48,639	-	98,440	896,423
Accounts receivable	21,896	-	-	-	-	-	21,896
Due from other funds	6,011	-	-	-	-	-	6,011
Special assessments receivable	250,376	-	-	-	-	-	250,376
Notes receivable	-	273,446	-	-	-	-	273,446
Advance to other funds	584,286	-	-	-	-	-	584,286
TOTAL ASSETS	\$ 2,061,967	\$ 315,283	\$ 206,362	\$ 48,639	\$ 1,121,886	\$ 690,505	\$ 4,444,642
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)							
Liabilities:							
Accounts payable	\$ 44,408	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,408
Accrued liabilities	14,831	-	-	-	-	-	14,831
Due to other funds	-	-	-	6,011	-	-	6,011
Advances from other funds	-	3,600	-	162,987	-	1,806,816	1,973,413
Total liabilities	59,239	3,600	-	169,008	-	1,806,816	2,038,663
Deferred inflows:							
Succeeding year property taxes	610,763	-	138,743	48,639	-	98,440	896,585
Special assessments	250,376	-	-	-	-	-	250,376
Notes receivable	-	273,446	-	-	-	-	273,446
Total deferred inflows	861,139	273,446	138,743	48,639	-	98,440	1,420,407
Fund balances (deficit):							
Non-spendable:							
Advance to other funds	564,286	-	-	-	-	-	564,286
Restricted:							
CDBG	-	38,237	-	-	-	-	38,237
Debt service	-	-	67,619	-	-	-	67,619
Committed:							
Capital project fund	-	-	-	-	1,121,886	-	1,121,886
Assigned:							
General purposes	85,953	-	-	-	-	-	85,953
Little red school house	8,104	-	-	-	-	-	8,104
Library	85,023	-	-	-	-	-	85,023
Unassigned	398,223	-	-	(169,008)	-	(1,214,751)	(985,536)
Total fund balances (deficit)	1,141,589	38,237	67,619	(169,008)	1,121,886	(1,214,751)	985,572
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)	\$ 2,061,967	\$ 315,283	\$ 206,362	\$ 48,639	\$ 1,121,886	\$ 690,505	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets are not reported in the fund financial statements because they are not current financial resources; they are, however, reported in the statement of net position.

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred.

Certain liabilities are not reported in the fund statements because they are not due and payable; they are, however, reported in the statement of net position.

Notes payable
Accrued compensated absences
Accrued interest

NET POSITION OF GOVERNMENTAL ACTIVITIES

2,506,020
523,822
(1,070,285)
(45,628)
(16,236)
\$ 2,883,265

The accompanying notes are an integral part of the basic financial statements.

CITY OF WEYAUWEGA, WISCONSIN
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - GOVERNMENTAL FUNDS
 Year Ended December 31, 2012

	Special Revenue		Debt Service		Capital Projects		Total
	General	CDBG	General	TIF #3	General	TIF #4	
REVENUES							
Taxes	\$ 615,869	\$ -	\$ 140,229	\$ 40,569	\$ -	\$ 99,228	\$ 895,895
Special assessments	2,739	-	-	-	-	-	2,739
Intergovernmental revenue	704,562	-	-	-	-	-	704,562
Regulation and compliance revenue	44,061	-	-	-	-	-	44,061
Public charges for services	137,210	-	-	-	-	-	137,210
General revenues	20,311	-	-	-	-	-	20,311
Commercial revenues	2,802	23,203	-	-	-	517	26,522
Total revenues	<u>1,527,554</u>	<u>23,203</u>	<u>140,229</u>	<u>40,569</u>	<u>-</u>	<u>99,745</u>	<u>1,831,300</u>
EXPENDITURES							
Current:							
General government	289,150	-	-	-	-	-	289,150
Public safety	445,329	-	-	-	-	-	445,329
Health and social services	1,992	-	-	-	-	-	1,992
Public works	238,876	-	-	-	-	-	238,876
Culture and recreation	244,145	-	-	-	-	-	244,145
Conservation and development	4,359	26,933	-	-	-	-	31,292
Capital outlays	-	-	-	-	264,300	-	264,300
Debt service:							
Principal retirement	-	-	107,920	17,306	-	25,607	150,833
Interest and fiscal charges	-	-	29,839	4,744	-	7,020	41,603
Total expenditures	<u>1,223,851</u>	<u>26,933</u>	<u>137,759</u>	<u>22,050</u>	<u>264,300</u>	<u>32,627</u>	<u>1,707,520</u>
Excess (deficiency) of revenues over expenditures	303,703	(3,730)	2,470	18,519	(264,300)	67,118	123,780
OTHER FINANCING SOURCES (USES)							
Transfer in	-	-	-	-	328,450	-	328,450
Transfer out	(328,450)	-	-	-	-	-	(328,450)
NET CHANGE IN FUND BALANCES	<u>(24,747)</u>	<u>(3,730)</u>	<u>2,470</u>	<u>18,519</u>	<u>64,150</u>	<u>67,118</u>	<u>123,780</u>
FUND BALANCES (DEFICIT), BEGINNING	<u>1,166,336</u>	<u>41,967</u>	<u>65,149</u>	<u>(187,527)</u>	<u>1,057,736</u>	<u>(1,281,869)</u>	<u>861,792</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ 1,141,589</u>	<u>\$ 38,237</u>	<u>\$ 67,619</u>	<u>\$ (169,008)</u>	<u>\$ 1,121,886</u>	<u>\$ (1,214,751)</u>	<u>\$ 985,572</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF WEYAUWEGA, WISCONSIN
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year Ended December 31, 2012

Net change in fund balances - total governmental funds \$ 123,780

The change in net position reported for governmental activities in the statement of activities is different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. The net changes are as follows:

Capital outlays	\$ 264,300	
Less:		
Capital outlays not capitalized	(148,239)	
Depreciation expense	(122,843)	(6,782)

Transactions relating to long-term debt are reported as revenues and expenditures in governmental funds. However, in the statement of net position, repayments reduce long-term liabilities and new borrowings increase long-term liabilities:

Principal repayments		150,833
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when the financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following balances:

Accrued interest on long-term obligations	1,880	
Compensated absences	7,682	9,562

Revenue had accrued on December 31, 2012, but was not available. Consequently, this revenue was deferred in governmental funds, but is recorded as loans receivable on the statement of net position and recognized as revenue on the statement of activities.

The net revenues consists of:

New loans issued - housing		19,190
Loan repayments - housing		(23,174)
Adjustment on housing loans		(14,998)

Special assessment revenue had accrued on December 31, 2012, but was not available. Consequently, this revenue was deferred in governmental funds, but is recorded as special assessments receivable on the statement net position and recognized as revenue on the statement of activities.

Special assessment repayments		(2,739)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 255,672

The accompanying notes are an integral part of the basic financial statements.

CITY OF WEYAUWEGA, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2012

	Business Type Activities - Enterprise Funds		
	Sewer Utility	Water Utility	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 321,886	\$ 778,684	\$ 1,100,570
Restricted cash and cash equivalents	1,253,814	176,852	1,430,666
Temporary investments	155,587	155,587	311,174
Customer accounts receivable	83,423	37,333	120,756
Inventories	-	57,694	57,694
Total current assets	<u>1,814,710</u>	<u>1,206,150</u>	<u>3,020,860</u>
Noncurrent assets:			
Temporary investments	106,065	106,065	212,130
Advance to other funds	763,922	645,205	1,409,127
Capital assets not being depreciated	28,148	6,062	34,210
Capital assets being depreciated, net of accumulated depreciation:			
Buildings and improvements	590,492	201,645	792,137
Machinery and equipment	1,122,175	1,152,589	2,274,764
Infrastructure	1,235,170	1,574,283	2,809,453
Total capital assets, net	<u>2,975,985</u>	<u>2,934,579</u>	<u>5,910,564</u>
Total noncurrent assets	<u>3,845,972</u>	<u>3,685,849</u>	<u>7,531,821</u>
Total assets	<u>5,660,682</u>	<u>4,891,999</u>	<u>10,552,681</u>
DEFERRED OUTFLOWS			
Loss on refunding	<u>22,821</u>	<u>-</u>	<u>22,821</u>
LIABILITIES			
Current liabilities:			
Accounts payable	26,742	4,965	31,707
Accrued employee liabilities	13,764	4,279	18,043
Liabilities payable from restricted assets:			
Current maturities of long-term debt	216,674	75,615	292,289
Accrued interest	18,630	15,464	34,094
Total current liabilities	<u>275,810</u>	<u>100,323</u>	<u>376,133</u>
Noncurrent liabilities:			
Long-term debt, less current maturities above	<u>1,975,440</u>	<u>1,978,573</u>	<u>3,954,013</u>
Total liabilities	<u>2,251,250</u>	<u>2,078,896</u>	<u>4,330,146</u>
NET POSITION			
Net investment in capital assets	1,083,366	1,035,667	2,119,033
Restricted	947,482	-	947,482
Unrestricted	<u>1,401,405</u>	<u>1,777,436</u>	<u>3,178,841</u>
TOTAL NET POSITION	<u>\$ 3,432,253</u>	<u>\$ 2,813,103</u>	<u>\$ 6,245,356</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF WEYAUWEGA, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2012

	Business Type Activities - Enterprise Funds		
	Sewer Utility	Water Utility	Total
INCOME FROM OPERATIONS			
Customer charges for services	\$ 873,264	\$ 425,751	\$ 1,299,015
Other charges	1,748	5,450	7,198
Total income from operations	<u>875,012</u>	<u>431,201</u>	<u>1,306,213</u>
OPERATING EXPENSES			
Plant and maintenance expenses:			
Salaries, wages, and benefits	72,830	23,034	95,864
Power	28,060	48,544	76,604
Chemicals	55,668	20,926	76,594
Other operating supplies	81,092	10,799	91,891
Repairs and maintenance	46,300	18,074	64,374
Total plant and maintenance expenses	<u>283,950</u>	<u>121,377</u>	<u>405,327</u>
General expenses:			
Administrative and general salaries and benefits	41,508	42,058	83,566
Office supplies and expense	5,064	8,992	14,056
Outside services	52,457	9,427	61,884
Property and liability insurance	9,189	9,189	18,378
Transportation	2,780	3,194	5,974
Depreciation	197,839	87,611	285,450
Taxes	-	374	374
Miscellaneous	3,739	-	3,739
Total general expenses	<u>312,576</u>	<u>160,845</u>	<u>473,421</u>
Total operating expenses	<u>596,526</u>	<u>282,222</u>	<u>878,748</u>
Operating income	<u>278,486</u>	<u>148,979</u>	<u>427,465</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	5,314	4,287	9,601
Interest expense and fiscal charges	(90,525)	(93,639)	(184,164)
Rental income	-	9,123	9,123
Total nonoperating expenses	<u>(85,211)</u>	<u>(80,229)</u>	<u>(165,440)</u>
CAPITAL CONTRIBUTIONS	<u>18,170</u>	<u>27,000</u>	<u>45,170</u>
CHANGE IN NET POSITION	211,445	95,750	307,195
NET POSITION, BEGINNING (RESTATED)	<u>3,220,808</u>	<u>2,717,353</u>	<u>5,938,161</u>
NET POSITION, ENDING	<u>\$ 3,432,253</u>	<u>\$ 2,813,103</u>	<u>\$ 6,245,356</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF WEYAUWEGA, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2012

	Business Type Activities - Enterprise Funds		
	Sewer Utility	Water Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 868,696	\$ 429,609	\$ 1,298,305
Payments to suppliers	(272,970)	(128,794)	(401,764)
Payments to employees	(117,026)	(69,866)	(186,892)
Net cash provided by operating activities	<u>478,700</u>	<u>230,949</u>	<u>709,649</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments for interfund borrowings	(4,379)	4,379	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(66,720)	(131,755)	(198,475)
Special assessments	1,674	1,674	3,348
Capital contributions received	18,170	27,000	45,170
Principal paid on long-term debt	(217,407)	(76,760)	(294,167)
Interest paid on long-term debt	(85,547)	(92,692)	(178,239)
Net cash used in capital and related financing activities	<u>(349,830)</u>	<u>(272,533)</u>	<u>(622,363)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of temporary investment	(2,710)	(2,710)	(5,420)
Rental income	-	9,123	9,123
Interest income	5,314	4,287	9,601
Net cash provided by investing activities	<u>2,604</u>	<u>10,700</u>	<u>13,304</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	127,095	(26,505)	100,590
CASH AND CASH EQUIVALENTS, BEGINNING	<u>1,448,605</u>	<u>982,041</u>	<u>2,430,646</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 1,575,700</u>	<u>\$ 955,536</u>	<u>\$ 2,531,236</u>
RECONCILED TO STATEMENT OF NET POSITION			
Unrestricted cash and cash equivalents	\$ 321,886	\$ 778,684	\$ 1,100,570
Restricted cash and cash equivalents	1,253,814	176,852	1,430,666
	<u>\$ 1,575,700</u>	<u>\$ 955,536</u>	<u>\$ 2,531,236</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 278,486	\$ 148,979	\$ 427,465
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	197,839	87,611	285,450
Effects of change in operating assets and liabilities:			
Receivables	(6,316)	(1,592)	(7,908)
Accounts payable	11,379	725	12,104
Accrued expenses	(2,688)	(4,774)	(7,462)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 478,700</u>	<u>\$ 230,949</u>	<u>\$ 709,649</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A - Reporting Entity

This report includes all of the funds of the City of Weyauwega, Wisconsin (the City). The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) 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 or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, it entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

B - Government-wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for 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. *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 properly included among program revenues are reported instead as *general revenues*.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B - Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major 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 City or meets the following criteria:

- a. Total assets, liabilities, 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 fund 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.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City. It is used to account for financial resources devoted to financing general services. This fund is charged with all costs of operating the government for which a separate fund has not been established.

CDBG Special Revenue Fund - To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

General Debt Service Fund - To account for specific revenue sources that are legally restricted to repayment of debt principal and interest.

TIF #3 Debt Service Fund - To account for specific TIF revenue sources that are legally restricted to repayment of debt principal and interest.

General Capital Projects Fund - To account for the financial resources and the expenditures for the construction of new streets, sidewalks, and for other major improvements and capital additions.

TIF #4 Capital Projects Fund - To account for expenditures outlined in the TIF project plan and related revenues and proceeds from long-term borrowing.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B - Government-wide and Fund Financial Statements (Continued)

The City reports two major enterprise funds:

Water Utility Fund - To account for the water supply and services to the residents, business entities, and public authorities of the City.

Sewer Utility Fund - To account for the wastewater treatment services to the residents, business entities, and public authorities of the City.

C - Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Special assessments are recorded as revenue when earned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 grants and aids are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City that are not currently available are recorded as receivables and deferred inflows. Amounts received prior to the entitlement period are also recorded as deferred inflows.

Long-term receivables, such as special assessments, notes, and mortgages, are recorded as receivables and deferred inflows. In subsequent periods, when revenue recognition criteria are met or when the City has a legal claim to the resources, inflows are recorded.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C - Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. Other general revenues, such as licenses and permits, fines and forfeitures, and miscellaneous inflows, are recognized when payment is received or when measurable and available under the criteria described above.

The City reports deferred inflows on its governmental funds balance sheet. For governmental fund financial statements, deferred inflows arise when a potential revenue source does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred inflows is removed from the balance sheet and revenue is recognized.

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 City's 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

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 Water and Sewer enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

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

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C - Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D - Assets, Liabilities, and Equity

Cash, Cash Equivalents, and Temporary Investments

For purposes of the statement of net position and proprietary fund statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Temporary investments consist of certificates of deposit with original maturities greater than three months. These investments are stated at cost, which approximates fair value.

Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as either "due from/due to other funds" (current portion) or "advances to/from other funds" (non-current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are reported at gross value with uncollectible amounts written off under the direct write off method. No allowance for uncollectible accounts is presented, since the amount would not be significant. No allowance for uncollectible accounts has been provided for the Water and Sewer Utilities since they are able to place delinquent bills on the tax roll.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D - Assets, Liabilities, and Equity (Continued)

Receivables and Payables (Continued)

Property taxes consist of taxes on real estate and personal property. Property taxes are levied in December of each year based on assessed value as of January 1 of that year and become an enforceable lien on the property the following January 1. The amount levied is applicable to the budget of the ensuing calendar year and become due as of January 1 of that year. In addition to property taxes for the City, certain taxes are also collected for and remitted to the state and county governments, as well as local school and technical college districts. Payment due dates are full payment by January 31 or partial payments by January 31 and July 31 of each year. At year end, the property taxes levied for each fund are recorded as taxes receivable and deferred inflows.

Inventories and prepayments

Inventories consist of expendable supplies held for consumption. Inventories are stated at cost with value being determined on the "first-in, first-out" basis of accounting. The cost is recorded as an expenditure or an expense at the time the individual inventory items are consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond the end of the current year are recorded as prepayments in both government-wide and fund financial statements. Inventories and prepayments of governmental fund types are offset by non-spendable fund balance which indicates that assets do not represent spendable available financial resources.

Restricted Assets

Restricted assets consist of cash and cash equivalents restricted for the purpose of Sewer and Water Utility Fund debt repayment and plant replacement. Current liabilities payable from these restricted assets are so classified.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D - Assets, Liabilities, and Equity (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, utility system, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City of Weyauwega as assets with an initial cost of \$1,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. GASB 34 permits reporting infrastructure on a prospective basis. Accordingly, major networks of infrastructure assets prior to 2004 are not reported in the government-wide financial statements.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, equipment, and infrastructure assets are depreciated using the straight-line method over the following useful lives:

• Land improvements	15 years
• Buildings	30 years
• Machinery and equipment	5 - 7 years
• Utility system	15 - 107 years
• Infrastructure	40 - 50 years

Compensated Absences

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 terminations and/or retirements or are payable with expendable available resources

Sick days can be accumulated up to a maximum of 90 days and are paid upon retirement or death at the employee's then hourly rate of pay. Voluntary termination of employment is paid out at 50% of the employee's then hourly rate of pay. Vacation days are earned following each anniversary date; any unused vacation will not be paid out on the next anniversary date, except in the case of termination or retirement at which time the employee would be paid out. Employees are not allowed to carry unused vacation hours into subsequent year unless granted approval by the board.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D - Assets, Liabilities, and Equity (Continued)

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Long-term debt payable is reported net of the applicable debt premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position are divided into three components:

- Net investment in capital assets - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consists of net position that are restricted by the City's creditors (for example, through debt covenants), by state enabling legislation, by grantors, and by other contributors.
- Unrestricted - all other net position are reported in this category.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D - Assets, Liabilities, and Equity (Continued)

Governmental Fund Equity

The City follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as described below.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components.

- Nonspendable fund balance - Amounts that cannot be spent because they are 1) not in spendable form or 2) legally or contractually required to be maintained intact. The City reports nonspendable prepaids and advances to other funds.
- Restricted fund balance - Amount constraints requiring use for a specific purpose and are either: 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. Fund balance restrictions are legally enforceable when a third party can enforce the resources to be used appropriately.
- Committed fund balance - Amounts used for specific purposes based on constraints imposed by formal action of the City Council. The commitment purposes must be made during the City's fiscal year ended December 31, 2012, and can only be amended by the same formal legal action creating the original commitments, such as a resolution or ordinance.
- Assigned fund balance - Funds that are constrained by the City Clerk with the intent for the amount to be used for specific purposes, but it is neither restricted nor committed.
- Unassigned fund balance - The balance of General fund's fund balance available for appropriation.

The City will use fund balance resources in the following manner: first, restricted, then committed, assigned and finally unassigned.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E - Change in Accounting Principles

The City adopted GASB Statement No. 63, *Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities*, as of January 1, 2012. GASB Statement No. 63 impacted financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. GASB Statement No. 65 impacted financial reporting by establishing accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The impact of adoptions of these statements resulted in the Balance Sheet, Statement of Net Assets, and the Statement of Revenues, Expenses, and Changes in Net Assets becoming the Balance Sheet, Statement of Net Position, and the Statement of Revenues, Expenses, and Changes in Net Position. Additionally items previously reported as assets or liabilities have been reclassified and reported as deferred inflows and outflows. As a result of the adoption of these new standards, unamortized bond issuance costs as of January 1, 2012, of \$9,104 in the governmental activities and \$76,365 in the business-type activities were written off to the beginning of year net position.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds. A formal budget has been adopted for the all funds except for the Capital Projects and Special Revenue Funds.

The budget covers the fiscal year ending December 31 and is available for public inspection at least 15 days prior to final adoption. All annual appropriations lapse at fiscal year-end unless specifically set up as a nonlapsing appropriation. The budget is prepared on a basis consistent with generally accepted accounting principles.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Balance

The Tax Incremental Financial District No. 3 Debt Service and Tax Incremental Financing District No. 4 Capital Projects Funds have deficit fund balances of \$169,008 and \$1,214,751, respectively, as of December 31, 2012. The fund deficits are expected to be recovered through property sales and tax levies in future years.

Limitations on the City's Tax Levy

Wisconsin Statutes Section 66.0602 limits the City's future tax levies. Generally, the City is limited to its prior year tax levy actual dollar amount (excluding TIF Districts), increased by a valuation factor for new construction. Changes in debt service from one year to the next are generally exempt from this limit.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A - Deposits and Investments

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

	<u>Carrying Value</u>	<u>Associated Risks</u>
Petty cash	\$ 60	
Deposits:		
Demand deposits	114,905	Custodial credit
Certificates of deposit	596,607	Custodial credit
Total deposits	711,512	
Investments:		
Local government investment pool (LGIP)	3,964,869	Credit, interest rate
Wisconsin Investment Series Cooperative (WISC)	810,303	Credit, interest rate
Total investments	4,775,172	
Total deposits and investments	\$ 5,486,744	
Reconciliation to the Statement of Net Position:		
Cash and cash equivalents	\$ 3,524,670	
Restricted cash and cash equivalents	1,430,666	
Temporary investments	531,408	
Total cash and investments	\$ 5,486,744	

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

A - Deposits and Investments (Continued)

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

As of December 31, 2012, the carrying amount of the City's deposits was \$711,512 and the bank balance was \$589,565. Of the bank balance, \$273,304 was exposed to custodial credit risk as uninsured and uncollateralized.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. However, although the fund had reserves available at December 31, 2012, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund is abolished. Therefore, this coverage has not been considered in computing custodial credit risk.

Investment Policy

The City has not adopted a formal investment policy; however, the City invests in accordance with Wisconsin State Statutes. Under state statute, investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association authorized to transact business in the state;
- Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state, the University of Wisconsin Hospitals and Clinics Authority;
- Bonds or securities issued or guaranteed by the federal government;
- Any security which matures within not more than 7 years, if that security has a rating which is the highest or 2nd highest rating category assigned by Standard & Poor's corporation, Moody's investors service, or similar rating agency;
- Securities of an open-end management investment company or investment trust, if the company or trust does not charge a sales load, is registered under the investment company act of 1940, and if the portfolio is limited to bonds and securities issued by the federal government, bonds that are guaranteed as to principal and interest by the federal government;
- Repurchase agreements that are fully collateralized by bonds or securities of the federal government;
- The state local government investment pool.
- Repurchase agreements with public depositories with certain conditions.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

A - Deposits and Investments (Continued)

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. At December 31, 2012, the fair value of the City's share of the LGIP was substantially equal to the amount as reported in these statements.

The investments in the LGIP are covered up to \$400,000 by the State Guarantee Fund. Certificates of deposit held in the LGIP are covered by FDIC insurance, which applies to the proportionate public unit share of accounts.

The Wisconsin Investment Series Cooperative (WISC) is managed by PMA Financial Network, Inc, and is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 66. At December 31, 2012, the fair value of the City's share of the WISC approximates to the amount as reported in these statements.

Custodial Credit Risk for Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The City does not have a formal policy which addresses custodial credit risk for deposits and investments.

Concentration of Credit Risk

Concentration of credit risk refers to risk of loss attributed to the City's investment in a single issuer. The City does not have a formal policy on this type of investment risk.

Credit Risk and Interest Rate Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the City. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2012, the City had \$3,964,869 invested in LGIP, which is not rated. The average maturity date for investments held by the LGIP is 73 days, but funds are available to the City in full on one day's notice. The City had \$810,303 invested in WISC's Cash Management Series and Investment Series investments, which are rated AAAM by Standard & Poor's. The investments at WISC are also available to the City in full on a one day's notice.

The City does not have a formal policy which addresses credit and interest rate risk.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

B - Restricted Cash

Cash restricted in the business-type activities is restricted for the payment of currently maturing debt service and annual fiscal fees on long-term debt in the amount of \$483,184. There is also \$947,482 restricted for future asset replacement. These are reported with current assets.

C - Capital Assets

Capital asset activity for the year ended December 31, 2012, was as follows:

<u>Governmental Activities</u>	<u>Balance 1/1/12</u>	<u>Additions</u>	<u>Removals</u>	<u>Balance 12/31/12</u>
Capital assets not being depreciated:				
Land	\$ 94,929	\$ -	\$ -	\$ 94,929
Construction in progress	14,302	-	14,302	-
Total capital assets not being depreciated	<u>109,231</u>	<u>-</u>	<u>14,302</u>	<u>94,929</u>
Capital assets being depreciated:				
Buildings and improvements	776,482	97,499	-	873,981
Machinery and equipment	887,617	32,864	-	920,481
Infrastructure	2,106,771	-	-	2,106,771
Total capital assets being depreciated	<u>3,770,870</u>	<u>130,363</u>	<u>-</u>	<u>3,901,233</u>
Less accumulated depreciation:				
Buildings and improvements	477,733	20,139	-	497,872
Machinery and equipment	588,600	56,363	-	644,963
Infrastructure	300,966	46,341	-	347,307
Total accumulated depreciation	<u>1,367,299</u>	<u>122,843</u>	<u>-</u>	<u>1,490,142</u>
Total capital assets being depreciated, net	<u>2,403,571</u>	<u>7,520</u>	<u>-</u>	<u>2,411,091</u>
Governmental activities capital assets, net	<u>\$ 2,512,802</u>	<u>\$ 7,520</u>	<u>\$ 14,302</u>	<u>\$ 2,506,020</u>

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

C - Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental activities:	
General government	\$ 7,088
Public safety	17,871
Public works	74,675
Culture and recreation	20,212
Community development and conservation	<u>2,997</u>
Total depreciation expense - governmental activities	\$ <u>122,843</u>

<u>Business-type Activities</u>	<u>Balance 1/1/12</u>	<u>Additions</u>	<u>Removals</u>	<u>Balance 12/31/12</u>
Capital assets not being depreciated:				
Land	\$ 34,210	\$ -	\$ -	\$ 34,210
Capital assets being depreciated:				
Buildings and improvements	1,502,802	-	-	1,502,802
Machinery and equipment	4,734,292	48,718	9,564	4,773,446
Infrastructure	<u>3,720,512</u>	<u>149,757</u>	<u>17,812</u>	<u>3,852,457</u>
Total capital assets being depreciated	<u>9,957,606</u>	<u>198,475</u>	<u>27,376</u>	<u>10,128,705</u>
Less accumulated depreciation:				
Buildings and improvements	671,439	39,226	-	710,665
Machinery and equipment	2,313,726	194,520	9,564	2,498,682
Infrastructure	<u>1,009,112</u>	<u>51,704</u>	<u>17,812</u>	<u>1,043,004</u>
Total accumulated depreciation	<u>3,994,277</u>	<u>285,450</u>	<u>27,376</u>	<u>4,252,351</u>
Total capital assets being depreciated, net	<u>5,963,329</u>	<u>(86,975)</u>	<u>-</u>	<u>5,876,354</u>
Business-type activities capital assets, net	\$ <u>5,997,539</u>	\$ <u>(86,975)</u>	\$ <u>-</u>	\$ <u>5,910,564</u>

Depreciation expense was charged to functions of the business-type activities as follows:

Business-type activities:	
Sewer Utility	\$ 197,839
Water Utility	<u>87,611</u>
Total depreciation expense - business-type activities	\$ <u>285,450</u>

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

D - Interfund Balances

The composition of interfund activity as of December 31, 2012, is as follows:

<u>Advance From</u>	<u>Advance To</u>	<u>Amount</u>
General	TIF No. 3	\$ 162,997
General	TIF No. 4	397,689
General	CDGB	3,600
Water	TIF No. 4	645,205
Sewer	TIF No. 4	<u>763,922</u>
Total		<u>\$ 1,973,413</u>

The interfund advances consist of balances relating to loans for construction projects, and will be reduced through future tax increments and excess cash flows.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	TIF No. 3	<u>\$ 6,011</u>

The interfund receivable/payable balances consist of loans to cover deficit cash balances.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The composition of interfund transfers as of December 31, 2012, is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Capital Projects	General Fund	<u>\$ 328,450</u>

The transfer from the General Fund to the Capital Projects fund is for budgetary transfers for long-term capital needs.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E - Long-term Obligations

Required disclosures regarding the City's long-term obligations are as follows:

<u>Governmental Activities</u>	<u>Balance 1/1/12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/12</u>	<u>Amount Due in One Year</u>
(1) 2003 G.O. Refunding Bonds	\$ 715,000	\$ -	\$ 100,000	\$ 615,000	\$ 105,000
(2) 2010 G.O. Refunding Bonds	506,118	-	50,833	455,285	50,833
	1,221,118	-	150,833	1,070,285	155,833
(3) Compensated absences	53,310	16,075	23,757	45,628	45,628
Total governmental activity long-term obligations	\$ 1,274,428	\$ 16,075	\$ 174,590	\$ 1,115,913	\$ 201,461
	\$ 1,274,428	\$ 16,075	\$ 174,590	\$ 1,115,913	\$ 201,461
<u>Business-type Activities:</u>	<u>Balance 1/1/12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/12</u>	<u>Amount Due in One Year</u>
(4) 2006 Sewer Revenue Bonds	\$ 1,795,000	\$ -	\$ 155,000	\$ 1,640,000	\$ 155,000
(2) 2010 G.O. Refunding Bonds	638,882	-	64,167	574,715	64,167
(5) 2011 Water Revenue Bonds	2,135,000	-	75,000	2,060,000	75,000
Less unamortized bond discount	(30,291)	-	(1,878)	(28,413)	(1,878)
	4,538,591	-	292,289	4,246,302	292,289
(3) Compensated absences	20,765	9,479	16,941	13,303	13,303
Total business-type activity long-term obligations	\$ 4,559,356	\$ 9,479	\$ 309,230	\$ 4,259,605	\$ 305,592

If at any time the Water or Sewer Fund is unable to meet the above noted obligations, the ultimate liability for payment lies with the City.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E - Long-term Obligations (Continued)

- | | |
|-----------------|--|
| (1) \$ 615,000 | Original issue dated February 12, 2003. Principal due in annual installments of \$30,000 to \$155,000 through February 1, 2017. Interest in semi-annual installments at 2.00% to 4.40%. The issue is being serviced by the General Debt Service Fund. |
| (2) \$1,030,000 | Original issue dated July 21, 2010. Principal due in annual installments of \$30,000 to \$145,000 through February 1, 2022. Interest in semi-annual installments at 1.10% to 4.10%. The issue is being serviced by the General Debt Service Fund (7%), TIF #3 (15%), TIF #4 (22%), Water Fund (2%), and Sewer Funds (54%). |
| (3) \$ 58,931 | Accumulated unused sick pay up to a maximum of 90 days (720 hours); payable upon retirement, death, or disability. |
| (4) \$1,640,000 | Original issue dated December 1, 2006. Principal due in annual installments of \$135,000 to \$190,000 through May 1, 2022. Interest in semi-annual installments at 3.60% to 4.20%. The issue is serviced by the Sewer Utility. |
| (5) \$2,060,000 | Original issue dated April 28, 2011. Principal due in annual installments of \$75,000 to \$155,000 through May 1, 2031. Interest in semi-annual installments at 1.50% to 5.60%. The issue is serviced by the Water Utility. |

Covenant Compliance

The Sewer and Water System Revenue Bonds require the City to maintain cash reserves of \$301,663 and \$171,935, respectively, for debt service obligations. The City is in compliance with these reserve requirements.

The bonds also require the City to establish, charge, and collect such lawfully established rates and charges for the services provided by the Utility System so that net revenues (gross revenues less all costs of operation and maintenance, exclusive of debt service and depreciation) will be at least 1.25 times the amount of principal and interest coming due on all outstanding bonds payable from the income and revenue of the Utility System each year. The City is in compliance with these rate covenants.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E - Long-term Obligations (Continued)

Annual debt service requirements serviced by the governmental activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 155,833	\$ 36,944	\$ 192,777
2014	167,463	31,662	199,125
2015	176,883	25,622	202,505
2016	194,094	18,731	212,825
2017	194,782	10,950	205,732
2018-2022	<u>181,230</u>	<u>15,807</u>	<u>197,037</u>
Total	<u>\$ 1,070,285</u>	<u>\$ 139,716</u>	<u>\$ 1,210,001</u>

Annual debt service requirements serviced by the business-type activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 294,167	\$ 170,112	\$ 464,279
2014	307,537	161,163	468,700
2015	313,117	151,374	464,491
2016	325,906	140,727	466,633
2017	300,218	129,681	429,899
2018-2022	1,553,770	465,014	2,018,784
2023-2027	600,000	236,999	836,999
2028-2031	<u>580,000</u>	<u>65,922</u>	<u>645,922</u>
Total	<u>\$ 4,274,715</u>	<u>\$ 1,520,992</u>	<u>\$ 5,795,707</u>

The 2012 equalized valuation of the City, as certified by the Wisconsin Department of Revenue, is \$87,647,100. The legal general obligation debt limit and margin of indebtedness as of December 31, 2012, in accordance with the Wisconsin Statutes follows:

Debt limit (5% of \$87,647,100)	\$ 4,382,355
Deduct long-term debt applicable to debt margin	<u>1,645,000</u>
Margin of indebtedness	<u>\$ 2,737,355</u>

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F - Fund Balances / Net Position (Continued)

Business-Type Activities

Net investment in capital assets:	
Capital assets not being depreciated	\$ 34,210
Capital assets, net of accumulated depreciation	5,876,354
Adjusted for:	
Outstanding capital related debt	(4,274,715)
Utility reserves	<u>483,184</u>
Net investment in capital assets	2,119,033
Restricted for equipment replacement	947,482
Unrestricted	<u>3,178,841</u>
Total Business-Type Activities Net Position	<u>\$ 6,245,356</u>

Total Net Position

Net investment in capital assets:	
Total capital assets not being depreciated	\$ 129,139
Total capital assets, net of accumulated depreciation	8,287,445
Adjusted for:	
Total outstanding capital related debt	(5,345,000)
Utility reserves	<u>483,184</u>
Net investment in capital assets	<u>3,554,768</u>
Total restricted	<u>1,310,548</u>
Total unrestricted:	
Governmental activities unrestricted net assets	759,662
Business-type activities unrestricted net assets	3,178,841
Adjusted for:	
Utility capital assets funded by City	<u>324,802</u>
Total unrestricted	<u>4,263,305</u>
Total Net Position	<u>\$ 9,128,621</u>

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F - Fund Balances / Net Position (Continued)

Net position previously reported as of December 31, 2011, has been restated as follows:

	Governmental Activities	Business-Type Activities
Net position December 31, 2011, as previously stated	\$ 2,636,697	\$ 6,014,526
Adoption of GASB No. 65, resulting in write-off of debt issuance costs	(9,104)	(76,365)
Net position December 31, 2011, as restated	\$ 2,627,593	\$ 5,938,161

G - Defined Benefit Pension Plan

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, and 5.8% for Protective Occupations with Social Security and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teacher, and Executives and Elected Officials. Required contributions for protective contributions 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.

**CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

G - Defined Benefit Pension Plan (Continued)

Contribution rates for 2012 are:

	<u>Employee</u>	<u>Employer</u>
General	5.90%	5.90%
Executives and Elected Officials	7.05%	7.05%
Protective with Social Security	5.90%	9.00%
Protective without Social Security	5.90%	11.30%

The payroll for the City employees covered by the WRS for the year ended December 31, 2012, was \$495,737; the employer's total payroll was \$554,994. The total required contribution for the year ended December 31, 2012, was \$64,124, which consisted of \$34,876 or 7.0% of payroll from the employer and \$29,248 or 5.9% of payroll from employees. Total contributions for the years ending 2011 and 2010 were \$64,124 and \$63,522, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for Elected Officials and 54 for Protective Occupation employees with less than 25 years of service, 53 for Protective Occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for Protective Occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. 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 through June 30, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 2, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report, which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, Wisconsin 53707-7931

H - Deferred Compensation Plan

The City offers a deferred compensation plan for all employees. Contributions to this plan are entirely from employee voluntary contributions. These assets are not assets of the City, and accordingly are not included in the City's financial statements.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

I - Tax Incremental Financing District

The following is the cumulative status of Tax Incremental Financing Districts (TIF) No. 3 and 4 as of December 31, 2012:

	<u>TIF #3</u>	<u>TIF#4</u>
Revenues:		
Tax increment	\$ 655,874	\$ 665,018
Other	<u>96,420</u>	<u>48,037</u>
Total revenues	<u>752,294</u>	<u>713,055</u>
Expenditures:		
Project costs	749,838	1,907,892
Interest, discounts, and other debt costs	326,464	170,972
Administration	<u>-</u>	<u>78,295</u>
Total expenditures	<u>1,076,302</u>	<u>2,157,159</u>
Amount to be recovered through future tax increments	<u>\$ (324,008)</u>	<u>\$ (1,444,104)</u>

Tax Incremental Financing District No. 3 was created on December 31, 1995, to facilitate improvements to the industrial park. During the year end December 31, 2003, the District completed the last year of its project period. The City borrowed funds for the project, which will be retired by tax increments.

Tax Incremental Financing District No. 4 was created on September 27, 2001, to facilitate improvements necessary to promote industrial development. The District completed the sixth year of its project period. State statutes allow up to a fifteen-year project period. The City borrowed funds and advanced City funds for the project, which will be retired by tax increments.

J - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The City carries commercial insurance for risk of loss. The City did not have settled claims that exceeded the City's commercial insurance coverage in any of the past three years.

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

K - Customer Concentration

The City Water and Sewer Utility include charges to one customer during 2012 that total 49% of total combined revenue of the Utility. At December 31, 2012, the amount owed to the Utility by this customer totaled \$50,501.

L - Commitments and Contingencies

From time to time, the City becomes party to claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position.

The City has received grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowances, if any, would be immaterial.

M - Subsequent Events

Management evaluated subsequent events through May 29, 2013, the date the accompanying financial statements were available to be issued. Events or transactions occurring after December 31, 2012, but prior to May 29, 2013, that provided additional evidence about conditions that existed at December 31, 2012, have been recognized in the accompanying financial statements for the year ended December 31, 2012. Events or transactions that provided evidence about conditions that did not exist at December 31, 2012, but arose before the accompanying financial statements were available to be issued have not been recognized in the accompanying financial statements for the year ended December 31, 2012.

This information is an integral part of the accompanying basic financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEYAUWEGA, WISCONSIN
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
General property tax	\$ 604,594	\$ 604,594	\$ 604,594	\$ -
Mobile home parking fees	9,600	9,600	11,275	1,675
Total taxes	<u>614,194</u>	<u>614,194</u>	<u>615,869</u>	<u>1,675</u>
Special assessments	<u>25,580</u>	<u>25,580</u>	<u>2,739</u>	<u>(22,841)</u>
Intergovernmental revenue:				
State aid:				
Recycling grants	3,000	3,000	3,792	792
Computer aid	2,500	2,500	2,321	(179)
Shared taxes	526,560	541,560	542,295	735
Fire insurance	3,000	3,000	3,395	395
Highway maintenance	99,819	99,819	99,819	-
Ambulance	-	-	4,098	4,098
County aid:				
Library	<u>48,842</u>	<u>48,842</u>	<u>48,842</u>	<u>-</u>
Total intergovernmental revenue	<u>683,721</u>	<u>698,721</u>	<u>704,562</u>	<u>5,841</u>
Regulation and compliance revenue:				
Licenses:				
Liquor and malt beverage	3,000	3,000	4,110	1,110
Operators and occupational	1,000	1,000	1,330	330
Cigarette	50	50	40	(10)
Mobile home	25	25	25	-
Bicycle	20	20	-	(20)
Other	1,080	1,080	740	(340)
Permits:				
Building and sellers	5,025	5,025	8,158	3,133
Law and ordinance violations:				
Court penalties and costs	16,750	26,750	29,308	2,558
Parking violations	<u>320</u>	<u>320</u>	<u>350</u>	<u>30</u>
Total regulation and compliance revenue	<u>27,270</u>	<u>37,270</u>	<u>44,061</u>	<u>6,791</u>

CITY OF WEYAUWEGA, WISCONSIN
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES (CONTINUED)				
Public charges for services:				
General government:				
License publication fees	\$ 55	\$ 55	\$ 66	\$ 11
Sanitation and utilities:				
Refuse collection	90,540	90,540	104,937	14,397
Snow/ice control	500	500	3,732	3,232
Weed control	-	-	218	218
Leisure activities:				
Community projects	250	250	660	410
Library	-	-	7,329	7,329
Swimming pool	14,000	14,000	17,968	3,968
Parks and playgrounds	2,000	2,000	2,300	300
Total public charges for services	<u>107,345</u>	<u>107,345</u>	<u>137,210</u>	<u>29,865</u>
General revenues:				
Miscellaneous	3,000	3,000	8,929	5,929
Donations	-	-	1,409	1,409
Franchise fees	7,000	7,000	9,973	2,973
Total general revenues	<u>10,000</u>	<u>10,000</u>	<u>20,311</u>	<u>10,311</u>
Commercial revenues:				
Interest on investments	2,000	2,000	2,573	573
Interest on special assessments	243	243	229	(14)
Total commercial revenues	<u>2,243</u>	<u>2,243</u>	<u>2,802</u>	<u>559</u>
Total revenues	<u>1,470,353</u>	<u>1,495,353</u>	<u>1,527,554</u>	<u>32,201</u>

CITY OF WEYAUWEGA, WISCONSIN
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
General government:				
Legislative:				
Council	\$ 10,500	\$ 10,500	\$ 9,411	\$ 1,089
Executive:				
Mayor	4,000	4,000	4,269	(269)
General administration:				
Clerk and administrator	95,129	125,129	125,348	(219)
Publications	5,000	5,000	4,056	944
Elections	5,000	5,000	5,593	(593)
Office supplies	8,500	8,500	11,415	(2,915)
Advertising	1,000	1,000	700	300
Financial administration:				
Assessment of property	4,900	4,900	6,653	(1,753)
Deputy clerk	34,566	44,566	45,594	(1,028)
Auditing	10,000	10,000	9,700	300
Legal:				
Codification	2,500	2,500	2,342	158
Legal professionals	-	-	7,111	(7,111)
City attorney	20,000	20,000	11,842	8,158
Building and plant:				
Municipal building	8,000	8,000	14,092	(6,092)
Other general government:				
Property and liability insurance	20,000	20,000	18,402	1,598
Miscellaneous	21,050	21,050	11,164	9,886
Sales tax	750	750	1,458	(708)
Total general government	<u>250,895</u>	<u>290,895</u>	<u>289,150</u>	<u>1,745</u>
Public safety:				
Police	357,050	357,050	340,265	16,785
Fire:				
Fire department	44,399	44,399	49,228	(4,829)
Ambulance service	43,846	43,846	47,944	(4,098)
Building inspector	5,300	5,300	7,892	(2,592)
Total public safety	<u>450,595</u>	<u>450,595</u>	<u>445,329</u>	<u>5,266</u>
Health and social services:				
General health:				
Health regulation and inspection	300	300	400	(100)
Pest and animal control:				
Animal pound	3,000	3,000	1,592	1,408
Total health and social services	<u>3,300</u>	<u>3,300</u>	<u>1,992</u>	<u>1,308</u>

CITY OF WEYAUWEGA, WISCONSIN
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (CONTINUED)				
Public works:				
General public works:				
Public works director	\$ -	\$ -	\$ 2,176	\$ (2,176)
Machinery and equipment	4,700	4,700	5,340	(640)
Garage and sheds	3,000	3,000	2,534	466
Streets and related facilities:				
Street commissioner	48,063	48,063	47,586	477
Outside engineering service	10,000	10,000	7,535	2,465
Street maintenance	10,000	10,000	8,387	1,613
Bridges and culverts	500	500	-	500
Street sweeping	9,000	9,000	7,975	1,025
Snow and ice removal	60,000	25,000	23,350	1,650
Street lighting and signs	48,500	48,500	43,090	5,410
Sidewalks and parking lots	500	500	-	500
Storm sewers	500	500	-	500
Sanitation:				
Recycling	15,504	15,504	17,534	(2,030)
Yard waste and weed control	7,000	7,000	1,507	5,493
Tree maintenance	3,500	3,500	39	3,461
Garbage and refuse collection	71,400	71,400	71,823	(423)
Total public works	<u>292,167</u>	<u>257,167</u>	<u>238,876</u>	<u>18,291</u>
Culture and recreation:				
Culture:				
Library	148,979	148,979	148,690	289
Community center	1,500	1,500	1,500	-
Recreation:				
Recreation administration	1,200	1,200	982	218
Swimming pool	43,200	55,200	55,733	(533)
Public areas:				
Celebrations and entertainment	9,000	9,000	6,876	2,124
Parks and playgrounds	22,000	30,000	30,364	(364)
Total culture and recreation	<u>225,879</u>	<u>245,879</u>	<u>244,145</u>	<u>1,734</u>
Conservation and development:				
Regional planning	5,050	5,050	3,763	1,287
Industrial development	1,250	1,250	450	800
Zoning review	700	700	146	554
Total conservation and development	<u>7,000</u>	<u>7,000</u>	<u>4,359</u>	<u>2,641</u>
Total expenditures	<u>1,229,836</u>	<u>1,254,836</u>	<u>1,223,851</u>	<u>30,985</u>
Excess of revenues over expenditures	240,517	240,517	303,703	63,186
OTHER FINANCING SOURCES (USES)				
Transfer out	(329,870)	(329,870)	(328,450)	1,420
NET CHANGE IN FUND BALANCE	<u>\$ (89,353)</u>	<u>\$ (89,353)</u>	<u>\$ (24,747)</u>	<u>\$ 64,606</u>

CITY OF WEYAUWEGA, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2012

NOTE 1 - BUDGETARY INFORMATION

Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds. A formal budget has been adopted for the all funds except for the Capital Projects and Special Revenue Funds.

The budget covers the fiscal year ending December 31 and is available for public inspection at least 15 days prior to final adoption. All annual appropriations lapse at fiscal year-end unless specifically set up as a nonlapsing appropriation. The budget is prepared on a basis consistent with generally accepted accounting principles.

Deficit Fund Balance

The Tax Incremental Financial District No. 3 Debt Service and Tax Incremental Financing District No. 4 Capital Projects Funds have deficit fund balances of \$169,008 and \$1,214,751, respectively, as of December 31, 2012. The fund deficits are expected to be recovered through property sales and tax levies in future years.

Limitations on the City's Tax Levy

Wisconsin Statutes Section 66.0602 limits the City's future tax levies. Generally, the City is limited to its prior year tax levy actual dollar amount (excluding TIF Districts), increased by a valuation factor for new construction. Changes in debt service from one year to the next are generally exempt from this limit.