

**CITY OF WEYAUWEGA**  
**Weyauwega, Wisconsin**

**FINANCIAL STATEMENTS**  
**December 31, 2014**

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT</b> .....	<b>1</b>
 <b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Statement of Net Position .....	3
Statement of Activities .....	4
Fund Financial Statements	
Balance Sheet - Governmental Funds .....	5
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	7
Statement of Net Position - Proprietary Funds .....	8
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds .....	9
Statement of Cash Flows - Proprietary Funds .....	10
Notes to Basic Financial Statements .....	11
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b> .....	 <b>37</b>
Budgetary Comparison Schedule - General Fund .....	38
Notes to Required Supplementary Information .....	42

## 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Weyauwega, Wisconsin, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 38 through 42 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.

*CliftonLarsonAllen LLP*

Stevens Point, Wisconsin  
July 6, 2015

**CITY OF WEYAUWEGA, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**December 31, 2014**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,615,501	\$ 890,417	\$ 3,505,918
Restricted cash and cash equivalents	-	1,323,559	1,323,559
Temporary investments	76,066	529,908	605,974
Receivables	1,488,156	128,782	1,616,938
Inventories	-	67,677	67,677
Internal balances	(1,409,127)	1,409,127	-
Capital assets not being depreciated	94,929	345,821	440,750
Capital assets being depreciated, net of accumulated depreciation:			
Buildings and improvements	493,016	713,685	1,206,701
Machinery and equipment	236,862	1,978,004	2,214,866
Infrastructure	1,949,428	2,992,982	4,942,410
Total assets	<u>5,544,831</u>	<u>10,379,962</u>	<u>15,924,793</u>
<b>DEFERRED OUTFLOWS</b>			
Loss on refunding	-	178,926	178,926
<b>LIABILITIES</b>			
Accounts payable	377,912	225,606	603,518
Accrued expenses	99,156	29,351	128,507
Payable from restricted assets:			
Current maturities of long-term debt	-	290,962	290,962
Accrued interest	-	24,869	24,869
Noncurrent liabilities:			
Due within one year	177,825	-	177,825
Due in more than one year	584,623	3,497,306	4,081,929
Total liabilities	<u>1,239,516</u>	<u>4,068,094</u>	<u>5,307,610</u>
<b>DEFERRED INFLOWS</b>			
Succeeding year property taxes	<u>893,320</u>	-	<u>893,320</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,281,135	2,690,551	4,702,338
Restricted	367,873	913,232	1,281,105
Unrestricted	<u>762,987</u>	<u>2,887,011</u>	<u>3,919,346</u>
<b>TOTAL NET POSITION</b>	<u>\$ 3,411,995</u>	<u>\$ 6,490,794</u>	<u>\$ 9,902,789</u>

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

**CITY OF WEYAUWEGA, WISCONSIN**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2014

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>		
		<b>Sales and Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>GOVERNMENTAL ACTIVITIES</b>						
General government	\$ 406,406	\$ 7,309	\$ 2,694	\$ (396,403)	\$ -	\$ (396,403)
Public safety	503,026	32,931	4,939	(465,156)	-	(465,156)
Health and social services	1,406	-	-	(1,406)	-	(1,406)
Public works	386,664	105,261	84,645	(196,758)	-	(196,758)
Culture and recreation	277,630	24,539	56,844	(196,247)	-	(196,247)
Conservation and development	14,146	-	1,327	(12,819)	-	(12,819)
Interest on long-term debt	30,280	-	-	(30,280)	-	(30,280)
Total governmental activities	<u>1,619,558</u>	<u>170,040</u>	<u>150,449</u>	<u>(1,299,069)</u>	<u>-</u>	<u>(1,299,069)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Sewer utility	705,269	977,080	-	-	271,811	271,811
Water utility	619,775	423,946	-	-	(195,829)	(195,829)
Total business-type activities	<u>1,325,044</u>	<u>1,401,026</u>	<u>-</u>	<u>-</u>	<u>75,982</u>	<u>75,982</u>
Total primary government	<u>\$ 2,944,602</u>	<u>\$ 1,571,066</u>	<u>\$ 150,449</u>	<u>(1,299,069)</u>	<u>75,982</u>	<u>(1,223,087)</u>
<b>GENERAL REVENUES</b>						
Property taxes				898,912	-	898,912
Mobile home taxes				9,205	-	9,205
Franchise fees				10,935	-	10,935
State shared revenues				539,865	-	539,865
Interest and investment income				4,077	4,778	8,855
Other revenues				29,658	-	29,658
Total general revenues				<u>1,492,652</u>	<u>4,778</u>	<u>1,497,430</u>
<b>CHANGE IN NET POSITION</b>				193,583	80,760	274,343
<b>NET POSITION, BEGINNING</b>				<u>3,218,412</u>	<u>6,410,034</u>	<u>9,628,446</u>
<b>NET POSITION, ENDING</b>				<u>\$ 3,411,995</u>	<u>\$ 6,490,794</u>	<u>\$ 9,902,789</u>

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

**CITY OF WEYAUWEGA, WISCONSIN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2014

	Special Revenue		Debt Service		Capital Projects			Total
	General	CDBG	General	TIF #3	General	TIF #4	TIF #6	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 836,793	\$ 15,220	\$ 69,946	\$ -	\$ 1,315,739	\$ 377,803	-	\$ 2,615,501
Temporary investments	76,066	-	-	-	-	-	-	76,066
Taxes receivable	602,582	-	141,377	46,702	-	99,013	-	889,674
Accounts receivable	66,248	-	-	-	-	-	-	66,248
Special assessments receivable	233,698	-	-	-	-	-	-	233,698
Notes receivable	-	298,536	-	-	-	-	-	298,536
Advance to other funds	164,968	-	-	-	-	-	-	164,968
<b>TOTAL ASSETS</b>	<b>\$ 1,980,355</b>	<b>\$ 313,756</b>	<b>\$ 211,323</b>	<b>\$ 46,702</b>	<b>\$ 1,315,739</b>	<b>\$ 476,816</b>	<b>\$ -</b>	<b>\$ 4,344,691</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)</b>								
Liabilities:								
Accounts payable	\$ 75,503	\$ -	\$ -	\$ -	\$ 299,985	\$ -	\$ 2,424	\$ 377,912
Accrued liabilities	18,778	-	-	-	-	-	-	18,778
Advances from other funds	-	3,600	-	110,903	-	1,454,187	5,405	1,574,095
<b>Total liabilities</b>	<b>94,281</b>	<b>3,600</b>	<b>-</b>	<b>110,903</b>	<b>299,985</b>	<b>1,454,187</b>	<b>7,829</b>	<b>1,970,785</b>
Deferred inflows:								
Succeeding year property taxes	606,228	-	141,377	46,702	-	99,013	-	893,320
Special assessments	233,698	-	-	-	-	-	-	233,698
Notes receivable	-	298,536	-	-	-	-	-	298,536
<b>Total deferred inflows</b>	<b>839,926</b>	<b>298,536</b>	<b>141,377</b>	<b>46,702</b>	<b>-</b>	<b>99,013</b>	<b>-</b>	<b>1,425,554</b>
Fund balances (deficit):								
Non-spendable:								
Advance to other funds	164,968	-	-	-	-	-	-	164,968
Restricted:								
CDBG	-	11,620	-	-	-	-	-	11,620
Debt service	-	-	69,946	-	-	-	-	69,946
Committed:								
Capital project fund	-	-	-	-	1,015,754	-	-	1,015,754
Assigned:								
General purposes	108,548	-	-	-	-	-	-	108,548
Little red school house	8,204	-	-	-	-	-	-	8,204
Library	92,725	-	-	-	-	-	-	92,725
Unassigned	671,703	-	-	(110,903)	-	(1,076,384)	(7,829)	(523,413)
<b>Total fund balances (deficit)</b>	<b>1,046,148</b>	<b>11,620</b>	<b>69,946</b>	<b>(110,903)</b>	<b>1,015,754</b>	<b>(1,076,384)</b>	<b>(7,829)</b>	<b>948,352</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)</b>	<b>\$ 1,980,355</b>	<b>\$ 313,756</b>	<b>\$ 211,323</b>	<b>\$ 46,702</b>	<b>\$ 1,315,739</b>	<b>\$ 476,816</b>	<b>\$ -</b>	

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.	2,774,235
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred.	532,234
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	(762,448)
Accrued compensated absences	(68,149)
Accrued interest	(12,229)

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

**\$ 3,411,995**

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, 2014**

	Special Revenue		Debt Service		Capital Projects			Total
	General	CDBG	General	TIF #3	General	TIF #4	TIF #6	
<b>REVENUES</b>								
Taxes	\$ 615,867	\$ -	\$ 140,343	\$ 49,876	\$ -	\$ 102,031	\$ -	\$ 908,117
Intergovernmental revenue	688,987	-	-	-	-	-	-	688,987
Regulation and compliance revenue	39,525	-	-	-	-	-	-	39,525
Public charges for services	130,515	-	-	-	-	-	-	130,515
General revenues	41,920	-	-	-	-	-	-	41,920
Commercial revenues	3,693	1,870	-	-	-	324	-	5,887
<b>Total revenues</b>	<b>1,520,507</b>	<b>1,870</b>	<b>140,343</b>	<b>49,876</b>	<b>-</b>	<b>102,355</b>	<b>-</b>	<b>1,814,951</b>
<b>EXPENDITURES</b>								
Current:								
General government	335,699	-	-	-	-	-	-	335,699
Public safety	475,135	-	-	-	-	-	-	475,135
Health and social services	1,406	-	-	-	-	-	-	1,406
Public works	294,094	-	-	-	-	-	-	294,094
Culture and recreation	246,555	-	-	-	-	-	-	246,555
Conservation and development	3,320	-	-	-	-	-	7,829	11,149
Capital outlays	-	-	-	-	536,579	3,006	-	539,585
Debt service:								
Principal retirement	-	-	116,540	14,297	-	21,158	-	151,995
Interest and fiscal charges	-	-	21,472	4,320	-	6,392	-	32,184
<b>Total expenditures</b>	<b>1,356,209</b>	<b>-</b>	<b>138,012</b>	<b>18,617</b>	<b>536,579</b>	<b>30,556</b>	<b>7,829</b>	<b>2,087,802</b>
Excess (deficiency) of revenues over expenditures	164,298	1,870	2,331	31,259	(536,579)	71,799	(7,829)	(272,851)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer in	-	-	-	-	209,000	-	-	209,000
Transfer out	(209,000)	-	-	-	-	-	-	(209,000)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(44,702)</b>	<b>1,870</b>	<b>2,331</b>	<b>31,259</b>	<b>(327,579)</b>	<b>71,799</b>	<b>(7,829)</b>	<b>(272,851)</b>
<b>FUND BALANCES (DEFICIT), BEGINNING</b>	<b>1,090,850</b>	<b>9,750</b>	<b>67,615</b>	<b>(142,162)</b>	<b>1,343,333</b>	<b>(1,148,183)</b>	<b>-</b>	<b>1,221,203</b>
<b>FUND BALANCES (DEFICIT), ENDING</b>	<b>\$ 1,046,148</b>	<b>\$ 11,620</b>	<b>\$ 69,946</b>	<b>\$ (110,903)</b>	<b>\$ 1,015,754</b>	<b>\$ (1,076,384)</b>	<b>\$ (7,829)</b>	<b>\$ 948,352</b>

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, 2014**

Net change in fund balances - total governmental funds \$ (272,851)

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	\$ 539,585	
Less capital outlays not capitalized	(82,182)	
Depreciation expense	<u>(122,532)</u>	334,871

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		151,995
----------------------	--	---------

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	1,904	
Compensated absences	<u>(20,526)</u>	(18,622)

Revenue had accrued on December 31, 2014, 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:

Loan repayments - housing		<u>(1,810)</u>
---------------------------	--	----------------

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 193,583**

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

**CITY OF WEYAUWEGA, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2014**

	<b>Business Type Activities - Enterprise Funds</b>		
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 345,222	\$ 545,195	\$ 890,417
Restricted cash and cash equivalents	1,146,350	177,209	1,323,559
Temporary investments	156,683	156,401	313,084
Customer accounts receivable	92,836	35,946	128,782
Inventories	-	67,677	67,677
	<u>1,741,091</u>	<u>982,428</u>	<u>2,723,519</u>
Total current assets			
Noncurrent assets:			
Temporary investments	108,412	108,412	216,824
Advance to other funds	763,922	645,205	1,409,127
Capital assets not being depreciated	339,759	6,062	345,821
Capital assets being depreciated, net of accumulated depreciation:			
Buildings and improvements	530,604	183,081	713,685
Machinery and equipment	850,188	1,127,816	1,978,004
Infrastructure	1,292,065	1,700,917	2,992,982
	<u>3,012,616</u>	<u>3,017,876</u>	<u>6,030,492</u>
Total capital assets, net			
	<u>3,884,950</u>	<u>3,771,493</u>	<u>7,656,443</u>
Total noncurrent assets			
	<u>5,626,041</u>	<u>4,753,921</u>	<u>10,379,962</u>
Total assets			
<b>DEFERRED OUTFLOWS</b>			
Loss on refunding	178,926	-	178,926
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	43,770	181,836	225,606
Accrued employee liabilities	20,434	8,917	29,351
Liabilities payable from restricted assets:			
Current maturities of long-term debt	209,933	81,029	290,962
Accrued interest	10,003	14,866	24,869
	<u>284,140</u>	<u>286,648</u>	<u>570,788</u>
Total current liabilities			
Noncurrent liabilities:			
Long-term debt, less current maturities above	1,680,067	1,817,239	3,497,306
	<u>1,964,207</u>	<u>2,103,887</u>	<u>4,068,094</u>
Total liabilities			
<b>NET POSITION</b>			
Net investment in capital assets	1,413,018	1,277,533	2,690,551
Restricted	913,232	-	913,232
Unrestricted	1,514,510	1,372,501	2,887,011
	<u>\$ 3,840,760</u>	<u>\$ 2,650,034</u>	<u>\$ 6,490,794</u>
<b>TOTAL NET POSITION</b>			

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, 2014**

	<b>Business Type Activities - Enterprise Funds</b>		
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Total</b>
<b>INCOME FROM OPERATIONS</b>			
Customer charges for services	\$ 968,630	\$ 406,606	\$ 1,375,236
Other charges	8,450	17,340	25,790
Total income from operations	<u>977,080</u>	<u>423,946</u>	<u>1,401,026</u>
<b>OPERATING EXPENSES</b>			
Plant and maintenance expenses:			
Salaries, wages, and benefits	101,474	44,223	145,697
Power	33,906	44,702	78,608
Chemicals	41,070	20,415	61,485
Other operating supplies	96,961	23,171	120,132
Repairs and maintenance	50,602	18,823	69,425
Total plant and maintenance expenses	<u>324,013</u>	<u>151,334</u>	<u>475,347</u>
General expenses:			
Administrative and general salaries and benefits	39,088	34,399	73,487
Office supplies and expense	5,925	7,126	13,051
Outside services	19,804	13,605	33,409
Property and liability insurance	27,562	13,562	41,124
Transportation	-	4,087	4,087
Depreciation	199,206	91,303	290,509
Taxes	-	398	398
Miscellaneous	4,693	-	4,693
Total general expenses	<u>296,278</u>	<u>164,480</u>	<u>460,758</u>
Total operating expenses	<u>620,291</u>	<u>315,814</u>	<u>936,105</u>
Operating income (loss)	<u>356,789</u>	<u>108,132</u>	<u>464,921</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	2,785	1,993	4,778
Interest expense and fiscal charges	(84,978)	(90,397)	(175,375)
Nonoperating project expense	-	(213,564)	(213,564)
Total nonoperating expenses	<u>(82,193)</u>	<u>(301,968)</u>	<u>(384,161)</u>
<b>CHANGE IN NET POSITION</b>	274,596	(193,836)	80,760
<b>NET POSITION, BEGINNING</b>	<u>3,566,164</u>	<u>2,843,870</u>	<u>6,410,034</u>
<b>NET POSITION, ENDING</b>	<u>\$ 3,840,760</u>	<u>\$ 2,650,034</u>	<u>\$ 6,490,794</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, 2014

	<b>Business Type Activities - Enterprise Funds</b>		
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 974,026	\$ 436,370	\$ 1,410,396
Payments to suppliers	(264,462)	(200,913)	(465,375)
Payments to employees	(139,423)	(77,222)	(216,645)
Net cash provided by operating activities	<u>570,141</u>	<u>158,235</u>	<u>728,376</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(131,349)	(226,428)	(357,777)
Payment of nonoperating project expenses	-	(40,527)	(40,527)
Principal paid on long-term debt	(210,000)	(81,452)	(291,452)
Interest paid on long-term debt	(78,400)	(89,586)	(167,986)
Net cash used in capital and related financing activities	<u>(419,749)</u>	<u>(437,993)</u>	<u>(857,742)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of temporary investments	(1,417)	(1,135)	(2,552)
Interest income	2,785	1,993	4,778
Net cash provided by investing activities	<u>1,368</u>	<u>858</u>	<u>2,226</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	151,760	(278,900)	(127,140)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>1,339,812</u>	<u>1,001,304</u>	<u>2,341,116</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 1,491,572</u>	<u>\$ 722,404</u>	<u>\$ 2,213,976</u>
<b>RECONCILED TO STATEMENT OF NET POSITION</b>			
Unrestricted cash and cash equivalents	\$ 345,222	\$ 545,195	\$ 890,417
Restricted cash and cash equivalents	1,146,350	177,209	1,323,559
	<u>\$ 1,491,572</u>	<u>\$ 722,404</u>	<u>\$ 2,213,976</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</b>			
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 356,789	\$ 108,132	\$ 464,921
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	199,206	91,303	290,509
Effects of change in operating assets and liabilities:			
Receivables	(3,054)	12,424	9,370
Inventories	-	(28,013)	(28,013)
Accounts payable	16,061	(27,011)	(10,950)
Accrued expenses	1,139	1,400	2,539
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 570,141</u>	<u>\$ 158,235</u>	<u>\$ 728,376</u>

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

**CITY OF WEYAUWEGA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2014**

**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, 2014**

**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 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 City or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, 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.

TIF #6 - 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, 2014**

**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, 2014**

**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.

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. For government-wide and governmental fund financial statements, 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 deferred inflows are 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, 2014**

**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 nonspendable 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, 2014**

**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 nonspendable 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, 2014**

**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 City Council.

**CITY OF WEYAUWEGA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2014**

**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, 2014**

**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, 2014, 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, 2014**

**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.

**Excess of Expenditures Over Appropriations**

For the year ended December 31, 2014, expenditures exceeded appropriations in the departments for the General Fund listed as follows:

Public safety	11,162
Public works	1,844
Culture and recreation	2,102

**Deficit Fund Balance**

The Tax Incremental Financial District No. 3 - Debt Service, Tax Incremental Financing District No. 4 - Capital Projects Funds, and Tax Incremental Financing District No. 6 - Capital Projects Funds have deficit fund balances of \$110,903, \$1,076,384, and \$7,829, respectively, as of December 31, 2014. 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.

**CITY OF WEYAUWEGA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2014**

**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:

	<b>Carrying Value</b>	<b>Associated Risks</b>
Petty cash	\$ 1,060	
Deposits:		
Demand deposits	330,471	Custodial credit
Certificates of deposit	605,974	Custodial credit
Total deposits	936,445	
Investments:		
Local government investment pool (LGIP)	3,687,060	Credit, interest rate
Wisconsin Investment Series Cooperative (WISC)	810,886	Credit, interest rate
Total investments	4,497,946	
<b>Total deposits and investments</b>	<b>\$ 5,435,451</b>	
Reconciliation to the Statement of Net Position:		
Cash and cash equivalents	\$ 3,505,918	
Restricted cash and cash equivalents	1,323,559	
Temporary investments	605,974	
<b>Total cash and investments</b>	<b>\$ 5,435,451</b>	

**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, 2014, the carrying amount of the City's deposits was \$936,445 and the bank balance was \$981,411. Of the bank balance, \$407,451 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, 2014, 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.

**CITY OF WEYAUWEGA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A - Deposits and Investments (Continued)**

**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, and the Wisconsin Aerospace 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 2<sup>nd</sup> 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.

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, 2014, 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, 2014, the fair value of the City's share of the WISC approximates to the amount as reported in these statements.



**CITY OF WEYAUWEGA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A - Deposits and Investments (Continued)**

**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, 2014, the City had \$3,687,060 invested in LGIP, which is not rated. The average maturity date for investments held by the LGIP is 117 days, but funds are available to the City in full on one day's notice. The City had \$810,886 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.

**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 \$410,327. There is also \$913,232 restricted for future asset replacement. These are reported with current assets.

**CITY OF WEYAUWEGA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C - Capital Assets**

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

<u>Governmental Activities</u>	<u>Balance 1/1/14</u>	<u>Additions</u>	<u>Removals</u>	<u>Balance 12/31/14</u>
Capital assets not being depreciated:				
Land	\$ 94,929	\$ -	\$ -	\$ 94,929
Construction in progress	6,000	-	6,000	-
Total capital assets not being depreciated	<u>100,929</u>	<u>-</u>	<u>6,000</u>	<u>94,929</u>
Capital assets being depreciated:				
Buildings and improvements	873,981	161,616	-	1,035,597
Machinery and equipment	948,135	19,141	-	967,276
Infrastructure	2,106,771	282,646	-	2,389,417
Total capital assets being depreciated	<u>3,928,887</u>	<u>463,403</u>	<u>-</u>	<u>4,392,290</u>
Less accumulated depreciation:				
Buildings and improvements	519,624	22,957	-	542,581
Machinery and equipment	677,180	53,234	-	730,414
Infrastructure	393,648	46,341	-	439,989
Total accumulated depreciation	<u>1,590,452</u>	<u>122,532</u>	<u>-</u>	<u>1,712,984</u>
Total capital assets being depreciated, net	<u>2,338,435</u>	<u>340,871</u>	<u>-</u>	<u>2,679,306</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 2,439,364</u>	<u>\$ 340,871</u>	<u>\$ 6,000</u>	<u>\$ 2,774,235</u>

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

Governmental activities:	
General government	\$ 8,322
Public safety	18,978
Public works	67,496
Culture and recreation	24,739
Community development and conservation	<u>2,997</u>
<b>Total depreciation expense - governmental activities</b>	<u>\$ 122,532</u>

**CITY OF WEYAUWEGA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C - Capital Assets (Continued)**

<u>Business-type Activities</u>	<u>Balance 1/1/14</u>	<u>Additions</u>	<u>Removals</u>	<u>Balance 12/31/14</u>
Capital assets not being depreciated:				
Land	\$ 34,210	\$ -	\$ -	\$ 34,210
Construction in progress	293,590	18,021	-	311,611
Total capital assets not being depreciated	<u>327,800</u>	<u>18,021</u>	<u>-</u>	<u>345,821</u>
Capital assets being depreciated:				
Buildings and improvements	1,502,802	-	-	1,502,802
Machinery and equipment	4,798,016	49,480	11,000	4,836,496
Infrastructure	3,852,457	290,276	37,000	4,105,733
Total capital assets being depreciated	<u>10,153,275</u>	<u>339,756</u>	<u>48,000</u>	<u>10,445,031</u>
Less accumulated depreciation:				
Buildings and improvements	749,891	39,226	-	789,117
Machinery and equipment	2,672,446	197,046	11,000	2,858,492
Infrastructure	1,095,514	54,237	37,000	1,112,751
Total accumulated depreciation	<u>4,517,851</u>	<u>290,509</u>	<u>48,000</u>	<u>4,760,360</u>
Total capital assets being depreciated, net	<u>5,635,424</u>	<u>49,247</u>	<u>-</u>	<u>5,684,671</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 5,963,224</u>	<u>\$ 67,268</u>	<u>\$ -</u>	<u>\$ 6,030,492</u>

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

Business-type activities:	
Sewer Utility	\$ 199,206
Water Utility	<u>91,303</u>
<b>Total depreciation expense - business-type activities</b>	<u>\$ 290,509</u>

**CITY OF WEYAUWEGA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D - Interfund Balances**

The composition of interfund activity as of December 31, 2014, is as follows:

<u>Advance From</u>	<u>Advance To</u>	<u>Amount</u>
General	CDGB	\$ 3,600
General	TIF No. 3	110,903
General	TIF No. 4	45,060
General	TIF No. 6	5,405
Water	TIF No. 4	645,205
Sewer	TIF No. 4	<u>763,922</u>
<b>Total</b>		<b><u>\$ 1,574,095</u></b>

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

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, 2014, is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Capital Projects	General Fund	<u>\$ 209,000</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, 2014**

**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 1/1/14</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/14</u>	<u>Amount Due in One Year</u>
(1) 2003 G.O. Refunding Bonds	\$ 510,000	\$ -	\$ 110,000	\$ 400,000	\$ 115,000
(2) 2010 G.O. Refunding Bonds	404,443	-	41,995	362,448	62,825
	914,443	-	151,995	762,448	177,825
(3) Compensated absences	47,623	32,778	12,252	68,149	68,149
<b>Total governmental activity long-term obligations</b>	<b>\$ 962,066</b>	<b>\$ 32,778</b>	<b>\$ 164,247</b>	<b>\$ 830,597</b>	<b>\$ 245,974</b>
<u>Business-type Activities:</u>	<u>Balance 1/1/14</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/14</u>	<u>Amount Due in One Year</u>
(2) 2010 G.O. Refunding Bonds	\$ 14,004	\$ -	\$ 1,452	\$ 12,552	\$ 2,175
(4) 2011 Water Revenue Bonds	1,985,000	-	80,000	1,905,000	80,000
(5) 2013A Taxable Sewer Rev Refunding Bonds	2,100,000	-	210,000	1,890,000	215,000
	4,099,004	-	291,452	3,807,552	297,175
Less unamortized bond discount	(63,496)	-	(6,212)	(57,284)	(6,213)
	4,035,508	-	285,240	3,750,268	290,962
(3) Compensated absences	16,369	13,033	6,453	22,949	22,949
<b>Total business-type activity long-term obligations</b>	<b>\$ 4,051,877</b>	<b>\$ 13,033</b>	<b>\$ 291,693</b>	<b>\$ 3,773,217</b>	<b>\$ 313,911</b>

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, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E - Long-term Obligations (Continued)**

- (1) \$ 400,000      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) \$ 375,000      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 (15%), TIF #3 (33%), TIF #4 (49%), and Water Fund (3%).
  
- (3) \$ 91,098        Accumulated unused sick pay up to a maximum of 90 days (720 hours); payable upon retirement, death, or disability.
  
- (4) \$1,905,000      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.
  
- (5) \$1,890,000      Original issue dated March 14, 2013. Principal due in annual installments of \$210,000 to \$255,000 through May 1, 2022. Interest in semi-annual installments at 1.75% to 4.00%. The issue is serviced by the Sewer Utility.

**Covenant Compliance**

The Sewer and Water System Revenue Bonds require the City to maintain cash reserves of \$228,000 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, 2014**

**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>
2015	\$ 177,825	\$ 26,148	\$ 203,973
2016	197,658	19,172	216,830
2017	198,493	11,279	209,772
2018	43,493	6,423	49,916
2019	43,493	4,879	48,372
2020-2022	<u>101,486</u>	<u>4,811</u>	<u>106,297</u>
<b>Total</b>	<u>\$ 762,448</u>	<u>\$ 72,712</u>	<u>\$ 835,160</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 297,175	\$ 145,038	\$ 442,213
2016	312,342	137,371	449,713
2017	316,507	128,668	445,175
2018	326,507	118,962	445,469
2019	331,507	108,221	439,728
2020-2024	1,268,514	361,221	1,629,735
2025-2029	650,000	173,178	823,178
2030-2031	<u>305,000</u>	<u>17,145</u>	<u>322,145</u>
<b>Total</b>	<u>\$ 3,807,552</u>	<u>\$ 1,189,804</u>	<u>\$ 4,997,356</u>

The 2014 equalized valuation of the City, as certified by the Wisconsin Department of Revenue, is \$88,347,700. The legal general obligation debt limit and margin of indebtedness as of December 31, 2014, in accordance with the Wisconsin Statutes follows:

Debt limit (5% of \$88,347,700)	\$ 4,417,385
Deduct long-term debt applicable to debt margin	<u>775,000</u>
<b>Margin of indebtedness</b>	<u>\$ 3,642,385</u>

**CITY OF WEYAUWEGA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E - Long-term Obligations (Continued)**

**Prior Years Debt Defeasance**

As of December 31, 2014, the outstanding principal of previously defeased bonds is \$410,000.

**F - Fund Balances / Net Position**

As of December 31, 2014, the City has the following assignments of fund balance:

General purposes:

Accumulated sick leave	\$ 68,149
Industrial development	36,819
Fire equipment	<u>3,580</u>
	108,548
Little red school house	8,204
Library	<u>92,725</u>
<b>Total assigned fund balance</b>	<b><u><u>\$ 209,477</u></u></b>



**CITY OF WEYAUWEGA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F - Fund Balances / Net Position (Continued)**

Net position reported on the government-wide statement of net position as of December 31, 2014, includes the following:

**Governmental Activities**

Net investment in capital assets:	
Capital assets not being depreciated	\$ 94,929
Capital assets, net of accumulated depreciation	2,679,306
Adjusted for:	
Outstanding capital related debt	(762,448)
Utility capital assets funded by City	<u>269,348</u>
Net investment in capital assets	<u>2,281,135</u>
Restricted net assets:	
Restricted for block grant	310,156
Restricted for debt service	<u>57,717</u>
Total restricted	367,873
Unrestricted	<u>762,987</u>
<b>Total Governmental Activities Net Position</b>	<b><u>\$ 3,411,995</u></b>

**Business-Type Activities**

Net investment in capital assets:	
Capital assets not being depreciated	\$ 345,821
Capital assets, net of accumulated depreciation	5,684,671
Adjusted for:	
Outstanding capital related debt	(3,750,268)
Utility reserves	<u>410,327</u>
Net investment in capital assets	2,690,551
Restricted for equipment replacement	913,232
Unrestricted	<u>2,887,011</u>
<b>Total Business-Type Activities Net Position</b>	<b><u>\$ 6,490,794</u></b>

**CITY OF WEYAUWEGA, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F - Fund Balances / Net Position (Continued)**

**Total Net Position**

Net investment in capital assets:

Total capital assets not being depreciated	\$ 440,750
Total capital assets, net of accumulated depreciation	8,363,977
Adjusted for:	
Total outstanding capital related debt	(4,512,716)
Utility reserves	<u>410,327</u>

Net investment in capital assets	<u>4,702,338</u>
----------------------------------	------------------

Total restricted	<u>1,281,105</u>
------------------	------------------

Total unrestricted:

Governmental activities unrestricted net assets	762,987
Business-type activities unrestricted net assets	2,887,011
Adjusted for:	
Utility capital assets funded by City	<u>269,348</u>

Total unrestricted	<u>3,919,346</u>
--------------------	------------------

<b>Total Net Position</b>	<b><u><u>\$ 9,902,789</u></u></b>
---------------------------	-----------------------------------

**CITY OF WEYAUWEGA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**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.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General employment category, including Teachers, 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.

Contribution rates for 2014 were:

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

**CITY OF WEYAUWEGA, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G - Defined Benefit Pension Plan (Continued)**

The payroll for the City employees covered by the WRS for the year ended December 31, 2014, was \$601,432; the employer's total payroll was \$709,821. The total required contribution for the year ended December 31, 2014, was \$91,156, which consisted of \$49,055 or 8.2% of payroll from the employer and \$42,100 or 7.0% of payroll from employees. Total contributions for the years ending 2013 and 2012 were \$78,225 and \$64,124, 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 - Operating Leases - Lessor**

The City leases space on its water tower to a cellular service provider. The lease has various terms and rent is \$800 per month. Lease revenue for the year ended December 31, 2014, related to the agreement was 9,913.

**I - 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, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J - Tax Incremental Financing District**

The following is the cumulative status of Tax Incremental Financing Districts (TIF) as of December 31, 2014:

	<u>TIF #3</u>	<u>TIF#4</u>	<u>TIF#6</u>
Revenues:			
Tax increment	\$ 754,389	\$ 865,489	\$ -
Other	<u>96,420</u>	<u>48,735</u>	<u>-</u>
Total revenues	<u>850,809</u>	<u>914,224</u>	<u>-</u>
Expenditures:			
Project costs	749,838	1,910,899	7,829
Interest, discounts, and other debt costs	335,269	184,000	-
Administration	<u>-</u>	<u>78,295</u>	<u>-</u>
Total expenditures	<u>1,085,107</u>	<u>2,173,194</u>	<u>7,829</u>
<b>Amount to be recovered through future tax increments</b>	<u>\$ (234,298)</u>	<u>\$ (1,258,970)</u>	<u>\$ (7,829)</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. TIF No. 3 will be terminated in 2015.

Tax Incremental Financing District No. 4 was created on September 27, 2001, to facilitate improvements necessary to promote industrial development. The District completed the thirteenth year of its project period. State statutes allow up to an eighteen-year project period. The City borrowed funds and advanced City funds for the project, which will be retired by tax increments. TIF No. 4 expires on September 27, 2024.

Tax Incremental Financing District No. 6 will be formally created in 2015, to facilitate improvements necessary to promote industrial development. The District is expected to incur project costs of \$1.4 million for phase I by 2016, and eventual total project costs of \$8 million over the fifteen year project period. The City anticipates borrowing funds for the project, which will be retired by tax increments. TIF No. 6 will expire in 2035.

**K - 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, 2014**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**L - Customer Concentration**

The City Water and Sewer Utility include charges to one customer during 2014 that total 48% of total combined revenue of the Utility. At December 31, 2014, the amount owed to the Utility by this customer totaled \$47,920.

**M - 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.

**N – Subsequent Events**

On June 22, 2015, the City issued \$6,090,000 Taxable Sewerage System Revenue Bond Anticipation Notes which mature May 1, 2017, with an effective rate of 3.7168%.

On June 15, 2015, the City issued \$3,040,000 Note Anticipation Notes which mature August 1, 2016, with an effective rate of 1.7854%.

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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes:				
General property tax	\$ 606,662	\$ 606,662	\$ 606,662	\$ -
Mobile home parking fees	9,600	9,600	9,205	(395)
Total taxes	<u>616,262</u>	<u>616,262</u>	<u>615,867</u>	<u>(395)</u>
Special assessments	<u>2,500</u>	<u>2,500</u>	-	<u>(2,500)</u>
Intergovernmental revenue:				
State aid:				
Shared taxes	510,966	510,966	510,966	-
Expenditure restraint	26,036	26,036	25,173	(863)
Police grant	-	-	3,726	3,726
Recycling grants	3,750	3,750	3,792	42
Computer aid	2,300	2,300	2,694	394
Fire insurance	3,400	3,400	3,935	535
Highway maintenance	80,853	80,853	80,853	-
Park grant	-	-	2,474	2,474
Other	-	-	1,004	1,004
County aid:				
Library	<u>54,370</u>	<u>54,370</u>	<u>54,370</u>	<u>-</u>
Total intergovernmental revenue	<u>681,675</u>	<u>681,675</u>	<u>688,987</u>	<u>7,312</u>
Regulation and compliance revenue:				
Licenses:				
Liquor and malt beverage	4,200	4,200	3,894	(306)
Operators and occupational	1,250	1,250	1,290	40
Cigarette	40	40	40	-
Mobile home	250	250	25	(225)
Other	1,050	1,050	1,345	295
Permits:				
Building and sellers	7,025	7,025	4,069	(2,956)
Law and ordinance violations:				
Court penalties and costs	23,000	23,000	28,702	5,702
Parking violations	<u>300</u>	<u>300</u>	<u>160</u>	<u>(140)</u>
Total regulation and compliance revenue	<u>37,115</u>	<u>37,115</u>	<u>39,525</u>	<u>2,410</u>



**CITY OF WEYAUWEGA, WISCONSIN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**Year Ended December 31, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES (CONTINUED)</b>				
Public charges for services:				
General government:				
License publication fees	\$ 60	\$ 60	\$ 715	\$ 655
Sanitation and utilities:				
Refuse collection	100,000	100,000	104,861	4,861
Snow/ice control	500	500	400	(100)
Leisure activities:				
Community projects	460	460	685	225
Library	-	-	8,209	8,209
Swimming pool	15,000	15,000	13,090	(1,910)
Parks and playgrounds	<u>2,000</u>	<u>2,000</u>	<u>2,555</u>	<u>555</u>
Total public charges for services	<u>118,020</u>	<u>118,020</u>	<u>130,515</u>	<u>12,495</u>
General revenues:				
Miscellaneous	3,500	3,500	29,658	26,158
Donations	-	-	1,327	1,327
Franchise fees	<u>7,000</u>	<u>7,000</u>	<u>10,935</u>	<u>3,935</u>
Total general revenues	<u>10,500</u>	<u>10,500</u>	<u>41,920</u>	<u>31,420</u>
Commercial revenues:				
Interest on investments	500	500	3,693	3,193
Interest on special assessments	<u>275</u>	<u>275</u>	<u>-</u>	<u>(275)</u>
Total commercial revenues	<u>775</u>	<u>775</u>	<u>3,693</u>	<u>2,918</u>
Total revenues	<u>1,466,847</u>	<u>1,466,847</u>	<u>1,520,507</u>	<u>53,660</u>

**CITY OF WEYAUWEGA, WISCONSIN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**Year Ended December 31, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>EXPENDITURES</b>				
General government:				
Legislative:				
Council	\$ 7,350	\$ 10,350	\$ 10,123	\$ 227
Executive:				
Mayor	2,400	2,400	3,391	(991)
General administration:				
Clerk and administrator	92,100	93,100	93,326	(226)
Publications	4,000	4,000	2,044	1,956
Elections	3,000	3,000	2,570	430
Office supplies	10,900	10,900	11,733	(833)
Advertising	1,000	1,000	700	300
Financial administration:				
Assessment of property	4,900	4,900	5,717	(817)
Deputy clerk	24,300	24,300	24,822	(522)
Auditing	10,000	15,000	14,905	95
Legal:				
Codification	2,500	2,500	1,192	1,308
City attorney	16,000	79,000	78,820	180
Building and plant:				
Municipal building	10,000	23,000	22,438	562
Other general government:				
Property and liability insurance	30,000	30,000	31,330	(1,330)
Miscellaneous	<u>26,797</u>	<u>32,797</u>	<u>32,588</u>	<u>209</u>
Total general government	<u>245,247</u>	<u>336,247</u>	<u>335,699</u>	<u>548</u>
Public safety:				
Police	359,744	359,744	381,100	(21,356)
Fire:				
Fire department	55,083	55,083	44,829	10,254
Ambulance service	43,846	43,846	44,426	(580)
Building inspector	<u>5,300</u>	<u>5,300</u>	<u>4,780</u>	<u>520</u>
Total public safety	<u>463,973</u>	<u>463,973</u>	<u>475,135</u>	<u>(11,162)</u>
Health and social services:				
General health:				
Health regulation and inspection	400	400	-	400
Pest and animal control:				
Animal pound	<u>2,000</u>	<u>2,000</u>	<u>1,406</u>	<u>594</u>
Total health and social services	<u>2,400</u>	<u>2,400</u>	<u>1,406</u>	<u>994</u>

**CITY OF WEYAUWEGA, WISCONSIN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**Year Ended December 31, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>EXPENDITURES (CONTINUED)</b>				
Public works:				
General public works:				
Machinery and equipment	\$ 4,800	\$ 4,800	\$ 5,860	\$ (1,060)
Garage and sheds	3,000	3,000	4,352	(1,352)
Streets and related facilities:				
Street commissioner	55,300	55,300	61,308	(6,008)
Outside engineering service	7,000	7,000	2,150	4,850
Street maintenance	10,000	10,000	4,955	5,045
Bridges and culverts	500	500	-	500
Street sweeping	9,000	9,000	8,000	1,000
Snow and ice removal	50,000	50,000	47,148	2,852
Street lighting and signs	48,500	48,500	48,061	439
Storm sewers and sidewalks	3,250	3,250	779	2,471
Sanitation:				
Recycling	16,000	16,000	15,504	496
Yard waste and weed control	10,500	10,500	21,155	(10,655)
Tree maintenance	3,000	3,000	3,398	(398)
Garbage and refuse collection	<u>71,400</u>	<u>71,400</u>	<u>71,424</u>	<u>(24)</u>
Total public works	<u>292,250</u>	<u>292,250</u>	<u>294,094</u>	<u>(1,844)</u>
Culture and recreation:				
Culture:				
Library	160,253	160,253	159,735	518
Community center	1,500	1,500	-	1,500
Recreation:				
Recreation administration	1,200	1,200	2,547	(1,347)
Swimming lake	50,000	50,000	48,677	1,323
Public areas:				
Celebrations and entertainment	8,000	8,000	8,439	(439)
Parks and playgrounds	<u>23,500</u>	<u>23,500</u>	<u>27,157</u>	<u>(3,657)</u>
Total culture and recreation	<u>244,453</u>	<u>244,453</u>	<u>246,555</u>	<u>(2,102)</u>
Conservation and development:				
Regional planning	5,750	5,750	2,870	2,880
Industrial development	<u>500</u>	<u>500</u>	<u>450</u>	<u>50</u>
Total conservation and development	<u>6,250</u>	<u>6,250</u>	<u>3,320</u>	<u>2,930</u>
Total expenditures	<u>1,254,573</u>	<u>1,345,573</u>	<u>1,356,209</u>	<u>(10,636)</u>
Excess of revenues over expenditures	212,274	121,274	164,298	43,024
<b>OTHER FINANCING USES</b>				
Transfer out	<u>(300,000)</u>	<u>(209,000)</u>	<u>(209,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (87,726)</u>	<u>\$ (87,726)</u>	<u>\$ (44,702)</u>	<u>\$ 43,024</u>

**CITY OF WEYAUWEGA, WISCONSIN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2014**

**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.

**Excess of Expenditures Over Appropriations**

For the year ended December 31, 2014, expenditures exceeded appropriations in the departments for the General Fund listed as follows:

Public safety	11,162
Public works	1,844
Culture and recreation	2,102

**Deficit Fund Balance**

The Tax Incremental Financial District No. 3 - Debt Service, Tax Incremental Financing District No. 4 - Capital Projects Funds, and Tax Incremental Financing District No. 6 - Capital Projects Funds have deficit fund balances of \$110,903, 1,076,384, and \$7,829, respectively, as of December 31, 2014. 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.