

VILLAGE OF PRAIRIE DU SAC, WISCONSIN

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

Year Ended December 31, 2014

**Johnson Block & Company, Inc.
Certified Public Accountants
1315 Bad Axe Court; P.O. Box 271
Viroqua, Wisconsin 54665
(608) 637-2082
Fax: (608) 637-3021**

VILLAGE OF PRAIRIE DU SAC, WISCONSIN

Contents

	<u>Page</u>
Independent Auditor's Report	1 - 3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities.....	5
Fund Financial Statements:	
Balance Sheet – Governmental Funds	6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	8
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	9
Statement of Net Position – Proprietary Funds.....	10 - 11
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	12
Statement of Cash Flows – Proprietary Funds.....	13 - 14
Statement of Net Position – Fiduciary Fund	15
Index to Notes to Financial Statements.....	16
Notes to Financial Statements.....	17 - 47
Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	48
Other Supplementary Information:	
Combining Balance Sheet – Tax Incremental Financing Districts.....	49
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -- Tax Incremental Financing Districts.....	50



INDEPENDENT AUDITOR'S REPORT

President and Board of Trustees
Village of Prairie du Sac
Prairie du Sac, Wisconsin

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Prairie du Sac, Wisconsin, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village'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.

Auditor's 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 auditor's 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.



Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Prairie du Sac, 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 conformity 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 page 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Prairie du Sac, Wisconsin's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Village of Prairie du Sac, Wisconsin.



Other Matters (Continued)

Other Information (Continued)

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
Certified Public Accountants
Viroqua, Wisconsin
June 8, 2015

BASIC FINANCIAL STATEMENTS

**Village of Prairie Du Sac
Prairie Du Sac, WI**

**Statement of Net Position
December 31, 2014**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 371,472	\$ 2,564,548	\$ 2,936,020
Restricted cash and cash equivalents	994,775	1,184,530	2,179,305
Receivables	3,619,216	858,631	4,477,847
Internal balances	1,086,959	(1,086,959)	-
Due from other governmental agencies	350,575	-	350,575
Inventories	-	115,587	115,587
Investment in Sauk Prairie Sewer Commission	-	1,138,869	1,138,869
Capital assets:			
Land	541,578	6,604	548,182
Construction work in progress	84,576	-	84,576
Capital assets, net of depreciation	<u>10,510,396</u>	<u>12,898,108</u>	<u>23,408,504</u>
Net capital assets	<u>11,136,550</u>	<u>12,904,712</u>	<u>24,041,262</u>
Total Assets	<u>\$ 17,559,547</u>	<u>\$ 17,679,918</u>	<u>\$ 35,239,465</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 113,289	\$ 462,663	\$ 575,952
Due to other governmental agencies	25,968	-	25,968
Accrued interest	103,389	21,529	124,918
Short-term debt payable	38,676	-	38,676
Long-term liabilities:			
Due within one year	844,104	325,773	1,169,877
Due in more than one year	<u>5,385,955</u>	<u>3,592,899</u>	<u>8,978,854</u>
Total Liabilities	<u>6,511,381</u>	<u>4,402,864</u>	<u>10,914,245</u>
DEFERRED INFLOWS OF RESOURCES	<u>3,794,801</u>	<u>-</u>	<u>3,794,801</u>
NET POSITION			
Net investment in capital assets	5,002,782	8,986,040	13,988,822
Restricted for special purposes	-	1,163,001	1,163,001
Unrestricted	<u>2,250,583</u>	<u>3,128,013</u>	<u>5,378,596</u>
Total Net Position	<u>7,253,365</u>	<u>13,277,054</u>	<u>20,530,419</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 17,559,547</u>	<u>\$ 17,679,918</u>	<u>\$ 35,239,465</u>

The accompanying notes to financial statements are an integral part of this statement.

Village of Prairie Du Sac
Prairie Du Sac, WI

Statement of Activities
For the Year Ended December 31, 2014

Functions/Programs Primary government	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 402,669	\$ 298,088	\$ 77,063	\$ -	\$ (27,518)	\$ -	\$ (27,518)
Public Safety	934,880	-	14,645	-	(920,235)	-	(920,235)
Public Works	998,006	314,689	221,759	-	(461,558)	-	(461,558)
Culture and Recreation	641,636	11,431	110,780	185,150	(334,275)	-	(334,275)
Conservation and Development	470,456	-	5,115	-	(465,341)	-	(465,341)
Interest on Long-Term Debt	252,818	-	-	-	(252,818)	-	(252,818)
Total governmental activities	3,700,465	624,208	429,362	185,150	(2,461,745)	-	(2,461,745)
Business-type Activities:							
Water	598,389	657,524	-	610,000	-	\$ 669,135	669,135
Sewer	410,794	396,451	-	-	-	(14,343)	(14,343)
Electric	5,096,485	5,250,894	-	-	-	154,409	154,409
Storm Water	96,886	114,939	-	-	-	18,053	18,053
Total business-type activities	6,202,554	6,419,808	-	610,000	-	827,254	827,254
Total primary government	\$ 9,903,019	\$ 7,044,016	\$ 429,362	\$ 795,150	(2,461,745)	827,254	(1,634,491)
General revenues:							
Property taxes:							
Property taxes, levied for general purposes					2,087,702	-	2,087,702
Property taxes, levied for debt service					762,527	-	762,527
Special assessments					10,595	-	10,595
Other taxes					16,342	-	16,342
Grants and contributions not restricted to specific programs					203,131	-	203,131
Unrestricted investment earnings					18,544	5,741	24,285
Investment loss in Sauk Prairie Sewer Commission					-	(40,426)	(40,426)
Miscellaneous					98,853	28,406	127,259
Transfers					249,294	(249,294)	-
Total general revenues and transfers					3,446,988	(255,573)	3,191,415
Change in net position					985,243	571,681	1,556,924
Net position - beginning (restated)					6,268,122	12,705,373	18,973,495
Net position - ending					\$ 7,253,365	\$ 13,277,054	\$ 20,530,419

The accompanying notes to financial statements are an integral part of this statement.

Village of Prairie Du Sac
Prairie Du Sac, WI

Balance Sheet
Governmental Funds
December 31, 2014

	Major			Non-Major		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>TID</u>	<u>Capital Projects Fund</u>	<u>Transit Fund</u>		
ASSETS						
Cash and Cash Equivalents	\$ 371,472	\$ -	\$ -	\$ -	\$ -	\$ 371,472
Receivables:						
Taxes	2,129,318	789,426	-	-	-	2,918,744
Special Assessments	152,178	30,000	-	-	-	182,178
Accounts	26,378	-	-	-	-	26,378
Loans	-	107,222	-	-	-	107,222
Other	25,354	-	-	-	-	25,354
Due from Other Funds	780,875	-	-	-	-	780,875
Due from Other Governments	337,860	-	-	12,715	-	350,575
Restricted Cash	-	713,562	271,190	10,022	-	994,774
Advances Receivable	560,044	-	-	-	-	560,044
Total Assets	<u>\$ 4,383,479</u>	<u>\$ 1,640,210</u>	<u>\$ 271,190</u>	<u>\$ 22,737</u>	<u>\$ -</u>	<u>\$ 6,317,616</u>
LIABILITIES						
Accounts Payable	\$ 90,217	\$ -	\$ -	\$ 8,164	\$ -	\$ 98,381
Accrued Liabilities	14,909	-	-	-	-	14,909
Due to Other Funds	-	-	-	16,975	-	16,975
Due to Other Governments	968	-	-	25,000	-	25,968
Short-Term Debt Payable	38,676	-	-	-	-	38,676
Advances Payable	-	236,985	-	-	-	236,985
Total Liabilities	<u>144,770</u>	<u>236,985</u>	<u>-</u>	<u>50,139</u>	<u>-</u>	<u>431,894</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,975,375</u>	<u>819,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,794,801</u>
FUND BALANCES						
Nonspendable	560,044	107,222	-	-	-	667,266
Restricted	-	621,522	271,190	-	-	892,712
Unassigned (Deficit)	703,290	(144,945)	-	(27,402)	-	530,943
Total Fund Balances (Deficit)	<u>1,263,334</u>	<u>583,799</u>	<u>271,190</u>	<u>(27,402)</u>	<u>-</u>	<u>2,090,921</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,383,479</u>	<u>\$ 1,640,210</u>	<u>\$ 271,190</u>	<u>\$ 22,737</u>	<u>\$ -</u>	<u>\$ 6,317,616</u>

The accompanying notes to financial statements are an integral part of this statement.

**Village of Prairie Du Sac
Prairie Du Sac, WI**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2014**

Total fund balance, governmental funds	\$	2,090,921
--	----	-----------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.

Property tax equivalent receivable		359,342
------------------------------------	--	---------

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Governmental capital assets	\$ 19,333,537	
Governmental accumulated depreciation	<u>(8,196,987)</u>	11,136,550

Some liabilities (such as Notes Payable, Long-term Compensated Absences, and Bonds Payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

General obligation debt	(6,198,709)	
Unamortized debt discount	64,941	
Vested employee benefits	(96,291)	
Accrued interest	<u>(103,389)</u>	<u>(6,333,448)</u>

Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>7,253,365</u></u>
--	----	-------------------------

The accompanying notes to financial statements are an integral part of this statement.

Village of Prairie Du Sac
Prairie Du Sac, WI

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	Major				Non-Major		Total Governmental Funds
	General Fund	TID	Capital Projects Fund	Debt Service Fund	Transit Fund		
REVENUES							
Property Taxes	\$ 1,289,904	\$ 797,798	\$ -	\$ 762,527	\$ -	\$ -	\$ 2,850,229
Other Taxes	269,025	-	-	-	-	-	269,025
Special Assessment Revenue	513,294	42,135	-	-	77,063	-	10,595
Intergovernmental	117,934	-	-	-	-	-	632,492
License and Permits	329,437	-	-	-	-	-	117,934
Public Charges for Services	16,518	2,026	-	-	-	-	329,437
Interest Income	319,277	-	116,000	-	-	-	18,544
Miscellaneous Income	2,865,984	841,959	116,000	762,527	25,562	-	460,839
Total Revenues							4,689,095
EXPENDITURES							
Current:							
General Government	280,568	-	-	-	96,127	-	376,695
Public Safety	892,177	-	-	-	-	-	892,177
Public Works	836,219	-	-	-	-	-	836,219
Culture, Recreation and Education	486,485	-	-	-	-	-	486,485
Conservation and Development	7,768	476,416	-	-	-	-	484,184
Capital Outlay	28,535	-	940,988	-	-	-	969,523
Debt Service	-	120,896	-	758,187	-	-	879,083
Principal Repayment	-	38,361	-	179,201	-	-	217,562
Interest and Fiscal Charges	2,531,752	635,673	940,988	937,388	96,127	-	5,141,928
Total Expenditures							
Excess (Deficiency) of Revenues Over Expenditures	334,232	206,286	(824,988)	(174,861)	6,498	-	(452,833)
OTHER FINANCING SOURCES (USES)							
Proceeds from Long-Term Debt	-	-	991,000	-	-	-	991,000
Proceeds from Refunding Bonds	-	375,000	-	1,690,000	-	-	2,065,000
Payment on Refunded Debt	-	(369,810)	-	(1,664,147)	-	-	(2,033,957)
Transfers In	-	-	-	149,008	-	-	149,008
Transfers Out	(149,008)	-	-	-	-	-	(149,008)
Total Other Financing Sources and Uses	(149,008)	5,190	991,000	174,861	-	-	1,022,043
Net Change in Fund Balances	185,224	211,476	166,012	-	6,498	-	569,210
Fund Balances (Deficit) - Beginning (restated)	1,078,110	372,323	105,178	-	(33,900)	-	1,521,711
Fund Balances (Deficit) - Ending	\$ 1,263,334	\$ 583,799	\$ 271,190	\$ -	\$ (27,402)	\$ -	\$ 2,090,921

The accompanying notes to financial statements are an integral part of this statement.

**Village of Prairie Du Sac
Prairie Du Sac, WI**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014**

Net change in fund balances - total governmental funds:		\$ 569,210
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Property taxes on assets of the municipality owned utilities are reported as they are received in the governmental fund statements. However, for governmental activities, those revenues are recorded as they are earned.		
Property taxes from municipally owned utilities received during the year	\$ (252,682)	
Property taxes from municipally owned utilities earned during the year	249,294	
Amount by which property taxes earned are greater (less) than that which was received:		(3,388)
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
Expenditures for capital assets	1,004,489	
Depreciation expense reported in the Statement of Activities	(382,538)	
Amount by which capital outlays are greater (less) than depreciation in the current period:		621,951
The Village disposed of capital assets which resulted in a reduction in capital assets and recapture of prior depreciation expense. This is reported on the Statement of Net Position as a loss and has no effect on the Governmental Funds Balance Sheet.		
The value of capital assets disposed during the year was	(92,324)	
The amount of depreciation recapture for the year was	67,038	
The difference in the value of assets net of recaptured depreciation creates a gain (loss) of:		(25,286)
Vested employee benefits are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year.		
Amounts paid are greater (less) than amounts earned by:		971
Debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the Statement of Net Position, and does not affect the Statement of Activities.		
The amount of debt incurred in the current year is:		(3,056,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.		
The amount of long-term debt principal payments in the current year is:		2,913,040
In governmental funds, interest payments on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities, interest is reported as incurred.		
The amount of interest paid during the current period	217,562	
The amount of interest accrued during the current period	(239,349)	
Interest paid is greater (less) than interest accrued by:		(21,787)
In governmental funds, discounts on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities, discounts are amortized and expensed over the life of the issue.		
The amount of debt discounts recognized during the current period is:		(13,468)
Change in net position of governmental activities		\$ 985,243

The accompanying notes to financial statements are an integral part of this statement.

**Village of Prairie Du Sac
Prairie Du Sac, WI**

**Statement of Net Position
Proprietary Funds
December 31, 2014**

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Fund</u>	<u>Storm Water Fund</u>	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 1,717,776	\$ 74,098	\$ 640,558	\$ 132,116	\$ 2,564,548
Receivables					
Accounts (net allowance for uncollectibles)	843,338	-	-	18	843,356
Other	15,275	-	-	-	15,275
Due from Other Funds	91,324	241,257	27,201	8,336	368,118
Inventories	107,281	7,179	1,127	-	115,587
Total Current Assets	<u>2,774,994</u>	<u>322,534</u>	<u>668,886</u>	<u>140,470</u>	<u>3,906,884</u>
Restricted Assets:					
Restricted Cash and Cash Equivalents	538,137	515,148	56,034	75,211	1,184,530
Total Restricted Assets	<u>538,137</u>	<u>515,148</u>	<u>56,034</u>	<u>75,211</u>	<u>1,184,530</u>
Capital Assets:					
Land and Improvements	1,178	5,426	-	-	6,604
Capital Assets	8,069,665	7,532,531	2,190,249	1,883,865	19,676,310
Less Accumulated Depreciation	(4,332,308)	(1,479,521)	(623,344)	(343,029)	(6,778,202)
Net Capital Assets	<u>3,738,535</u>	<u>6,058,436</u>	<u>1,566,905</u>	<u>1,540,836</u>	<u>12,904,712</u>
Noncurrent Assets:					
Investment in Sauk Prairie Sewer Commission	-	-	1,138,869	-	1,138,869
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>1,138,869</u>	<u>-</u>	<u>1,138,869</u>
Total Assets	<u>\$ 7,051,666</u>	<u>\$ 6,896,118</u>	<u>\$ 3,430,694</u>	<u>\$ 1,756,517</u>	<u>\$ 19,134,995</u>

The accompanying notes to financial statements are an integral part of this statement.

**Village of Prairie Du Sac
Prairie Du Sac, WI**

**Statement of Net Position
Proprietary Funds
December 31, 2014**

	Major			Non-Major	Total
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Fund</u>	<u>Storm Water Fund</u>	
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 398,569	\$ -	\$ 16,817	\$ -	\$ 415,386
Accrued Liabilities	39,978	5,585	1,489	225	47,277
Accrued Interest Payable	1,975	14,301	5,253	-	21,529
Due to Other Funds	524,786	458,891	18,617	129,724	1,132,018
Current Portion of Long-Term Liabilities	109,021	165,849	50,492	411	325,773
Total Current Liabilities	1,074,329	644,626	92,668	130,360	1,941,983
Non-Current Liabilities:					
Long-Term Liabilities	1,061,672	1,993,458	536,604	1,165	3,592,899
Total Long-Term Liabilities	1,061,672	1,993,458	536,604	1,165	3,592,899
Other Liabilities					
Advances Payable	-	72,799	-	250,260	323,059
Total Other Liabilities	-	72,799	-	250,260	323,059
Total Non-Current Liabilities	1,061,672	2,066,257	536,604	251,425	3,915,958
Total Liabilities	2,136,001	2,710,883	629,272	381,785	5,857,941
NET POSITION					
Net Investment in Capital Assets	2,567,842	3,899,129	979,809	1,539,260	8,986,040
Restricted	536,162	500,847	50,781	75,211	1,163,001
Unrestricted (Deficit)	1,811,661	(214,741)	1,770,832	(239,739)	3,128,013
Total Net Position	4,915,665	4,185,235	2,801,422	1,374,732	13,277,054
Total Liabilities and Net Position	\$ 7,051,666	\$ 6,896,118	\$ 3,430,694	\$ 1,756,517	\$ 19,134,995

The accompanying notes to financial statements are an integral part of this statement.

**Village of Prairie Du Sac
Prairie Du Sac, WI**

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014**

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Fund</u>	<u>Storm Water Fund</u>	
OPERATING REVENUES					
Charges for Services	\$ 5,210,506	\$ 621,474	\$ 395,869	\$ 114,846	\$ 6,342,695
Other Operating Revenues	40,388	36,050	582	93	77,113
Total Operating Revenues	<u>5,250,894</u>	<u>657,524</u>	<u>396,451</u>	<u>114,939</u>	<u>6,419,808</u>
OPERATING EXPENSES					
Operation and Maintenance	4,722,575	372,269	345,318	65,010	5,505,172
Depreciation	319,024	160,631	49,176	31,876	560,707
Taxes	29,329	9,059	2,312	-	40,700
Total Operating Expenses	<u>5,070,928</u>	<u>541,959</u>	<u>396,806</u>	<u>96,886</u>	<u>6,106,579</u>
Operating Income (Loss)	<u>179,966</u>	<u>115,565</u>	<u>(355)</u>	<u>18,053</u>	<u>313,229</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and Investment Revenue	4,309	591	746	95	5,741
Miscellaneous Non-Operating Revenue	28,406	-	-	-	28,406
Interest Expense and Fiscal Charges	(24,523)	(56,347)	(13,988)	-	(94,858)
Investment Loss in Sauk Prairie Sewer Commission	-	-	(40,426)	-	(40,426)
Amortization Expense	(1,034)	(83)	-	-	(1,117)
Total Non-Operating Revenues (Expenses)	<u>7,158</u>	<u>(55,839)</u>	<u>(53,668)</u>	<u>95</u>	<u>(102,254)</u>
Income (Loss) Before Contributions and Transfers	187,124	59,726	(54,023)	18,148	210,975
Capital Contributions	-	610,000	-	-	610,000
Transfers Out - Tax Equivalent	(134,785)	(114,509)	-	-	(249,294)
Change in Net Position	<u>52,339</u>	<u>555,217</u>	<u>(54,023)</u>	<u>18,148</u>	<u>571,681</u>
Total Net Position - Beginning	<u>4,863,326</u>	<u>3,630,018</u>	<u>2,855,445</u>	<u>1,356,584</u>	<u>12,705,373</u>
Total Net Position - Ending	<u>\$ 4,915,665</u>	<u>\$ 4,185,235</u>	<u>\$ 2,801,422</u>	<u>\$ 1,374,732</u>	<u>\$ 13,277,054</u>

The accompanying notes to financial statements are an integral part of this statement.

**Village of Prairie Du Sac
Prairie du Sac, WI**

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014**

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Fund</u>	<u>Storm Water Fund</u>	
Cash Flows from Operating Activities:					
Receipts from customers	\$ 5,176,355	\$ 657,524	\$ 396,451	\$ 114,939	\$ 6,345,269
Cash received from (paid to) other funds for services	350,805	205,082	(39,636)	128,763	645,014
Payments to suppliers	(4,347,743)	(231,465)	(295,909)	(41,375)	(4,916,492)
Payments to employees	(509,529)	(305,306)	(46,221)	(23,410)	(884,466)
Taxes paid	(29,329)	(10,479)	(892)	-	(40,700)
Net cash provided (used) by operating activities	<u>640,559</u>	<u>315,356</u>	<u>13,793</u>	<u>178,917</u>	<u>1,148,625</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of plant assets	(367,802)	(307,888)	(150,324)	(139,076)	(965,090)
Long-term debt proceeds	-	595,000	225,000	-	820,000
Principal payments on long-term debt	(91,425)	(425,036)	(41,587)	126	(557,922)
Interest paid	(24,523)	(56,347)	(14,588)	-	(95,458)
Net cash provided (used) by capital and related financing activities	<u>(483,750)</u>	<u>(194,271)</u>	<u>18,501</u>	<u>(138,950)</u>	<u>(798,470)</u>
Cash Flows from Noncapital Financing Activities:					
Transfers	(134,785)	(114,509)	-	-	(249,294)
Net cash provided (used) by noncapital financing activities	<u>(134,785)</u>	<u>(114,509)</u>	<u>-</u>	<u>-</u>	<u>(249,294)</u>
Cash Flows from Investing Activities:					
Miscellaneous non-operating income	28,406	-	-	-	28,406
Interest income	4,309	591	746	95	5,741
Net cash provided (used) by investing activities	<u>32,715</u>	<u>591</u>	<u>746</u>	<u>95</u>	<u>34,147</u>
Net increase (decrease) in cash and equivalents	54,739	7,167	33,040	40,062	135,008
<u>Cash and Equivalents, Beginning of year</u>	<u>2,201,174</u>	<u>582,079</u>	<u>663,552</u>	<u>167,265</u>	<u>3,614,070</u>
<u>Cash and Equivalents, End of year</u>	<u>\$ 2,255,913</u>	<u>\$ 589,246</u>	<u>\$ 696,592</u>	<u>\$ 207,327</u>	<u>\$ 3,749,078</u>
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and cash equivalents - Statement of Net Position	\$ 1,717,776	\$ 74,098	\$ 640,558	\$ 132,116	\$ 2,564,548
Restricted cash and cash equivalents - Statement of Net Position	538,137	515,148	56,034	75,211	1,184,530
Cash and cash equivalents - end of year	<u>\$ 2,255,913</u>	<u>\$ 589,246</u>	<u>\$ 696,592</u>	<u>\$ 207,327</u>	<u>\$ 3,749,078</u>

The accompanying notes to financial statements are an integral part of this statement.

**Village of Prairie Du Sac
Prairie Du Sac, WI**

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014**

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Fund</u>	<u>Storm Water Fund</u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (Loss)	\$ 179,966	\$ 115,565	\$ (355)	\$ 18,053	\$ 313,229
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Joint meter allocation	-	8,919	(8,919)	-	-
Depreciation	319,024	160,631	49,176	31,876	560,707
Changes in Assets and Liabilities:					
Customer accounts receivable	(63,871)	-	-	-	(63,871)
Other receivables	(10,668)	-	-	-	(10,668)
Due to/from other funds	350,805	194,743	(29,297)	128,763	645,014
Inventories	11,216	1,001	-	-	12,217
Accounts payable	48,709	-	-	-	48,709
Accrued liabilities	(194,622)	(165,503)	3,188	225	(356,712)
Net cash provided (used) by operating activities	<u>\$ 640,559</u>	<u>\$ 315,356</u>	<u>\$ 13,793</u>	<u>\$ 178,917</u>	<u>\$ 1,148,625</u>
Noncash capital and related financing activities:					
Investment in Sauk Prairie Sewer Commission	\$ -	\$ -	\$ (40,426)	\$ -	\$ (40,426)
Investment earnings from Sauk Prairie Sewer Commission	-	-	40,426	-	40,426
Capital contributions	-	610,000	-	-	610,000
Contributed utility plant	-	(610,000)	-	-	(610,000)
Total non-cash activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement.

**Village of Prairie Du Sac
Prairie Du Sac, WI**

**Statement of Net Position
Fiduciary Fund
December 31, 2014**

	<u>Tax Agency</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,689,833
Taxes Receivable	1,438,551
Total Assets	<u>\$ 5,128,384</u>
LIABILITIES	
Due to Other Governments	\$ 5,128,384
Total Liabilities	<u>\$ 5,128,384</u>

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2014

	<u>PAGE</u>
Note 1. <u>Summary of Significant Accounting Policies</u>	17
A. Reporting Entity	17
B. Basis of Financial Statement Presentation	17 - 19
C. Basis of Accounting	19 - 21
D. Measurement Focus	21
E. Cash and Investments	21 - 22
F. Inventories and Prepaid Items	22
G. Capital Assets	22 - 23
H. Interfund Receivables and Payables	23
I. Allowance for Uncollectible Accounts	23
J. Compensated Absences and Other Employee Benefit Amounts	24
K. Long-Term Obligations	24
L. Claims and Judgments	24
M. Interfund Transactions	25
N. Equity Classifications	25 - 26
O. Basis for Existing Rates – Proprietary Funds	26
Note 2. <u>Stewardship, Compliance, and Accountability</u>	27
A. Budgetary Information	27
B. Excess Expenditures Over Appropriations	27
C. Bond Covenant Disclosure	27 - 28
D. Deficit Balances	28
Note 3. <u>Detailed Notes on All Funds</u>	29
A. Cash and Investments	29 - 31
B. Receivables	31
C. Deferred Inflows of Resources	31
D. Restricted Assets	32
E. Capital Assets	33 - 34
F. Interfund Receivables/Payables and Transfers	35
G. Short-Term Notes Payable	36
H. Long-Term Obligations	36 - 39
I. Governmental Activities Net Position	40
J. Governmental Fund Balances	40
K. Employees Retirement System	41 - 42
L. Status of Tax Incremental Financing Districts	42 - 44
Note 4. <u>Other Information</u>	44
A. Joint Ventures	44
B. Commitments and Contingencies	45 - 46
C. Risk Management	46
D. Subsequent Events	46
E. Prior Period Adjustments	47
F. Effect of New Accounting Standards on Current Year Financial Statements	47

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Prairie du Sac conform to U.S. generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

This report includes all of the funds of the Village of Prairie du Sac. The reporting entity for the Village 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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. 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. The Village does not have any component units.

B. BASIS OF FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

Fund Financial Statements (Continued)

Funds are organized as major funds or nonmajor funds within the governmental and fiduciary statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following governmental funds:

General Fund – The General Fund is the Village’s primary operating fund and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for and report the specific revenue sources comprising a substantial portion of the fund’s resources on an ongoing basis that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Debt Service Fund – The Debt Service Fund is used to account for and report the financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays (other than those financed by proprietary funds and trust funds).

The Village reports the following major governmental funds:

General Fund
Tax Incremental Financing Districts Fund
Debt Service Fund
Capital Projects Fund

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

The Village reports the following nonmajor governmental fund:

Transit Fund – The Transit Fund is used to account for the revenues and expenses associated with the taxi service provided for Prairie du Sac and Sauk City.

Proprietary Funds

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow.

The Village reports the following business-type activities:

Major Enterprise Funds

Electric Utility – Accounts for providing electric service.

Water Utility – Accounts for providing water service.

Sewer Fund – Accounts for providing sewer service.

Nonmajor Enterprise Fund

Storm Water Fund – Accounts for providing storm water services.

Fiduciary Funds (Not included in Government-Wide Statements)

Agency Fund – The Agency Fund is used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Village's Agency Fund accounts for the transactions pertaining to the Village's tax appropriation.

C. BASIS OF ACCOUNTING

The government-wide financial statements and fund financial statements for the proprietary funds are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Deferred outflows of resources represents a consumption of resources that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represents an acquisition of resources that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Electric Utility, Water Utility, Sewer Fund, and Storm Water Fund are charges to customers for providing service to the Village's residents and businesses. Operating expenses for proprietary funds include the cost of providing these services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are levied in December on the assessed valuation as of the prior January 1 for all general property located in the Village. The taxes are due and payable in the following year. Property taxes are recorded in the year levied as taxes receivable and deferred inflows. Property taxes are recognized in the appropriate fund as revenues in the succeeding year when they are collected and available to finance services.

In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund statement of fiduciary net position.

The aggregate amount of property taxes to be levied for Village purposes is determined according to provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the Village are certified to local taxing districts for collection. Property taxes attach as an enforceable lien as of January 1.

Property tax calendar – 2014 tax roll:

Lien date and levy date	December, 2014
Tax bills mailed	December, 2014
Payment in full or first installment due	January 31, 2015
Second installment due	July 31, 2015
Tax sale – 2014 delinquent real estate	October, 2017

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. Provision for uncollectible accounts receivable has been made for the Electric Utility. All the utilities also have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

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

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

For governmental fund financial statements, deferred inflows arise when a potential revenue 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 Village 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 Village has a legal claim to the resources, deferred inflows are removed from the balance sheet and revenue is recognized.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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. MEASUREMENT FOCUS

On the Government-Wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred inflows or nonspendable fund equity. Liabilities for claims, judgments and compensated absences which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

E. CASH AND INVESTMENTS

The Village’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CASH AND INVESTMENTS (Continued)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair value of investments in the Local Government Investment Pool (LGIP) is based on information provided by the State of Wisconsin Investment Board.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

F. INVENTORIES AND PREPAID ITEMS

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

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

G. CAPITAL ASSETS

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$2,000 for general capital assets and \$2,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged, but not required. The Village has elected to retroactively report all major general infrastructure assets.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. CAPITAL ASSETS (Continued)

Government-Wide Statements (Continued)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Infrastructure	30 years
Buildings and building improvements	25 - 75 years
Furniture and equipment	7 - 10 years
Vehicles	7 - 20 years
Utility plant	4 - 135 years

Fund Financial Statements

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

H. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

I. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The Electric Utility has an allowance for uncollectible accounts of \$3,936 in 2014.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide, enterprise, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2014 are determined on the basis of current salary rates and include salary related payments.

K. LONG-TERM OBLIGATIONS

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the balance sheet. The Village does not engage in conduit debt transactions.

Debt issuance costs are recognized in the current period for the government-wide, proprietary, and governmental fund statements.

L. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statement. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year end.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

N. EQUITY CLASSIFICATIONS

Government-Wide Statements

Equity is reported as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b. Restricted net position – Consists of net positions with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets”.

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

Fund Statements

Governmental fund equity is reported as fund balance and is classified as follows:

- a. Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – amounts with externally imposed constraints placed on the use of resources by constitution, external resource providers, or through enabling legislation.
- c. Committed – amounts that can only be spent for specific purposes pursuant to constraints imposed by formal action by the Village Board. A formal resolution by the Village Board is required to establish, modify, or rescind a fund balance commitment.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. EQUITY CLASSIFICATIONS (Continued)

Fund Statements (Continued)

- d. Assigned – amounts that are neither restricted nor committed for which a government has stated intended use for a specific purpose. This intent can be expressed through the Village Board, or through the Village Board delegating this responsibility to the Village Administrator through the budgetary process.
- e. Unassigned – amounts not classified as non-spendable, restricted, committed, or assigned. The General Fund is the only fund that would report a positive amount in the unassigned fund balance.

The Village's fund balance policy states the Village shall endeavor to maintain a fund balance of 25% of the annual General Fund operating budget expenditures. If the fund balance drops below 20%, appropriate steps shall be taken to restore it to 25% in the subsequent year's budget.

When the Village incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Village's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

O. BASIS FOR EXISTING RATES – PROPRIETARY FUNDS

Electric Utility

Current electric rates were approved by the PSCW on December 5, 2013 and placed into effect by the Electric Utility on December 15, 2013.

Water Utility

Current water rates were approved by the PSCW on December 22, 2011 and placed into effect by the Water Utility on March 13, 2013. The rates are designed to provide a 3.0% return on rate base.

Sewer Fund

Current sewer rates were approved by the Village Board and placed into effect by the Sewer Fund on January 16, 2007.

Storm Water Fund

Current Storm Water Fund rates were approved by the Village Board and placed into effect on January 16, 2007.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented include any amendments made during the year. The Village Board may authorize transfers of budgeted amounts within functions. Transfers between functions and changes to the overall budget must be approved by two-thirds of the Village Board. There were no supplemental appropriations during the year. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level of expenditure.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

The Village controls expenditures at the function level. The General Fund experienced expenditures which exceeded appropriations as follows:

	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Appropriations
General Fund:			
Current:			
Public safety	\$ 882,544	\$ 892,177	\$ (9,633)
Culture, recreation and education	480,910	486,485	(5,575)
Capital outlay	4,500	28,535	(24,035)

C. BOND COVENANT DISCLOSURE

As part of the 1997 and 2012 Sewer and Electric Revenue Bond resolutions, the following information is required to be disclosed.

Compliance with Funding Requirements

The utilities are in compliance with combined bond funding requirements.

Number of Customers

The Electric and Sewer Utilities served the following number of customers at December 31, 2014:

	Electric	Sewer
Residential	1,770	1,495
Commercial	273	145
Industrial	1	8
Public authority	-	14
Public street lighting	10	-
Totals	2,054	1,662

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

C. BOND COVENANT DISCLOSURE (Continued)

Insurance Coverage

The utilities are in compliance with combined insurance requirements.

Debt Coverage

2014 required and actual coverage factors relating to the 1997 and 2012 Sewer and Electric Revenue Bonds and 2012 Water Revenue Bond resolutions, are as follows:

	<u>Electric</u>	<u>Sewer</u>	<u>Water</u>
Change in net position	\$ 52,339	\$ (54,023)	\$ 555,217
Plus:			
Interest expense	24,523	13,988	56,347
Depreciation	319,024	49,176	160,631
Amortization	1,034	-	83
Investment loss in Sauk- Prairie Sewer Commission	-	40,426	-
Tax equivalent	134,785	-	114,509
Income available for debt service	<u>\$ 531,705</u>	<u>\$ 49,567</u>	<u>\$ 886,787</u>
Annual debt service	\$ 113,698	\$ 121,423	\$ 100,382
2014 calculated coverage ratio	4.68	0.41	8.83
Required coverage ratio	1.25	1.25	1.10

The Sewer Fund is not in compliance with bond requirements.

D. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual nonmajor funds that have deficit balances at year end. As of December 31, 2014, the following funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Transit Fund	\$ (27,402)
Tax Incremental Financing District No. 3	(37,723)

Fund balances will be recovered through collection of future revenues.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

Investment of Village funds is restricted by State Statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of Wisconsin, if the time deposits mature in not more than three years.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The Local Government Investment Pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

The carrying amount of the Village's cash and investments totaled \$8,805,158 on December 31, 2014 and is summarized below:

Petty cash and cash on hand	\$ 220
Deposits with financial institutions	6,409,527
Deposits with external investment pools	2,395,411
	<u>\$ 8,805,158</u>
 Reconciliation to the basic financial statements:	
Government-Wide Statement of Net Position:	
Cash and cash equivalents	\$ 2,936,020
Restricted cash and cash equivalents	2,179,305
Fiduciary fund:	
Agency Fund	3,689,833
	<u>\$ 8,805,158</u>

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

Deposits and investments of the Village are subject to various risks. Following is a discussion of the specific risks and the Village's policy related to the risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure the Village's deposits may not be returned to it. The Village evaluates custodial credit risk through periodic monitoring of the financial condition of financial institutions where deposits are held. Formal written custodial risk policies have not been adopted by the Village. As of December 31, 2014, \$5,829,300 of the Village's deposits with financial institutions totaling \$6,472,413 was exposed to custodial credit risks as follows. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Uninsured and uncollateralized	\$ 4,829,300
Uninsured and collateralized with securities held by pledging financial institutions	1,000,000
Total	\$ 5,829,300

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand accounts and \$250,000 for time and savings accounts. Deposits and the LGIP are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual organizations. This coverage has not been considered in computing the above amounts.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Wisconsin State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years. As of December 31, 2014, the LGIP had an average maturity of 117 days and a fair value of \$2,395,411.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin Statute limits investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

The 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. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2014, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the Village. The LGIP was not rated as of December 31, 2014.

Concentration of Credit Risk – The investment policy of the Village contains no limitations on the amount that can be invested in any one issuer. The Village had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Village investments.

B. RECEIVABLES

Receivables as of year-end for the governmental funds' individual major funds, and fiduciary funds in the aggregate, are as follows:

	General Fund	Tax Incremental Financing Districts Funds	Fiduciary Fund	Total
Total receivables	\$ 2,333,228	\$ 926,648	\$ 1,438,551	\$ 4,698,427
Amounts not expected to be collected within one year	\$ 152,178	\$ 137,222	\$ -	\$ 289,400

Special assessments and economic development loan receivables are not expected to be collected within one year.

C. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources of \$3,794,801 at December 31, 2014, consist of the following:

	General Fund	Tax Incremental Financing Districts
2014 tax apportionment	\$ 2,129,318	\$ 789,426
Deferred special assessments	152,178	30,000
Property tax equivalent	359,339	-
Grant revenue	334,040	-
Other deferred inflows	500	-
Total	\$ 2,975,375	\$ 819,426

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

D. RESTRICTED ASSETS

Governmental funds have restricted cash in the amount of \$994,774 which consists of:

Tax Incremental Financing Districts Fund	\$	713,562
Capital Projects Fund		271,190
Transit Fund		10,022
	<u>\$</u>	<u>994,774</u>

In the Electric, Water and Sewer Enterprise Funds, restricted assets represent cash reserved in accordance with utility revenue bond ordinances and can only be used in the following ways:

Bond Principal and Interest Accounts -- Payments from these accounts can be made only for interest and principal and paying agent's fees as such become due.

Bond Reserve Accounts -- Payments from the accounts may be made only to prevent default in the event the monies in the bond principal and interest accounts are insufficient to make payments when due.

Bond Depreciation and Replacement Account -- Payments from the account may be made for making emergency replacements, repairs and additions to the Village's utility systems if other funds are not available.

The Electric Utility has also deemed the cash from Commitment to Community as restricted.

At December 31, 2014, enterprise fund restricted cash and equivalents consisted of the following:

	Electric	Water	Sewer	Storm Water	Total
Bond principal and interest	\$ 295,183	\$ -	\$ -	\$ -	\$ 295,183
Bond reserve accounts	192,954	130,361	40,375	-	363,690
Depreciation and equipment	50,000	55,000	15,659	-	120,659
Equipment replacement fund	-	329,787	-	-	329,787
Special deposits	-	-	-	75,211	75,211
Total restricted cash and cash equivalents	<u>\$ 538,137</u>	<u>\$ 515,148</u>	<u>\$ 56,034</u>	<u>\$ 75,211</u>	<u>\$ 1,184,530</u>

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

E. CAPITAL ASSETS

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

Governmental Activities

	Balance 1/1/2014	Additions	Deletions	Balance 12/31/2014
Capital assets not being depreciated:				
Land	\$ 536,874	\$ 4,704	\$ -	\$ 541,578
Construction work in progress	38,527	84,576	38,527	84,576
Total capital assets not being depreciated	575,401	89,280	38,527	626,154
Capital assets being depreciated:				
Infrastructure	10,290,516	399,368	31,590	10,658,294
Buildings and building improvements	6,128,806	515,604	60,734	6,583,676
Furniture and equipment	123,302	4,045	-	127,347
Vehicles	1,303,347	34,719	-	1,338,066
Total capital assets being depreciated	17,845,971	953,736	92,324	18,707,383
Less: Accumulated depreciation:				
Infrastructure	(5,875,380)	(189,311)	(31,590)	(6,033,101)
Buildings and building improvements	(916,759)	(159,526)	(35,448)	(1,040,837)
Furniture and equipment	(107,222)	(1,725)	-	(108,947)
Vehicles	(982,126)	(31,976)	-	(1,014,102)
Total accumulated depreciation	(7,881,487)	(382,538)	(67,038)	(8,196,987)
Net capital assets - governmental activities	\$ 10,539,885	\$ 660,478	\$ 63,813	\$ 11,136,550

Depreciation expense was charged to functions as follows:

Governmental activities

General government	\$ 4,198
Public safety	19,027
Public works	220,676
Culture and recreation	125,400
Conservation and development	13,237
Total governmental activities depreciation expense	\$ 382,538

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

E. CAPITAL ASSETS (Continued)

Proprietary Funds

	Balance 1/1/2014	Additions	Retirements	Balance 12/31/2014
Electric Utility:				
Transmission and distribution plant	\$ 7,006,297	\$ 365,161	\$ 6,320	7,365,138
General plant	703,064	2,641	-	705,705
Total electric plant	<u>\$ 7,709,361</u>	<u>\$ 367,802</u>	<u>\$ 6,320</u>	<u>\$ 8,070,843</u>
Water Utility:				
Source of supply plant	\$ 1,920,165	\$ 780	\$ -	\$ 1,920,945
Pumping plant	127,459	-	-	127,459
Water treatment plant	96,036	-	-	96,036
Transmission and distribution plant	4,413,837	915,908	20,830	5,308,915
General plant	84,602	-	-	84,602
Total water plant	<u>\$ 6,642,099</u>	<u>\$ 916,688</u>	<u>\$ 20,830</u>	<u>\$ 7,537,957</u>
Sewer Fund:				
Collecting system plant	\$ 1,972,471	\$ 150,324	\$ 30,065	\$ 2,092,730
Treatment and disposal plant	47,641	-	-	47,641
General plant	49,878	-	-	49,878
Total sewer plant	<u>\$ 2,069,990</u>	<u>\$ 150,324</u>	<u>\$ 30,065</u>	<u>\$ 2,190,249</u>
Storm Water Fund:				
Mains	\$ 1,494,949	\$ 129,529	\$ -	\$ 1,624,478
Ponds	182,058	-	-	182,058
General equipment	67,782	9,547	-	77,329
Total storm water fund	<u>\$ 1,744,789</u>	<u>\$ 139,076</u>	<u>\$ -</u>	<u>\$ 1,883,865</u>

A summary of depreciation rates and accumulated depreciation for the utilities follows:

Fund	Balance 1/1/2014	2014			Balance 12/31/2014
		2014 Depreciation Expense	2014 Meter Reading Allocation	2014 Retirements and Removals (Net of Salvage)	
Electric	\$ 4,019,604	\$ 319,024	\$ -	\$ 6,320	\$ 4,332,308
Water	1,332,001	160,631	8,919	22,030	1,479,521
Sewer	613,152	49,176	(8,919)	30,065	623,344
Storm Water	311,153	31,876	-	-	343,029
	<u>\$ 6,275,910</u>	<u>\$ 560,707</u>	<u>\$ -</u>	<u>\$ 58,415</u>	<u>\$ 6,778,202</u>

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 780,875	\$ -
TIF District No. 2	-	92,040
TIF District No. 3	92,040	-
Transit Fund	-	16,975
Enterprise Funds:		
Electric	91,324	524,786
Water	241,257	458,891
Sewer	27,201	18,617
Storm Water	8,336	129,724
Totals	<u>\$ 1,241,033</u>	<u>\$ 1,241,033</u>

The following is a schedule of interfund advances:

	Advances To Other Funds	Advances From Other Funds
General Fund	\$ 560,044	\$ -
Tax Incremental Financing Districts	-	236,985
Enterprise Funds:		
Water	-	72,799
Storm Water	-	250,260
Totals	<u>\$ 560,044</u>	<u>\$ 560,044</u>

The following is a schedule of interfund transfers recorded in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds as of December 31, 2014:

<u>Transfer from:</u>	<u>Transfer to:</u>	<u>Purpose:</u>	<u>Amount</u>
General Fund	Debt Service Fund	Debt service	\$ 149,008

The following is a schedule of transfers in the Government-Wide Statement of Activities as of December 31, 2014:

<u>Transfer from:</u>	<u>Transfer to:</u>	<u>Purpose:</u>	<u>Amount</u>
Business-type Activities	Governmental Activities	Tax equivalent	\$ 249,294

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

G. SHORT-TERM NOTES PAYABLE

Short-term notes payable activity for the year ended December 31, 2014 was as follows:

	Balance 1/1/2014	Increases	Decreases	Balance 12/31/2014	Amount Due Within One Year
Short-Term Notes Payable	\$ -	\$ 38,676	\$ -	\$ 38,676	\$ 38,676

The short-term note was obtained to finance the purchase of capital assets. Short-term notes payable consists of the following individual issue:

Description	Issue Date	Interest Rate	Date of Maturity	Balance 12/31/2014
Short-Term Notes Payable	4/30/2014	2.25%	4/30/2015	\$ 38,676

H. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2014 was as follows:

	1/1/2014 Balance	Increases	Decreases	12/31/2014 Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 6,055,749	\$ 3,056,000	\$ 2,913,040	\$ 6,198,709	\$ 823,306
Add/Subtract Amounts For:					
Premiums/Discount on debt	(78,409)	-	(13,468)	(64,941)	-
Total	5,977,340	3,056,000	2,899,572	6,133,768	823,306
Other liabilities:					
Vested compensated absences	97,262	-	971	96,291	20,798
Total other liabilities	97,262	-	971	96,291	20,798
Total governmental activities - long-term liabilities	\$ 6,074,602	\$ 3,056,000	\$ 2,900,543	\$ 6,230,059	\$ 844,104

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities	1/1/2014 Balance	Increases	Decreases	12/31/2014 Balance	Amounts Due Within One Year
Bonds and notes payable:					
General obligation debt	\$ 827,452	\$ 820,000	\$ 389,139	\$ 1,258,313	\$ 125,732
Revenue bonds	2,725,893	-	169,308	2,556,585	171,140
Add/Subtract Amounts For:					
Premiums/Discount on debt	(6,754)	-	(517)	(6,237)	-
Total	<u>3,546,591</u>	<u>820,000</u>	<u>557,930</u>	<u>3,808,661</u>	<u>296,872</u>
Other liabilities:					
Vested compensated absences	109,486	2,242	1,717	110,011	28,901
Total other liabilities	<u>109,486</u>	<u>2,242</u>	<u>1,717</u>	<u>110,011</u>	<u>28,901</u>
Total business-type activities - long-term liabilities	<u>\$ 3,656,077</u>	<u>\$ 822,242</u>	<u>\$ 559,647</u>	<u>\$ 3,918,672</u>	<u>\$ 325,773</u>

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the Debt Service Fund. Enterprise funds general obligation debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2014 was \$17,336,410. Total general obligation debt outstanding at year end was \$7,457,022.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

Governmental activities long-term debt at December 31, 2014 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2014
Governmental Activities					
General Obligation Debt					
Refunding bonds	2/11/2010	2/1/2018	1.00% - 2.85%	\$ 1,585,000	\$ 735,000
Corporate purpose bonds	3/1/2007	3/1/2018	4.00%	2,100,000	745,000
State trust fund loan	4/9/2007	3/15/2015	5.25%	430,000	71,698
Promissory notes	9/26/2011	3/1/2015	2.00%	178,698	45,529
Refunding bonds	5/17/2012	4/1/2024	2.00% - 2.20%	1,170,780	1,032,135
Promissory notes	6/1/2012	1/15/2016	2.00%	225,000	31,525
Promissory notes	4/1/2013	4/1/2023	2.65%	536,110	481,822
Corporate purpose bonds	4/15/2014	2/1/2034	0.35% - 4.10%	3,010,000	3,010,000
Promissory notes	4/30/2014	4/30/2019	3.00%	46,000	46,000
Total governmental activities - general obligation debt					<u><u>\$ 6,198,709</u></u>

Debt service requirements to maturity for governmental activities are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2015	\$ 823,306	\$ 176,135
2016	728,353	130,959
2017	618,460	113,621
2018	614,801	98,690
2019	331,200	88,133
2020 - 2024	1,572,589	342,222
2025 - 2029	1,010,000	180,040
2030 - 2034	500,000	37,673
Totals	<u><u>\$ 6,198,709</u></u>	<u><u>\$ 1,167,473</u></u>

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

Business-type activities long-term debt at December 31, 2014 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2014
Business-Type Activities					
Sewer revenue bonds	8/27/1997	5/1/2017	3.00%	\$ 205,400	\$ 34,826
Promissory notes	9/26/2011	3/1/2015	2.00%	246,774	62,874
Refunding bonds	5/17/2012	4/1/2024	2.00% - 2.20%	349,220	307,865
Electric revenue bonds	5/17/2012	12/1/2025	1.00% - 2.80%	1,225,000	1,100,000
Safe drinking water loan	4/25/2012	5/1/2031	2.20%	1,554,314	1,421,760
Promissory notes	4/1/2013	4/1/2023	2.65%	75,190	67,573
Corporate purpose bonds	4/15/2014	2/1/2034	0.35% - 4.10%	820,000	820,000
Total business-type activities - long-term debt					<u>\$ 3,814,898</u>

Debt service requirements to maturity for business-type activities are as follows:

Years	Business-Type Activities General Obligation Debt		Business-Type Activities Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 125,732	\$ 35,991	\$ 171,140	\$ 55,083
2016	70,334	27,660	183,015	52,286
2017	79,377	26,592	179,934	48,344
2018	79,565	25,381	174,586	44,642
2019	79,762	24,051	176,227	40,983
2020 - 2024	393,543	96,845	917,040	146,750
2025 - 2029	230,000	58,703	558,828	49,875
2030 - 2034	200,000	18,205	195,815	4,332
Totals	<u>\$ 1,258,313</u>	<u>\$ 313,428</u>	<u>\$ 2,556,585</u>	<u>\$ 442,295</u>

In April 2014, the Village issued \$3,830,000 in fixed rate general obligation bonds, series 2014A. A portion of the net proceeds were used to refund \$2,320,000 of outstanding fixed rate general obligation bonds, series 2010B. The Village completed the refunding to reduce its total debt service payments over a period of 16 years by \$112,696 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$88,162.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

I. GOVERNMENTAL ACTIVITIES NET POSITION

Governmental activities net position reported on the Government-Wide Statement of Net Position at December 31, 2014 includes the following:

Net investment in capital assets	
Land	\$ 541,578
Construction work in progress	84,576
Other capital assets, net of accumulated depreciation	10,510,396
Less: related long-term debt outstanding	<u>(6,133,768)</u>
Total net investment in capital assets	5,002,782
Unrestricted	<u>2,250,583</u>
Total governmental activities net position	<u><u>\$ 7,253,365</u></u>

J. GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2014 include the following:

Nonspendable

Major Funds:

Economic development loans	\$ 107,222
Advances to other funds	<u>560,044</u>
Total nonspendable fund balance	<u>667,266</u>

Restricted

Major Funds:

Tax Incremental Financing District expenditures	621,522
Capital projects	<u>271,190</u>
Total restricted fund balance	<u>892,712</u>

Unassigned

Major Funds:

General Fund	703,290
Tax Incremental Financing District expenditures	(144,945)

Non-Major Fund:

Transit Fund (deficit)	<u>(27,402)</u>
Total unassigned fund balance	<u>530,943</u>
Total governmental fund balance	<u><u>\$ 2,090,921</u></u>

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. EMPLOYEES RETIREMENT SYSTEM

All eligible Village of Prairie du Sac 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 (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. 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 (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, but expected to return year after year are considered to have met the one-year requirement.

Covered employees are required by statute to contribute one-half of the actuarially determined contribution rate for General category employees, 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 employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2014 are:

	<u>Employee</u>	<u>Employer</u>
General	7.0%	7.0%

The payroll for Village employees covered by the WRS for the year ended December 31, 2014 was \$948,208; the employer's total payroll was \$1,053,950. The total required contribution for the year ended December 31, 2014 was \$132,750, which consisted of \$66,375, or 7.0% of payroll from the employer and \$66,375, or 7.0% of payroll from employees. Total contributions for the years ending December 31, 2013 and 2012 were \$123,390 and \$104,113, 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. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. EMPLOYEES RETIREMENT SYSTEM (Continued)

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 that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

L. STATUS OF TAX INCREMENTAL FINANCING DISTRICTS

Summary Description

The Village has created Tax Incremental Financing Districts (TIF District or TID) in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after creation of the district. The tax on the increased value is called a tax increment.

Generally, the statutes provide that no project costs may be expended later than seven years after the creation date of the district. The statutes further allow the municipality to collect tax increments for sixteen years after the last project expenditure is made or until the net project cost of the district has been recovered, whichever occurs first. The 1995-97 state budget act changed these timeframes for districts created prior to October 1, 1995. The budget act extended the project expenditure period for these districts from seven years to ten years. Also, the budget act established a maximum life of twenty-seven years on these districts. Project costs uncollected at the dissolution date are absorbed by the municipality.

The State has enacted several changes relating to tax incremental financing districts in 2004. One of these changes extends the expenditure period for all current and future districts, effective October 1, 2004, to five years prior to the termination of the district's unextended maximum life. For those districts that have reached the end of its expenditure period prior to October 1, 2004, it allows a municipality to expend additional project costs included in the project plan beginning October 1, 2004.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

L. STATUS OF TAX INCREMENTAL FINANCING DISTRICTS (Continued)

The Village created Tax Incremental Financing Districts No. 2 and 3 in 1996, and Tax Incremental Financing District No. 4 in 2008. A summary of cumulative status are as follows:

TID No. 2	Cumulative To Date Costs
Revenues:	
Taxes	\$ 1,528,423
Intergovernmental	10,282
Long-term debt proceeds	375,000
Total revenue	1,913,705
Expenditures:	
Project costs	1,433,042
Fund balance, December 31	\$ 480,663
TID No. 3	
Revenues:	
Taxes	\$ 2,959,357
Intergovernmental	52,863
Interest income	27,951
Total revenue	3,040,171
Expenditures:	
Project costs	3,256,592
Long-term debt proceeds	178,698
Fund balance (deficit), December 31	\$ (37,723)
TID No. 4	
Revenues:	
Taxes	\$ 1,026,404
Intergovernmental	43,120
Total revenue	1,069,524
Expenditures:	
Project costs	928,665
Fund balance, December 31	\$ 140,859

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

L. STATUS OF TAX INCREMENTAL FINANCING DISTRICTS (Continued)

Current valuations of TID No. 2, No. 3 and No. 4 are as follows:

	TID No. 2	TID No. 3	TID No. 4
Current value	\$ 8,819,900	\$ 16,485,300	\$ 17,125,800
Base	2,478,200	5,204,800	483,300
Increment	\$ 6,341,700	\$ 11,280,500	\$ 16,642,500

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective TIDs. Unless terminated by the Village prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 2	2019
TID No. 3	2023
TID No. 4	2028

NOTE 4. OTHER INFORMATION

A. JOINT VENTURES

In 1981, the Villages of Prairie du Sac and Sauk City joined in an agreement with the Sauk-Prairie Joint Sewerage Commission to finance the portion of construction cost of a new waste water treatment plant not funded by grants. Prairie du Sac agreed to finance 50% of the non-funded (local) share of the plant cost. The Village's equity interest is reported on the government-wide and proprietary fund statement of net position. Changes in the equity interest are recorded on the government-wide statement of activities and statement of revenues, expenses, and changes in net position for proprietary funds.

The Villages of Prairie du Sac and Sauk City jointly formed the Sauk Prairie Police Commission to provide law enforcement services to each of the Villages. Under the agreement, costs are jointly shared and are apportioned annually based upon several criteria. The Village paid \$685,337 to the Commission in 2014 for its share of expenditures. The investment in the Commission has not been reflected in the statement of net position.

Separate financial statements are issued for Sauk-Prairie Joint Sewerage Commission and Sauk Prairie Police Department.

SAUK PRAIRIE TRANSIT FUND

The Village of Prairie du Sac is in a joint venture with Sauk City to provide transportation services to each of the Villages.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 4. OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES

Electric Utility Power Purchase Agreement

The Electric Utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Iowa and Michigan. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the electric utility payable from any operating and maintenance fund established for that system.

In 2002, all WPPI Energy members ratified a thirteen year extension to their original thirty-five year contracts. The new contract expires on December 31, 2037.

WPPI Energy's outstanding debt service obligations are to be paid by its members through their wholesale power charges through the remainder of the long-term contract.

Operating Leases

From time to time the Village enters into operating leases for equipment and vehicle transactions. Such leases are considered operating in nature because they are subject to annual appropriation and are thus cancelable.

Lawsuits

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

Grants

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

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 4. OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

State Funding

Funding for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

C. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded insurance coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

D. SUBSEQUENT EVENTS

In 2015, the Village awarded a contract for various 2015 public works projects in the amount of \$1,468,908.

The Village also awarded contracts for the cold storage addition in the amount of \$150,891 and for the Washington Street municipal parking lot project in the amount of \$150,923.

In April 2015, the Village Board authorized the sale of \$2,050,000 of G.O. Bonds. The bonds will be repaid over a 15 year period at interest rates of 1.0% to 3.0%.

In May 2015, the Village Board authorized the sale of \$23,676 of a G.O. Promissory Note. The note will be repaid in one year at an interest rate of 2.25%.

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 4. OTHER INFORMATION (Continued)

E. PRIOR PERIOD ADJUSTMENTS

The Village has reported prior period adjustments at January 1, 2014 as follows:

	Governmental Activities	General Fund	Tax Incremental Financing District No. 2	Tax Incremental Financing District No. 3
Total net position/fund balance as previously reported	\$ 6,050,079	\$ 1,202,875	\$ 309,376	\$ (139,133)
Debt reallocation	-	(124,765)	18,220	106,545
Record fixed assets identified by Village	218,043	-	-	-
 Total net position/fund balance as restated	 <u>\$ 6,268,122</u>	 <u>\$ 1,078,110</u>	 <u>\$ 327,596</u>	 <u>\$ (32,588)</u>

F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT YEAR FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, and GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. Application of these standards may require restatement of portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**Village of Prairie Du Sac
Prairie Du Sac, WI**

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (with Variances)
General Fund
For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 1,289,904	\$ 1,289,904	\$ 1,289,904	\$ -
Other Taxes	193,747	193,747	269,025	75,278
Special Assessment Revenue	4,000	4,000	10,595	6,595
Intergovernmental	510,898	510,898	513,294	2,396
License and Permits	83,160	83,160	117,934	34,774
Public Charges for Services	334,500	334,500	329,437	(5,063)
Interest Income	4,000	4,000	16,518	12,518
Miscellaneous Income	78,111	78,111	319,277	241,166
Total Revenues	<u>2,498,320</u>	<u>2,498,320</u>	<u>2,865,984</u>	<u>367,664</u>
EXPENDITURES				
Current:				
General Government	289,234	289,234	280,568	8,666
Public Safety	882,544	882,544	892,177	(9,633)
Public Works	853,779	853,779	836,219	17,560
Culture, Recreation and Education	480,910	480,910	486,485	(5,575)
Conservation and Development	8,638	8,638	7,768	870
Capital Outlay	4,500	4,500	28,535	(24,035)
Total Expenditures	<u>2,519,605</u>	<u>2,519,605</u>	<u>2,531,752</u>	<u>(12,147)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(21,285)</u>	<u>(21,285)</u>	<u>334,232</u>	<u>355,517</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(149,008)	(149,008)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>(149,008)</u>	<u>(149,008)</u>
Net Change in Fund Balances	(21,285)	(21,285)	185,224	206,509
Fund Balances - Beginning	1,078,110	1,078,110	1,078,110	-
Fund Balances - Ending	<u>\$ 1,056,825</u>	<u>\$ 1,056,825</u>	<u>\$ 1,263,334</u>	<u>\$ 206,509</u>

OTHER SUPPLEMENTARY INFORMATION

**Village of Prairie Du Sac
Prairie Du Sac, WI
Tax Incremental Financing Districts**

**Combining Balance Sheet
December 31, 2014**

	Tax Incremental Financing District No. 2	Tax Incremental Financing District No. 3	Tax Incremental Financing District No. 4	2014 Totals
ASSETS				
Receivables:				
Taxes	\$ 146,107	\$ 259,892	\$ 383,427	\$ 789,426
Special Assessments	30,000	-	-	30,000
Loans	-	107,222	-	107,222
Due from Other Funds	-	92,040	-	92,040
Restricted Cash	572,703	-	140,859	713,562
Total Assets	<u>\$ 748,810</u>	<u>\$ 459,154</u>	<u>\$ 524,286</u>	<u>\$ 1,732,250</u>
LIABILITIES				
Due to Other Funds	\$ 92,040	\$ -	\$ -	\$ 92,040
Advances Payable	-	236,985	-	236,985
Total Liabilities	<u>92,040</u>	<u>236,985</u>	<u>-</u>	<u>329,025</u>
DEFERRED INFLOWS OF RESOURCES				
2014 Tax Levy	146,107	259,892	383,427	789,426
Special Assessments	30,000	-	-	30,000
Total Deferred Inflows of Resources	<u>176,107</u>	<u>259,892</u>	<u>383,427</u>	<u>819,426</u>
FUND BALANCES				
Nonspendable	-	107,222	-	107,222
Restricted	480,663	-	140,859	621,522
Unassigned (Deficit)	-	(144,945)	-	(144,945)
Total Fund Balances (Deficit)	<u>480,663</u>	<u>(37,723)</u>	<u>140,859</u>	<u>583,799</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 748,810</u>	<u>\$ 459,154</u>	<u>\$ 524,286</u>	<u>\$ 1,732,250</u>

**Village of Prairie Du Sac
Prairie Du Sac, WI
Tax Incremental Financing Districts**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014**

	Tax Incremental Financing District No. 2	Tax Incremental Financing District No. 3	Tax Incremental Financing District No. 4	2014 Totals
REVENUES				
Property Taxes	\$ 195,333	\$ 257,189	\$ 345,276	\$ 797,798
Intergovernmental	684	4,430	37,021	42,135
Interest Income	-	2,026	-	2,026
Total Revenues	<u>196,017</u>	<u>263,645</u>	<u>382,297</u>	<u>841,959</u>
EXPENDITURES				
Current:				
Conservation and Development	22,261	135,402	318,753	476,416
Debt Service:				
Principal Repayment	14,990	105,906	-	120,896
Interest and Fiscal Charges	10,889	27,472	-	38,361
Total Expenditures	<u>48,140</u>	<u>268,780</u>	<u>318,753</u>	<u>635,673</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>147,877</u>	<u>(5,135)</u>	<u>63,544</u>	<u>206,286</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Refunding Bonds	375,000	-	-	375,000
Payment on Refunded Debt	(369,810)	-	-	(369,810)
Total Other Financing Sources and Uses	<u>5,190</u>	<u>-</u>	<u>-</u>	<u>5,190</u>
Net Change in Fund Balances	153,067	(5,135)	63,544	211,476
Fund Balances (Deficit) - Beginning, (restated)	327,596	(32,588)	77,315	372,323
Fund Balances (Deficit) - Ending	<u>\$ 480,663</u>	<u>\$ (37,723)</u>	<u>\$ 140,859</u>	<u>\$ 583,799</u>