



**Johnson & Block**  
AND COMPANY, INC.

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Certified Public Accountants

**VILLAGE OF OSCEOLA**  
**AUDITED FINANCIAL STATEMENTS**  
**Year Ended December 31, 2010**

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Village of Osceola

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December 31, 2010

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Certified Public Accountants

*Quality service through our commitment to clients and staff*

Millard W. Johnson ▲ James L. Block ▲ Alan L. Brey ▲ Joseph G. Mohlmann ▲ Kevin P. Kryszinski ▲ Janice L. Froelich

## **INDEPENDENT AUDITOR'S REPORT**

To the Village Board  
Village of Osceola  
Osceola, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Osceola, Wisconsin, as of and for the year ended December 31, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Village of Osceola, Wisconsin, management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Housing Authority of the Village of Osceola, a discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Authority of the Village of Osceola, is based on the report of other auditors.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Osceola, Wisconsin, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Osceola, Wisconsin basic financial statements. The combining non-major fund financial statements, and other supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other supplementary schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
Certified Public Accountants  
Madison, Wisconsin

June 6, 2011

**VILLAGE OF OSCEOLA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010**

This management discussion and analysis (MD&A) is an overview of the financial activity of the Village of Osceola for the year ended December 31, 2010. We encourage the reader to consider the information presented here in conjunction with the Independent Auditor's Report at the front of this report and the Village's financial statements, which immediately follow this section.

**Using This Report**

This report presents financial activity of the Village as a whole (government-wide) in the Statement of Net Assets and the Statement of Activities. These statements provide a roll-up of financial information with governmental and business type activities each reported in a single column. The report also includes financial statements for significant (major) funds that provide more detail than the government-wide statements. More detailed statements are also provided for the business type activities. Where combined information has been presented, later statements will provide combining information. Budgetary information is provided for operating governmental funds. Fiduciary (trust and agency) activities are not included in the government-wide statement. Statements of net assets, for these activities are separately included in the report. The notes to the financial statements are an integral part of this report. This report also contains supplemental information related to the financial activity of the Village.

**Village of Osceola Government-Wide Statements**

Government-wide statements provide information on the financial status and activities of the Village as a whole. These statements are prepared using the accrual basis of accounting, which is similar basis as private business accounting. Government-wide statement (Statement of Net Assets and Statement of Activities) are presented in two groups:

*Governmental Activities* – The governmental activities of the Village of Osceola include general government, public safety, public works, health and human services, culture and recreation, and conservation and development. These activities are primarily supported by taxes, intergovernmental revenues, licenses & permits, fines & forfeitures, and charges for general governmental services.

*Business-Type Activities* – The business type activities are those which are mainly supported by charges to customers for services. The business-type activities of the Village of Osceola include the Osceola Sewer Utility and the Osceola Water Utility.

**Statement of Net Assets:**

This statement provides information on all assets and liabilities of the Village. The statement presents, separately, a roll up of all Governmental activities and Business-Type activities. The difference between assets and liabilities, net assets, is one way to measure the financial status of the Village. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village of Osceola is improving or deteriorating.

**Summary of Statement of Net Assets**  
**December 31, 2010**  
(In thousands \$)

	Governmental Activities		Business-Type Activities		Total	
	2009	2010	2009	2010	2009	2010
Current and other assets	\$ 2,891	\$ 3,122	\$ 2,034	\$ 2,013	\$ 4,925	\$ 5,135
Capital assets	18,020	17,504	17,888	17,598	35,908	35,102
Total assets	20,911	20,626	19,922	19,611	40,833	40,237
Long-term liabilities outstanding	7,523	6,981	10,938	10,535	18,461	17,516
Other liabilities	2,074	2,137	329	323	2,403	2,460
Total Liabilities	9,597	9,118	11,267	10,858	20,864	19,976
<b>Net Assets:</b>	<b>11,314</b>	<b>11,508</b>	<b>8,655</b>	<b>8,753</b>	<b>19,969</b>	<b>20,261</b>
Invested in capital assets, net of related debt	10,493	10,538	6,829	6,955	17,322	17,493
Restricted	96	86	738	622	834	708
Unrestricted	725	884	1,088	1,176	1,813	2,060
<b>Total net assets</b>	<b>\$ 11,314</b>	<b>\$ 11,508</b>	<b>\$ 8,655</b>	<b>\$ 8,753</b>	<b>\$ 19,969</b>	<b>\$ 20,261</b>

The majority of capital assets of governmental activities are infrastructure assets (land, buildings, machinery and equipment, infrastructure, etc.). The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Restricted net assets are those that are restricted by law (enabling legislation), debt covenants, other legal restrictions (such as grants requirements) or some other reason which imposes a limit on the use of the assets which is outside the control of the Village. Unrestricted net assets represent funds available to provide services to the community.

There were no substantive changes in the total net assets from the previous year.

**Statement of Activities:**

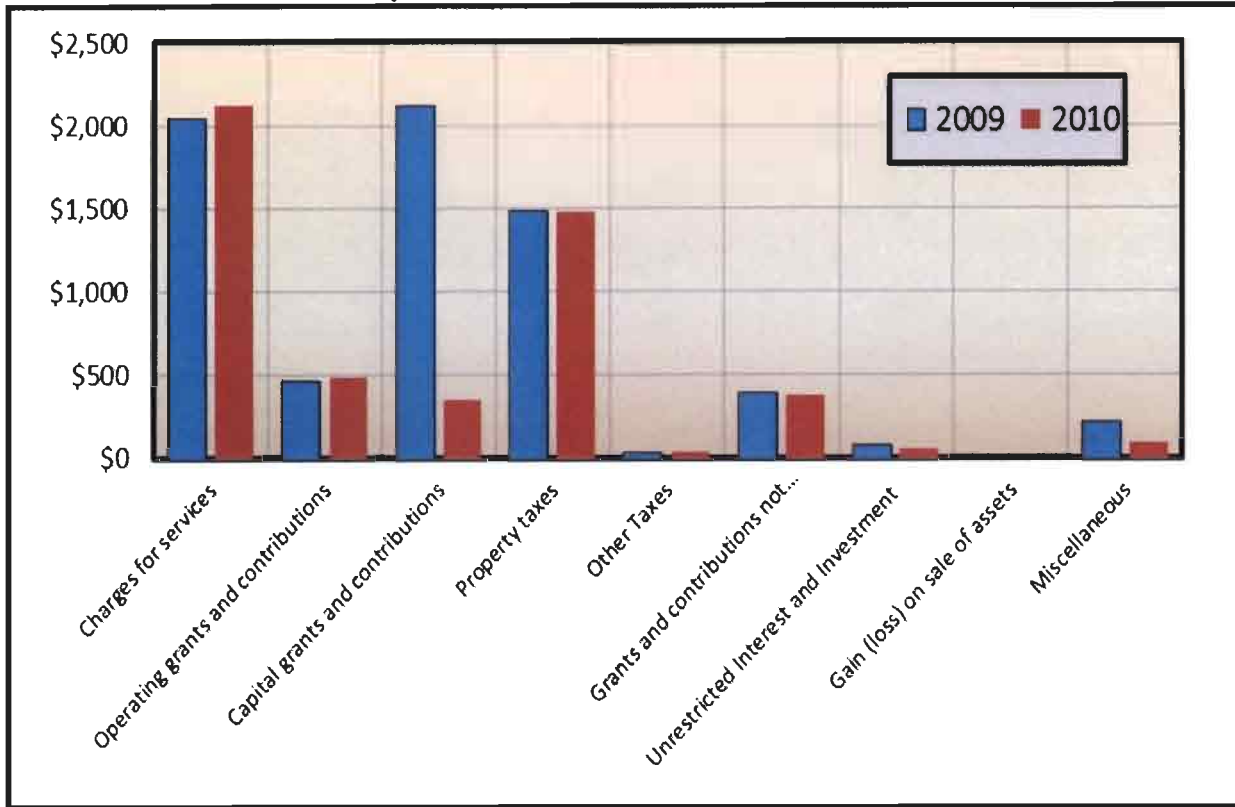
This statement presents the operations of the Village by function, program revenues supporting each function and general revenues which support all functions, by governmental and business-type activities. The following table provides a summary of the Village's operating results and their impact on net assets.

**Summary of Revenues, Expenses and Change in Net Assets**  
**For years ended December 31,**  
**(In thousands \$)**

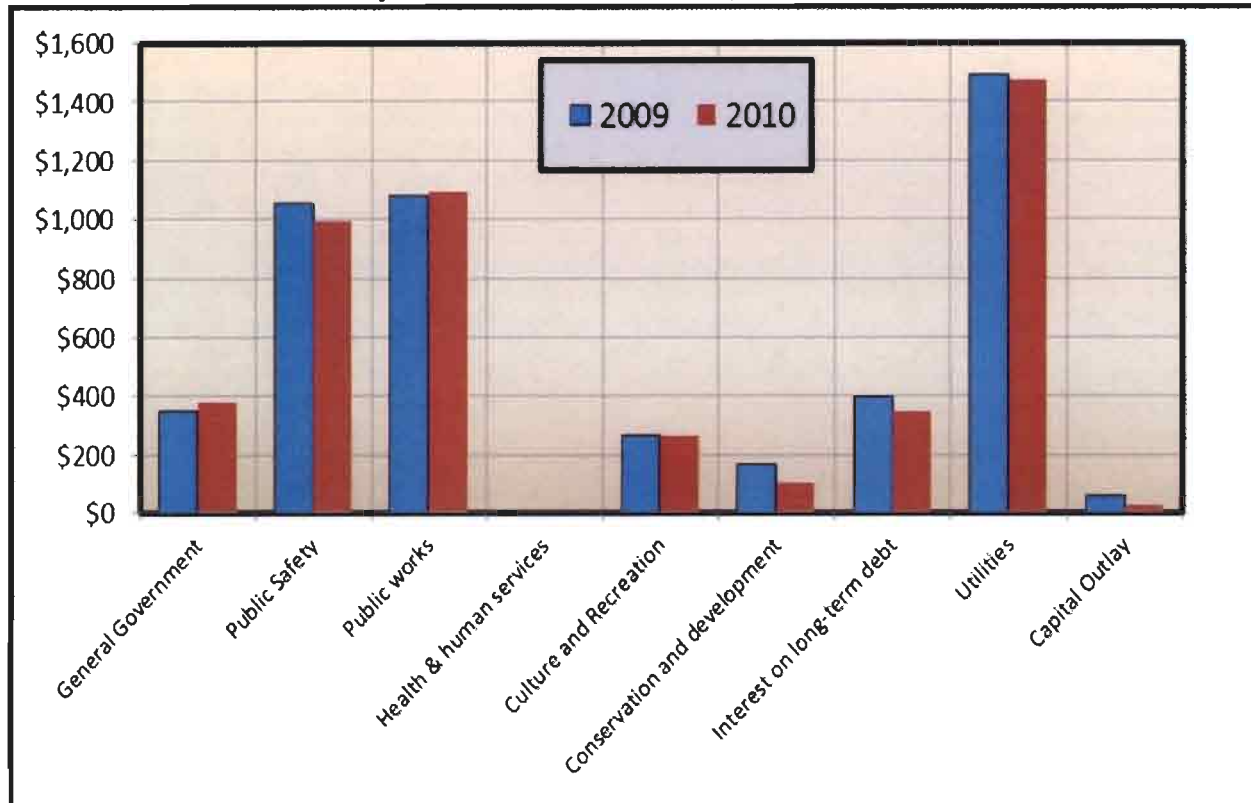
	Governmental Activities		Business-Type Activities		Total	
	2009	2010	2009	2010	2009	2010
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services and fees, fines and costs	\$ 655	\$ 637	\$ 1,390	\$ 1,488	\$ 2,045	\$ 2,125
Operating grants and contributions	417	389	50	-	467	488
Capital grants and contributions	1,760	280	354	169	2,114	350
<b>General revenues:</b>						
Property taxes	1,479	1,479	-	-	1,479	1,479
Other Taxes	37	36	-	-	37	36
Grants and contributions not restricted to specific programs	389	375	-	-	389	375
Unrestricted Interest and Investment income	20	10	58	46	78	56
Gain (loss) on sale of assets	(3)	(3)	(17)	(35)	(20)	(38)
Miscellaneous	208	88	6	6	214	94
<b>Total revenues</b>	<b>4,962</b>	<b>3,291</b>	<b>1,841</b>	<b>1,674</b>	<b>6,803</b>	<b>4,965</b>
<b>Expenses:</b>						
General Government	348	377	-	-	348	377
Public Safety	1,054	994	-	-	1,054	994
Public works	1,078	1,092	-	-	1,078	1,092
Culture and Recreation	266	263	-	-	266	263
Conservation and development	167	103	-	-	167	103
Interest on long-term debt	398	347	-	-	398	347
Utilities	-	-	1,490	1,471	1,490	1,471
Capital Outlay	60	27	-	-	60	27
<b>Total Expenses</b>	<b>3,371</b>	<b>3,203</b>	<b>1,490</b>	<b>1,471</b>	<b>4,861</b>	<b>4,674</b>
Increase in net assets before transfers	1,591	88	351	203	1,942	291
Transfers	96	106	(96)	(106)	-	-
Increase in net assets	1,687	194	255	97	1,942	291
Net assets – January 1	9,627	11,314	8,401	8,656	18,028	19,970
<b>Net assets – December 31</b>	<b>\$ 11,314</b>	<b>\$ 11,508</b>	<b>\$ 8,656</b>	<b>\$ 8,753</b>	<b>\$ 19,970</b>	<b>\$ 20,261</b>

The net assets increased in both the Governmental and Business-Type Activities. In 2009, the large increase in net assets was attributable to Federal and State grants for the cost of land acquisition and runway construction at the L.O. Simenstad Municipal Airport. The other components were comparable between years as shown on the following charts.

**Total Revenues for all activities by source  
for the years ended December 31, 2009 and 2010**



**Total Expenditures for all activities by use  
For years ended December 31, 2009 and 2010**





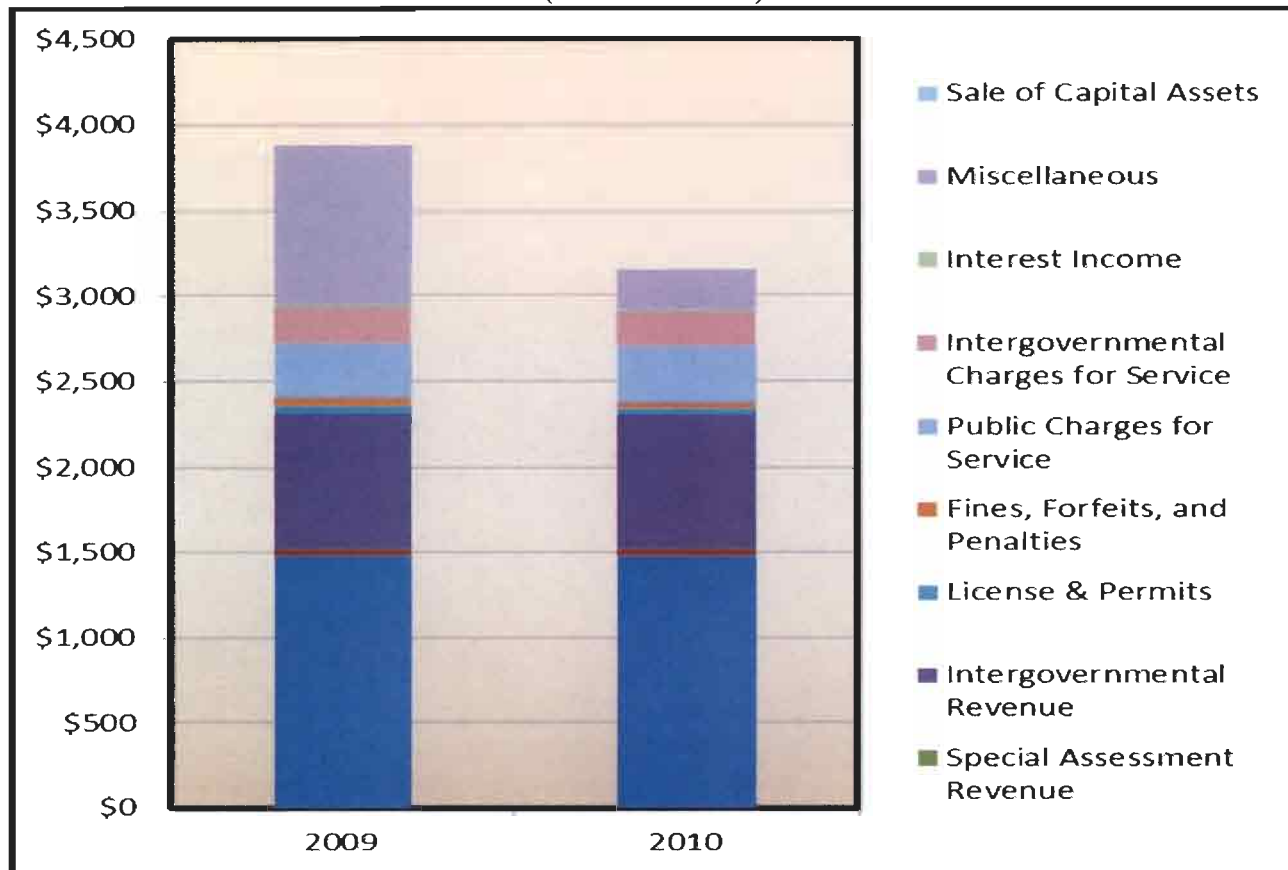
**Revenue and Expense Highlights:**

**Governmental funds.** The focus of Village of Osceola’s governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Village’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village’s net resources available for spending at the end of the fiscal year.

As of December 31, 2010, the Village’s governmental funds reported combined ending fund balances of \$975,347, an increase of \$171,691 from the prior year. The most significant portions of the increase are attributable to a donation for a park project, a portion of which was used as the local match for a Knowles Nelson Stewardship grant from the Department of Natural Resources. The fund balance in the General Fund increased by \$3,169 in 2010.

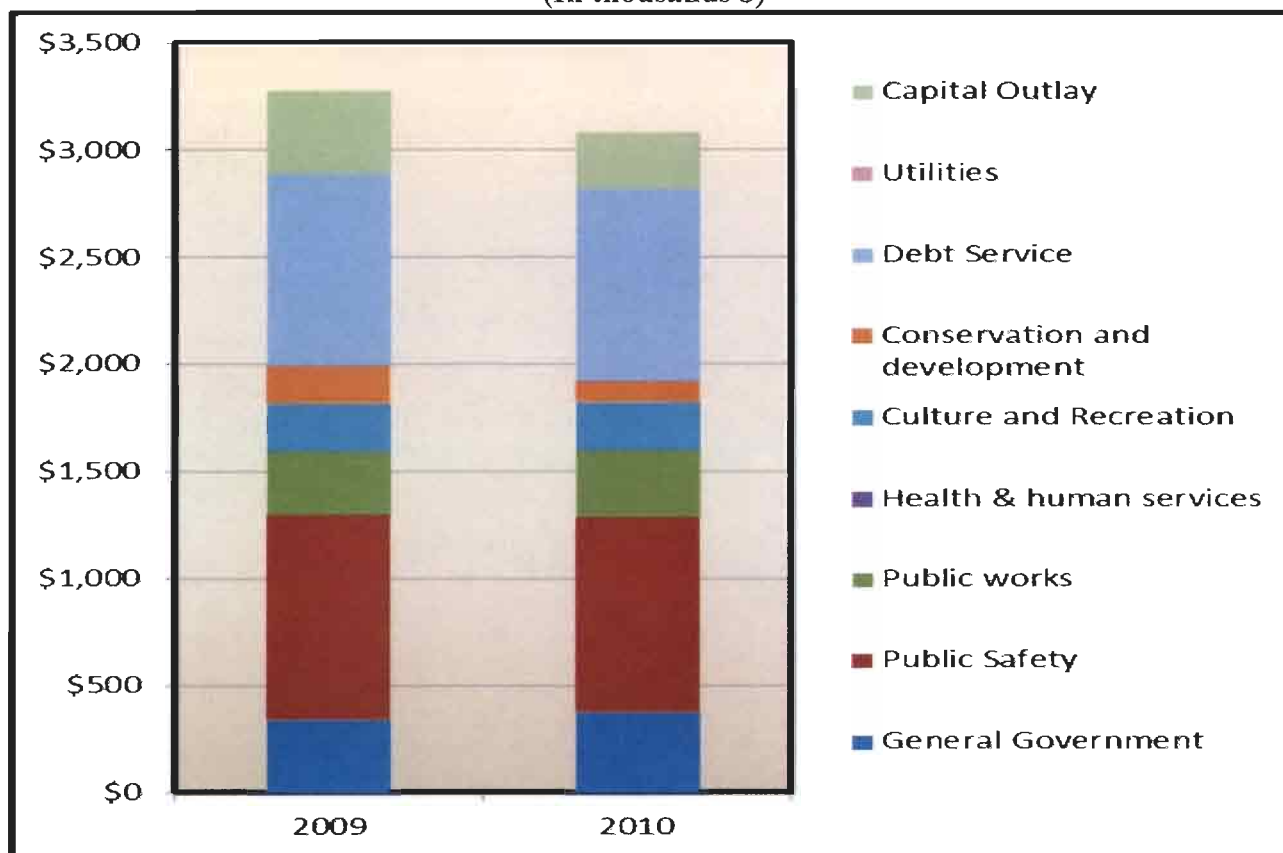
The following charts provide a comparison between 2009 and 2010 Revenues and Expenditures in the Governmental Funds. As previously noted, the decrease in revenue is attributable to the federal and state grants received in 2009 from the acquisition of land and runway construction at the L.O. Simenstad Municipal Airport.

**Total Revenues for Governmental Funds**  
**For years ended December 31, 2009 and 2010**  
**(In thousands \$)**



Overall expenditures from the Governmental Funds decreased by \$193,260, largely due to a decrease in Capital Outlays of \$121,658. The major components of remaining expenditure decrease related to the resignation of a full-time Police officer whose position was subsequently filled using part-time officers. In 2010, the largest portion of governmental expenditures was for public safety (\$914,732) and debt service (\$897,513). These total \$1,812,245 and comprise 59% of total governmental fund expenditures.

**Total Expenditures for Governmental Funds**  
**For years ended December 31, 2009 and 2010**  
(In thousands \$)



**Proprietary funds.** Village of Osceola’s proprietary funds are the utilities that provide charge-based services and are accounted for similar to a private business.

The net assets within the proprietary funds increased from \$8,655,587 to \$8,753,023 in 2010. The largest component of the increase relates to a Clean Water Fund grant for the reconstruction of Well #3.

In 2010 the Water Utility operating revenues decreased by \$8,682 and operating expenses before depreciation increased by \$32,312. A significant portion of the increase in operating expenses relates to engineering and Village labor cost for a water quality improvement study. Sewer utility operating revenues increased by \$106,736 largely due to a rate increase effective January 1, 2010. Sewer utility operating expenses before depreciation decreased by \$16,935.

**Construction Activities**

Infrastructure improvements completed in 2010 includes the following projects listed below:

- **Reconstruction of water well #3 (\$346,415)**
- **Ladd Overlook park improvements (\$20,679)**
- **Oakey Park playground improvements (\$24,855)**

**General Fund Budgetary Highlights**

The General Fund is the primary operating fund of the Village. Within the General Fund, revenues exceeded expenditures by \$3,169. This compares favorably to the original budget that provided for a \$73,000 deficit. Actual revenues were less than budgeted revenues by \$17,659 primarily due to the decrease in forfeitures from the Osceola Municipal Court and building and housing inspection fees. Actual expenditures (excluding transfer out) were \$74,936 less than the original budget. The major components of the expenditure decrease relates to the resignation of a full-time Police officer whose position was subsequently filled using part-time officers. The year-end fund balance of \$808,442 represents 40% of 2010 actual General Fund expenditures including transfers out.

**Capital Assets**

The Village of Osceola has implemented all provisions of GASB Statement No. 34. This includes the capitalization of infrastructure assets (roads, bridges, and signalization) which had not been previously reported as assets. The Village of Osceola has reported over \$46.4 million in capital assets (before depreciation). Additions to these Capital Assets totaled \$952,570 in 2010. The following table provides a summary of the Capital Assets of the Village.

**Capital Assets at December 31  
(Net of Depreciation)  
(In thousands \$)**

	Governmental activities		Business-type activities		Totals	
	2009	2010	2009	2010	2009	2010
Land	\$ 4,341	\$ 4,341	\$ 37	\$ 37	\$ 4,378	\$ 4,378
Buildings & Improvements	4,057	4,152	6,453	6,455	10,510	10,607
Infrastructure	16,324	16,364	14,502	14,740	30,826	31,104
Construction in progress	49	243	201	71	250	314
Total Capital Assets	24,771	25,100	21,193	21,303	45,964	46,403
Less: Accumulated Depreciation	6,751	7,597	3,307	3,705	10,058	11,302
Capital Assets Net of Depreciation	\$ 18,020	\$ 17,503	\$ 17,886	\$ 17,598	\$ 35,906	\$ 35,101

### **Long-Term Debt**

The Village had \$17,426,117 of long-term debt outstanding at December 31, 2010 as compared to \$18,374,377 at December 31, 2009. The following table is a summary of the Village's long-term debt.

#### **Long-Term Debt December 31 (In thousands \$)**

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>
General obligation debt:						
Bonds	\$ 4,780	\$ 4,532	\$ 2,488	\$ 2,471	\$ 7,268	\$ 7,003
Mortgage Revenue bonds	-	-	7,996	7,677	7,996	7,677
Special Assessment B bonds	-	-	451	386	451	386
Lease revenue bonds	2,660	2,360	-	-	2,660	2,360
<b>Total</b>	<b>\$ 7,440</b>	<b>\$ 6,892</b>	<b>\$ 10,935</b>	<b>\$ 10,534</b>	<b>\$ 18,375</b>	<b>\$ 17,426</b>

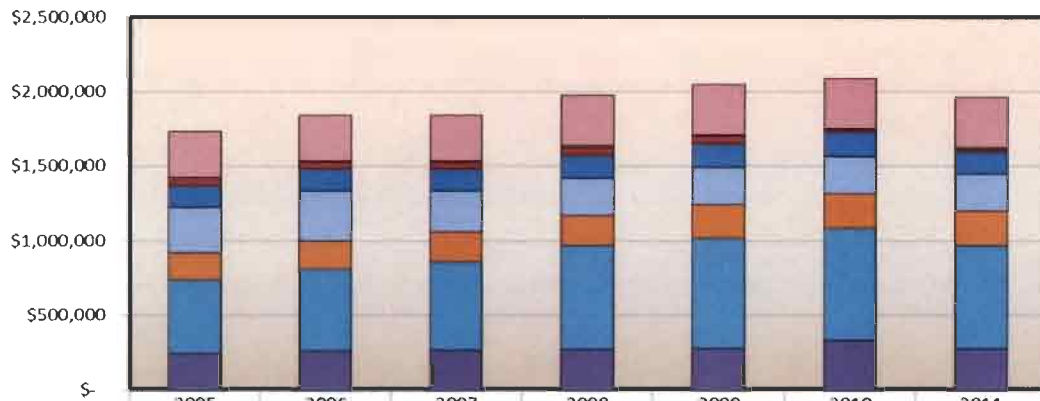
The Village is not rated by Moody's Investors Service or any other rating agency for its general obligation debt. Additional information on the Village's long-term debt can be found in Note 6 on pages 29 through 35 of this report. The Village's short-term debt decreased from \$117,400 to \$96,400 in 2010. Additional information on the Village's short-term debt can be found in Note 7 on page 35 of this report.

### **ECONOMIC FACTORS and 2011 BUDGET and RATES**

The 2011 budget was developed based on a "steady state" to reflect inflation with only minor modification to operations and programs. General Fund revenues for 2011 are budgeted at \$1,956,629, which is a \$73,571 decrease from 2010. Most of the decreased revenues are attributable to a change in the area in the Town of Alden serviced by the Osceola Fire Department and reduction in forfeitures collected based on fewer cases being filed with the Osceola Municipal Court. General Fund expenditures for 2011 are budgeted at \$1,960,400, which is a \$131,800 decrease from 2010. The major factors in the decrease are the change to a part-time clerk for the Municipal Court, the elimination of the one-time expenditure for the Assessor to perform a market adjustment of all properties in the Village, and the use of part-time Police officers to fill the gaps caused by the resignation of a full-time officer in 2010.

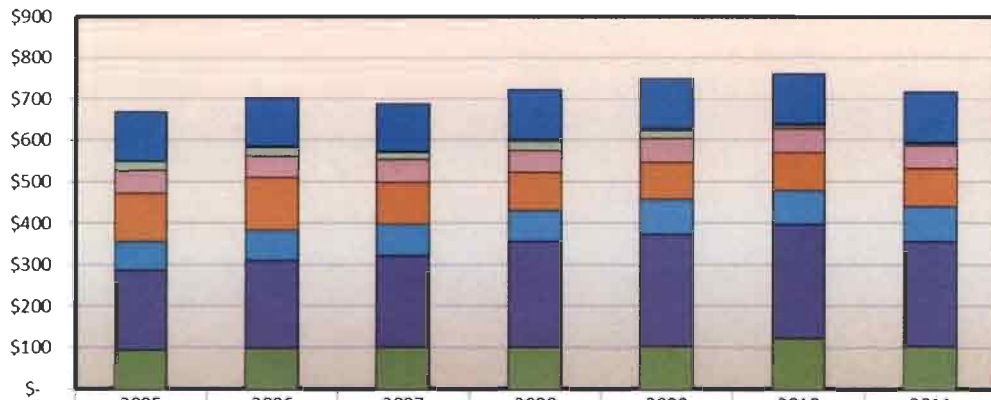
The following charts and tables provide a history of budgeted General Fund expenditures and the cost per resident of providing the services.

## Budgeted General Fund Operating Expenditures



	2005	2006	2007	2008	2009	2010	2011
Transfer to Debt	307,900	311,800	307,100	340,100	339,800	339,100	339,100
Transfer to other funds	-	5,000	10,000	10,000	10,000	10,000	10,000
Conservation & development	57,033	49,000	43,776	56,200	51,900	19,100	15,100
Culture & Recreation	142,400	142,900	146,500	148,200	158,600	158,800	150,500
Health & Human Services	100	100	100	100	100	100	100
Public Works	305,200	334,600	275,100	251,600	246,600	253,100	244,500
Hydrant Rental	178,000	191,000	196,000	198,100	225,500	227,800	229,400
Public Safety (less hydrant rental)	498,400	552,450	594,450	699,700	737,500	751,900	690,700
General Government	242,600	257,600	268,086	270,000	280,300	332,300	281,000

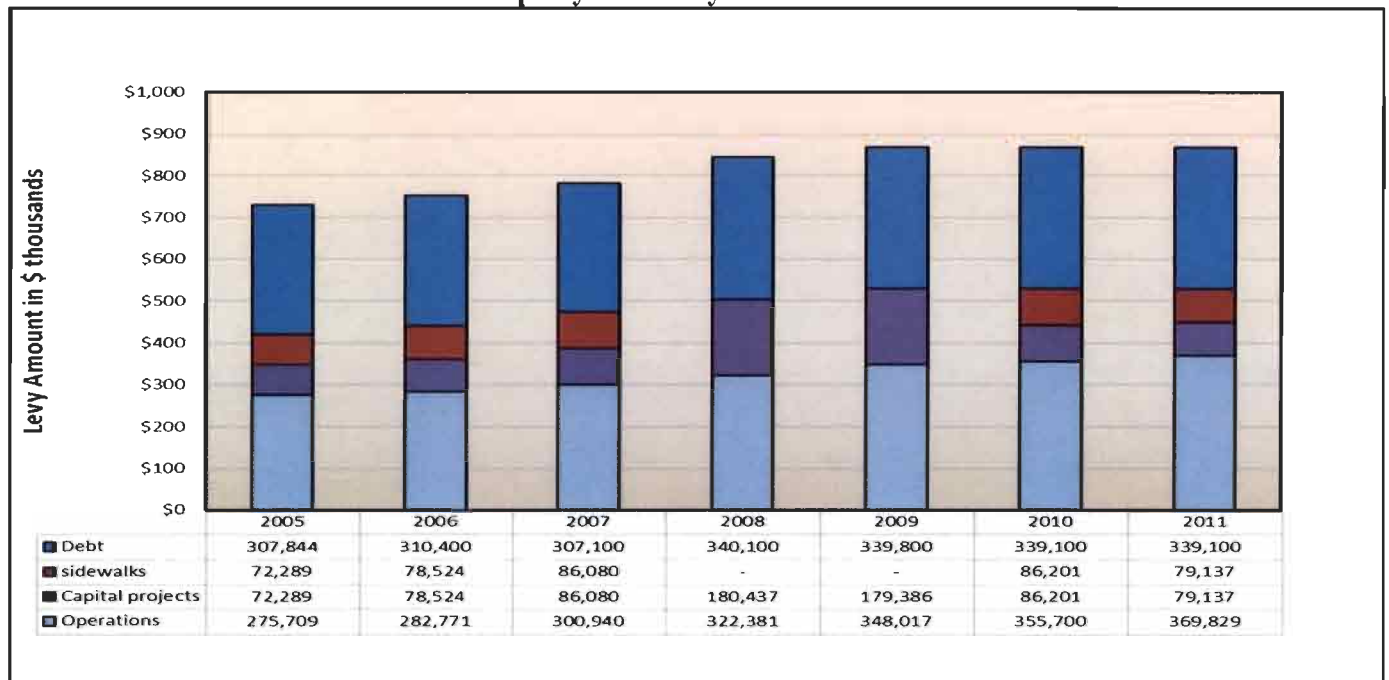
## Budgeted General Fund Operating Expenditures per resident



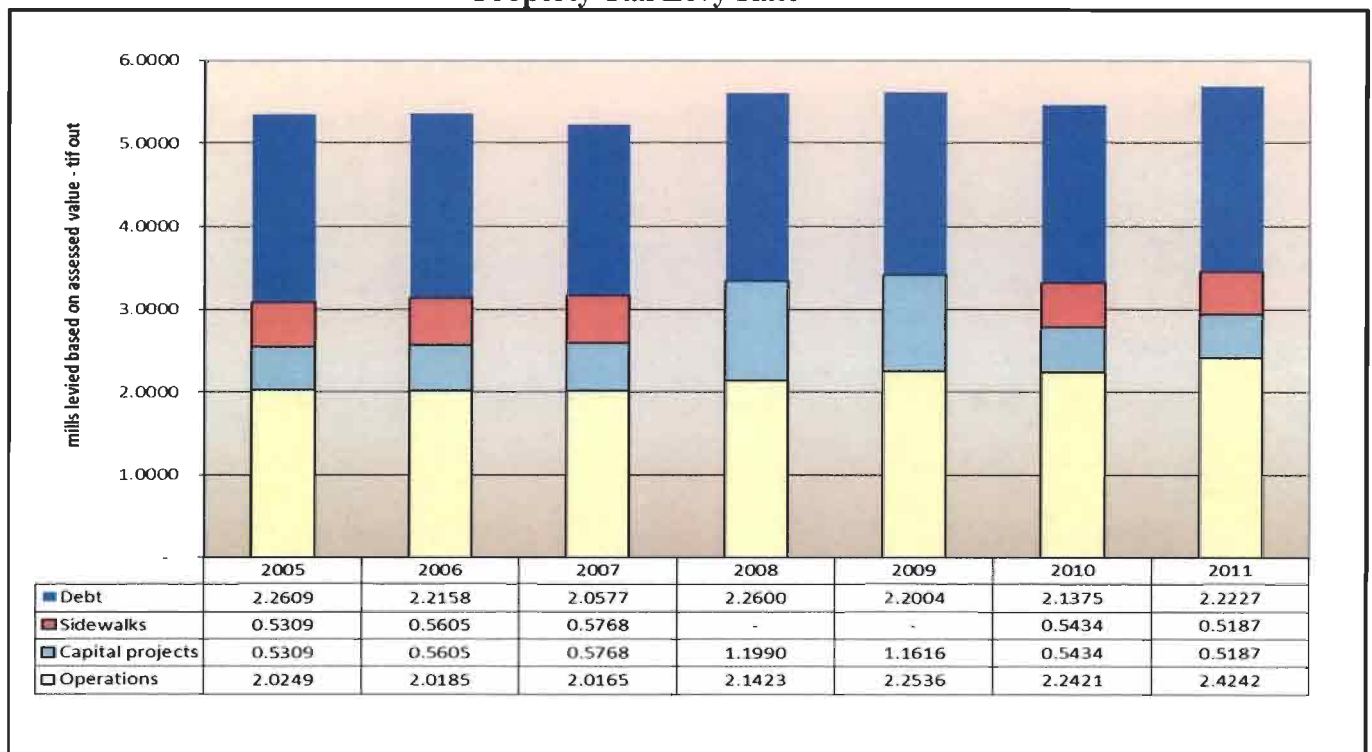
	2005	2006	2007	2008	2009	2010	2011
Transfer to debt	\$119	\$119	\$115	\$125	\$124	\$124	\$124
Transfer to other funds	\$-	\$2	\$4	\$4	\$4	\$4	\$4
Conservation & development	\$22	\$19	\$16	\$21	\$19	\$7	\$6
Culture & Recreation	\$55	\$54	\$55	\$54	\$58	\$58	\$55
Health & Human Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Works	\$118	\$127	\$103	\$92	\$90	\$92	\$90
Hydrant Rental	\$69	\$73	\$73	\$73	\$83	\$83	\$84
Public Safety (less hydrant rental)	\$192	\$210	\$222	\$257	\$270	\$274	\$253
General Government	\$93	\$98	\$100	\$99	\$103	\$121	\$103

The 2011 budget provides for no change in the total amount of the property tax levy. The levy amount of \$5.50 per \$1,000 of equalized valuation (not including the tax increment districts) increased from the levy of \$5.03 per \$1,000 from the previous year due to the decrease in the equalized value of properties in the Village. A history of the Village's operating levy is provided below:

### Property Tax Levy Amount



### Property Tax Levy Rate



## **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Village of Osceola's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Village Administrator of the Village of Osceola, 310 Chieftain St. P.O. Box 217, Osceola, Wisconsin, 54020-0217



**Village of Osceola  
Osceola, Wisconsin**

**Statement of Net Assets  
December 31, 2010**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Primary Government</b>	<b>Component Unit</b>
<b>ASSETS</b>				
Cash and Investments	\$ 1,273,292	\$ 735,739	\$ 2,009,031	\$ 79,411
Receivables	1,987,757	833,239	2,820,996	331
Internal Balances	(213,200)	213,200	-	-
Due from Other Governmental Agencies	30,142	40,443	70,585	-
Inventories	-	12,614	12,614	-
Other Assets	44,102	80,487	124,589	5,325
Other long-term receivables	-	97,116	97,116	-
Capital Assets				
Land, Improvements, and Construction in Progress	4,583,805	107,836	4,691,641	61,718
Other Capital Assets, net of depreciation	12,919,915	17,490,176	30,410,091	186,550
Total Capital Assets	<u>17,503,720</u>	<u>17,598,012</u>	<u>35,101,732</u>	<u>248,268</u>
Total Assets	<u>\$ 20,625,813</u>	<u>\$ 19,610,850</u>	<u>\$ 40,236,663</u>	<u>\$ 333,335</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 92,447	\$ 145,608	\$ 238,055	\$ 14,981
Due to Fiduciary Funds	8,410	-	8,410	-
Due to Other Governmental Agencies	1,274	-	1,274	9,770
Accrued Interest	27,349	65,957	93,306	-
Short-Term Debt	74,149	22,251	96,400	-
Deferred Revenues	1,934,748	86,292	2,021,040	33
Long-Term Liabilities				
Due within one year				
Bonds and Notes payable	594,094	537,464	1,131,558	-
Compensated absences	5,889	3,094	8,983	-
Due in more than one year				
Bonds and Notes payable	6,297,398	9,997,161	16,294,559	-
Compensated Absences	81,927	-	81,927	-
Total Liabilities	<u>9,117,685</u>	<u>10,857,827</u>	<u>19,975,512</u>	<u>24,784</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, net of related debt	10,538,079	6,954,844	17,492,923	248,268
Restricted for:				
Special Revenue	77,364	-	77,364	-
Debt Service	8,778	-	8,778	-
Other projects	-	621,821	621,821	-
Unrestricted	883,907	1,176,358	2,060,265	60,283
Total Net Assets	<u>11,508,128</u>	<u>8,753,023</u>	<u>20,261,151</u>	<u>308,551</u>
Total Liabilities and Net Assets	<u>\$ 20,625,813</u>	<u>\$ 19,610,850</u>	<u>\$ 40,236,663</u>	<u>\$ 333,335</u>

See accompanying notes to the basic financial statements



Village of Osceola  
Osceola, Wisconsin

Statement of Activities  
For the Year Ended December 31, 2010

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Primary Government	Component Unit
<b>Primary government</b>								
Governmental Activities								
General Government	\$ 377,080	\$ 119,979	\$ 1,528	\$ -	\$ (255,573)		\$ (255,573)	
Public Safety	994,300	431,834	23,819	-	(538,647)		(538,647)	
Public Works	1,091,460	78,783	237,580	219,930	(555,167)		(555,167)	
Health, Welfare and Sanitation	100	-	-	-	(100)		(100)	
Culture and Recreation	263,351	6,439	73,848	-	(183,064)		(183,064)	
Conservation and Development	103,045	-	45,905	-	(57,140)		(57,140)	
Interest on Long-term debt	347,232	-	-	-	(347,232)		(347,232)	
Capital Outlay	26,600	-	6,356	60,571	40,327		40,327	
Total governmental activities	<u>3,203,168</u>	<u>637,035</u>	<u>389,036</u>	<u>280,501</u>	<u>(1,896,596)</u>		<u>(1,896,596)</u>	
Business-type activities								
Water	521,916	569,575	-	102,628	-	150,287	150,287	
Sewer	948,961	918,314	-	66,870	-	36,223	36,223	
Total business-type activities	<u>1,470,877</u>	<u>1,487,889</u>	<u>-</u>	<u>169,498</u>	<u>-</u>	<u>186,510</u>	<u>186,510</u>	
Total primary government	<u>\$ 4,674,045</u>	<u>\$ 2,124,924</u>	<u>\$ 389,036</u>	<u>\$ 449,999</u>	<u>(1,896,596)</u>	<u>186,510</u>	<u>(1,710,086)</u>	
<b>Component Unit</b>								
Housing Authority	\$ 178,316	\$ 101,088	\$ 43,031	\$ 16,041				(18,156)
Total component unit	<u>\$ 178,316</u>	<u>\$ 101,088</u>	<u>\$ 43,031</u>	<u>\$ 16,041</u>				<u>(18,156)</u>
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					1,478,258	-	1,478,258	-
Other taxes					18,359	-	18,359	-
Room taxes					17,540	-	17,540	-
Grants and contributions not restricted to specific programs					375,057	-	375,057	-
Unrestricted investment earnings					10,234	45,531	55,765	1,081
Miscellaneous					88,088	6,638	94,726	-
Special item - gain (loss) on sale/retirement of asset(s)					(2,521)	(35,258)	(37,779)	(8,984)
Extraordinary maintenance					-	-	-	(533)
Casualty losses - non-capitalized					-	-	-	(4,723)
Transfers					105,985	(105,985)	-	-
Total general revenues, special items, and transfers					<u>2,091,000</u>	<u>(89,074)</u>	<u>2,001,926</u>	<u>(13,159)</u>
Change in net assets					194,404	97,436	291,840	(31,315)
Net assets - beginning (restated)					11,313,724	8,655,587	19,969,311	339,866
Net assets - ending					<u>\$ 11,508,128</u>	<u>\$ 8,753,023</u>	<u>\$ 20,261,151</u>	<u>\$ 308,551</u>

See accompanying notes to the basic financial statements

Village of Osceola  
Osceola, Wisconsin

Balance Sheet  
Governmental Funds  
December 31, 2010

	General Fund	Debt Service	TIF 2/RDA	Capital Projects	TIF 1	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 698,969	\$ 8,778	\$ -	\$ 55,817	\$ 85,780	\$ 83,945	\$ 933,289
Receivables:							
Taxes	717,891	-	336,939	158,274	324,958	-	1,538,062
Special Assessments	229,618	-	-	7,828	-	-	237,446
Accounts	12,275	-	-	19,291	-	-	31,566
Loans	-	-	160,000	-	-	-	160,000
Other	-	-	-	-	-	20,683	20,683
Advance due from Other Funds	136,256	-	-	-	-	-	136,256
Due from Other Governments	3,638	-	-	26,504	-	-	30,142
Prepaid Expenses	14,011	-	-	-	-	-	14,273
Restricted Cash	-	-	340,003	-	-	262	340,003
Other Deferred Debits	-	-	-	29,829	-	-	29,829
Total Assets	<u>\$ 1,812,658</u>	<u>\$ 8,778</u>	<u>\$ 836,942</u>	<u>\$ 297,543</u>	<u>\$ 410,738</u>	<u>\$ 104,890</u>	<u>\$ 3,471,549</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 23,701	\$ -	\$ -	\$ 20,540	\$ -	\$ 21,230	\$ 65,471
Accrued Liabilities	35,386	-	-	-	-	-	35,386
Short-Term Debt	-	-	-	-	-	74,149	74,149
Due to Other Funds	-	-	3,200	-	-	-	3,200
Payable to Other Governments	1,274	-	-	-	-	-	1,274
Deferred Revenue	937,966	-	496,939	188,103	324,958	16,611	1,964,577
Short-Term Compensated Absences	5,889	-	-	-	-	-	5,889
Advances Payable	-	-	276,256	-	70,000	-	346,256
Total Liabilities	<u>1,004,216</u>	<u>-</u>	<u>776,395</u>	<u>208,643</u>	<u>394,958</u>	<u>111,990</u>	<u>2,496,202</u>
Fund Balances (Deficit):							
Reserved	136,256	8,778	-	-	-	77,364	222,398
Designated	166,185	-	60,547	-	-	-	226,732
Unreserved/Undesignated	506,001	-	-	88,900	15,780	(84,464)	526,217
Total Fund Balances (Deficit)	<u>808,442</u>	<u>8,778</u>	<u>60,547</u>	<u>88,900</u>	<u>15,780</u>	<u>(7,100)</u>	<u>975,347</u>
Total Liabilities and Fund Balances	<u>\$ 1,812,658</u>	<u>\$ 8,778</u>	<u>\$ 836,942</u>	<u>\$ 297,543</u>	<u>\$ 410,738</u>	<u>\$ 104,890</u>	<u>\$ 3,471,549</u>

See accompanying notes to the basic financial statements

**Village of Osceola  
Osceola, Wisconsin**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets  
December 31, 2010**

Total fund balance, governmental funds	\$	975,347
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
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 Assets.		17,503,720
Deferred revenues are reported in the fund financial statement, but are already recognized as earned in the Statement of Net Assets.		29,829
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 Assets.		
	Accrued Interest	\$ (27,349)
	Bond and Notes Payable Due Within One Year	(594,094)
	Bond and Notes Payable Due In More Than One Year	(6,297,398)
	Compensated Absences	(81,927)
		(7,000,768)
Net Assets of Governmental Activities in the Statement of Net Assets	\$	11,508,128

See accompanying notes to the basic financial statements

Village of Osceola  
Osceola, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2010

	General Fund	Debt Service	TIF 2/RDA	Capital Projects	TIF 1	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property Taxes	\$ 694,801	\$ -	\$ 320,868	\$ 172,402	\$ 290,187	\$ -	\$ 1,478,258
Other Taxes	18,359	-	-	-	-	17,540	35,899
Special Assessment Revenue	-	-	-	6,390	-	-	6,390
Intergovernmental	604,606	-	22,062	59,364	7,206	89,268	782,506
License and Permits	37,899	-	-	1,035	-	-	38,934
Fines, Forfeits and Penalties	27,313	-	-	-	-	-	27,313
Public Charges for Services	259,961	-	-	300	-	76,824	337,085
Intergovernmental Charges for Services	187,291	-	-	-	-	7,357	194,648
Interest Income	4,292	2	531	3,820	669	921	10,235
Miscellaneous Income	84,819	-	26,015	86,769	-	34,295	231,898
Total Revenues	<u>1,919,341</u>	<u>2</u>	<u>369,476</u>	<u>330,080</u>	<u>298,062</u>	<u>226,205</u>	<u>3,143,166</u>
<b>EXPENDITURES</b>							
Current:							
General Government	343,887	-	14,943	-	14,050	-	372,880
Public Safety	905,261	-	-	-	-	9,471	914,732
Public Works	239,595	-	-	-	-	73,571	313,166
Health and Human Services	100	-	-	-	-	-	100
Culture, Recreation and Education	52,648	-	-	-	-	167,805	220,453
Conservation and Development	16,973	-	28,083	-	-	55,046	100,102
Capital Outlay	17,700	-	8	236,423	-	11,946	266,077
Debt Service							
Principal Repayment	-	248,026	300,000	-	-	-	548,026
Interest Expense	-	197,048	144,311	-	4,800	3,128	349,287
Fiscal Charges	-	-	200	-	-	-	200
Total Expenditures	<u>1,576,164</u>	<u>445,074</u>	<u>487,545</u>	<u>236,423</u>	<u>18,850</u>	<u>320,967</u>	<u>3,085,023</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>343,177</u>	<u>(445,072)</u>	<u>(118,069)</u>	<u>93,657</u>	<u>279,212</u>	<u>(94,762)</u>	<u>58,143</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	105,985	444,074	243,400	9,500	-	101,800	904,759
Transfers Out	(445,993)	-	(105,881)	-	(243,400)	(3,500)	(798,774)
Total Other Financing Sources and Uses	<u>(340,008)</u>	<u>444,074</u>	<u>137,519</u>	<u>9,500</u>	<u>(243,400)</u>	<u>98,300</u>	<u>105,985</u>
<b>SPECIAL ITEM</b>							
Proceeds from Sale of Capital Assets	-	-	-	7,563	-	-	7,563
Net Change Fund Balances (Deficit)	3,169	(998)	19,450	110,720	35,812	3,538	171,691
Fund Balances (Deficit) - Beginning	805,273	9,776	41,097	(21,820)	(20,032)	(10,638)	803,656
Fund Balances (Deficit) - Ending	<u>\$ 808,442</u>	<u>\$ 8,778</u>	<u>\$ 60,547</u>	<u>\$ 88,900</u>	<u>\$ 15,780</u>	<u>\$ (7,100)</u>	<u>\$ 975,347</u>

See accompanying notes to the basic financial statements

**Village of Osceola  
Osceola, Wisconsin**

**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, 2010**

Net change in fund balances - total governmental funds: \$ 171,691

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which depreciation exceeded capital outlays in the current period.

	Capital Outlay	\$ 239,477	
	Depreciation	<u>(903,440)</u>	(663,963)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. (6,390)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure; In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. \$548,026 is the amount of principal repayments in 2010. 548,026

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Adjustment for Accrued interest not reflected on Governmental funds	2,255
Adjustment for increase in compensated absences and other	(4,463)
Adjustment for capital contribution	149,770
Adjustment for loss on sale of fixed assets	(2,522)

Change in net assets of governmental activities \$ 194,404

See accompanying notes to the basic financial statements

**Village of Osceola  
Osceola, Wisconsin**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2010**

	Enterprise Funds		
	Water	Sewer	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 58,885	\$ 55,033	\$ 113,918
Receivables			
Taxes	56,157	105,667	161,824
Accounts	91,315	219,304	310,619
Other	1,850	135	1,985
Due from Other Funds	3,200	-	3,200
Due from Other Governments	-	40,443	40,443
Inventories	9,719	2,895	12,614
Prepaid Expenses	-	45	45
Total Current Assets	221,126	423,522	644,648
Restricted Assets:			
Restricted Cash and Investments	260,906	360,915	621,821
Total Restricted Assets	260,906	360,915	621,821
Capital Assets:			
Land and Improvements	36,941	-	36,941
Construction Work in Progress	5,175	65,720	70,895
Other Capital Assets	8,225,191	12,970,172	21,195,363
Less Accumulated Depreciation	(1,491,304)	(2,213,883)	(3,705,187)
Net Capital Assets	6,776,003	10,822,009	17,598,012
Noncurrent Assets:			
Advances Receivable	140,000	70,000	210,000
Unamortized Debt Discount	32,666	45,261	77,927
Special Assessments	152,482	206,329	358,811
Long-Term Loans Receivable	-	97,116	97,116
Other Deferred Debits	-	2,515	2,515
Total Noncurrent Assets	325,148	421,221	746,369
Total Assets	\$ 7,583,183	\$ 12,027,667	\$ 19,610,850

See accompanying notes to the basic financial statements

**Village of Osceola  
Osceola, Wisconsin**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2010**

	Enterprise Funds		
	Water	Sewer	Total
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 10,672	\$ 9,478	\$ 20,150
Accrued Liabilities	3,065	2,386	5,451
Taxes Accrued	120,007	-	120,007
Accrued Interest Payable	16,784	49,173	65,957
Compensated Absences	1,547	1,547	3,094
Short-Term Notes Payable	-	22,251	22,251
Current Portion of Long-Term Debt:			
Current Portion of Long-Term Bonds	155,746	381,718	537,464
Total Current Liabilities	307,821	466,553	774,374
Non-Current Liabilities:			
Long-Term Debt			
Bonds and Loans Payable	2,434,294	7,562,867	9,997,161
Total Long-Term Debt	2,434,294	7,562,867	9,997,161
Other Liabilities:			
Deferred Revenues	86,292	-	86,292
Total Other Liabilities	86,292	-	86,292
Total Non-Current Liabilities	2,520,586	7,562,867	10,083,453
Total Liabilities	2,828,407	8,029,420	10,857,827
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	4,099,671	2,855,173	6,954,844
Restricted Assets	260,906	360,915	621,821
Unrestricted	394,199	782,159	1,176,358
Total Net Assets	4,754,776	3,998,247	8,753,023
Total Liabilities and Net Assets	\$ 7,583,183	\$ 12,027,667	\$ 19,610,850

See accompanying notes to the basic financial statements

**Village of Osceola  
Osceola, Wisconsin**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2010**

	<u>Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>REVENUES</b>			
Charges for Services	\$ 560,406	\$ 890,477	\$ 1,450,883
Other Operating Revenues	9,169	27,837	37,006
Total Operating Revenues	<u>569,575</u>	<u>918,314</u>	<u>1,487,889</u>
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	202,329	387,256	589,585
Depreciation	167,318	302,823	470,141
Taxes	16,807	1,311	18,118
Total Operating Expenses	<u>386,454</u>	<u>691,390</u>	<u>1,077,844</u>
Operating Income (Loss)	<u>183,121</u>	<u>226,924</u>	<u>410,045</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and Investment Revenue	21,514	24,017	45,531
Miscellaneous Non-Operating Revenue	6,638	-	6,638
Capital Grants and Contributions	99,153	-	99,153
Interest Expense	(132,167)	(248,202)	(380,369)
Debt Issuance Expense	(875)	-	(875)
Amortization Expense	(2,420)	(9,369)	(11,789)
Total Non-Operating Revenue (Expenses)	<u>(8,157)</u>	<u>(233,554)</u>	<u>(241,711)</u>
Income (Loss) Before Contributions and Transfers	<u>174,964</u>	<u>(6,630)</u>	<u>168,334</u>
Capital Contributions	3,475	66,870	70,345
Transfers Out (Tax Equivalent)	(105,985)	-	(105,985)
Gain (Loss) on Retirement of Assets	(35,258)	-	(35,258)
Change in Net Assets	<u>37,196</u>	<u>60,240</u>	<u>97,436</u>
Total Net Assets - Beginning	<u>4,717,580</u>	<u>3,938,007</u>	<u>8,655,587</u>
Total Net Assets - Ending	<u>\$ 4,754,776</u>	<u>\$ 3,998,247</u>	<u>\$ 8,753,023</u>

See accompanying notes to the basic financial statements



**Village of Osceola  
Osceola, Wisconsin**

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended December 31, 2010**

	Water Utility	Sewer Utility	Totals 2010
<u>Cash Flows From Operating Activities:</u>			
Receipts from Customers	\$ 509,886	\$ 884,423	\$ 1,394,309
Payments to Suppliers	(133,048)	(339,928)	(472,976)
Payments to Employees	(58,388)	(66,944)	(125,332)
Taxes Paid	(122,792)	(1,311)	(124,103)
Net Cash Provided (Used) by Operating Activities	195,658	476,240	671,898
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Proceeds of special assessments	30,705	42,099	72,804
Acquisition and Construction of Plant Assets	(46,567)	(2,683)	(49,250)
Proceeds of debt	-	22,251	22,251
Repayment of Advance to TIF	20,000	10,000	30,000
Principal Payments on Short-Term Debt	-	(29,251)	(29,251)
Principal Payments on Long-Term Debt	(25,391)	(357,175)	(382,566)
Interest Paid	(134,049)	(251,121)	(385,170)
Capital Contributions	-	1,150	1,150
Net Cash Used for Capital and Related Financing Activities	(155,302)	(564,730)	(720,032)
<u>Cash Flows From Investing Activities:</u>			
Interest on Investments	21,514	24,017	45,531
Purchase of Non-Cash Equivalents	(2,985)	-	(2,985)
Sale of non-cash equivalents	-	143,842	143,842
Net Cash Provided (Used) by Investing Activities	18,529	167,859	186,388
Net Increase (Decrease) in Cash and Equivalents	58,885	79,369	138,254
Cash and Equivalents - Beginning of Year	-	142,905	142,905
Cash and Equivalents - End of Year	\$ 58,885	\$ 222,274	\$ 281,159
<u>Reconciliation to Statement of Net Assets</u>			
Current Cash and Cash Equivalents	\$ 58,885	\$ 55,033	\$ 113,918
Restricted Cash and Investments	260,906	360,915	621,821
Less Non-Cash Equivalents	(260,906)	(193,674)	(454,580)
Cash and Equivalents - End of Year	\$ 58,885	\$ 222,274	\$ 281,159

See accompanying notes to the basic financial statements

**Village of Osceola  
Osceola, Wisconsin**

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended December 31, 2010**

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals 2010</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income	\$ 183,121	\$ 226,924	\$ 410,045
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Joint Meter	4,000	(4,000)	-
Tax Equivalent	(105,985)	-	(105,985)
Depreciation	167,318	302,823	470,141
Changes in Assets and Liabilities:			
Customer Accounts Receivable	(2,131)	(34,715)	(36,846)
Other Accounts Receivable	3,828	824	4,652
Due from/to other funds	(61,386)	(21,779)	(83,165)
Material & Supplies	4,192	37	4,229
Prepayments	-	(45)	(45)
Accounts Payable	(14,422)	3,748	(10,674)
Accrued Liabilities	17,123	2,423	19,546
Net Cash Provided (Used) by Operating Activities	\$ 195,658	\$ 476,240	\$ 671,898
 <u>Noncash Activity</u>			
Contributions for Plant	\$ 63,895	\$ 66,870	\$ 130,765
Debt Paid by Joint Sewerage Commission	-	17,668	17,668
Net Noncash Activity	\$ 63,895	\$ 84,538	\$ 148,433

See accompanying notes to the basic financial statements

Village of Osceola  
Osceola, Wisconsin

Statement of Fiduciary Net Assets  
Fiduciary Funds  
December 31, 2010

	Library Restricted	Municipal Court/Forfeitures	Tax Agency	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 22,000	\$ -	\$ 428,971	\$ 450,971
Receivables:				
Taxes Receivable	-	-	1,942,576	1,942,576
Due from Other Governments	-	10,496		10,496
Prepays	-	40	-	40
Total Receivables	-	10,536	1,942,576	1,953,112
Total Assets	<u>\$ 22,000</u>	<u>\$ 10,536</u>	<u>\$ 2,371,547</u>	<u>\$ 2,404,083</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	10,613	\$ -	\$ 10,613
Due to Other Governments	-	-	2,371,547	2,371,547
Total Liabilities	<u>-</u>	<u>10,613</u>	<u>2,371,547</u>	<u>2,382,160</u>
<b>NET ASSETS</b>				
Held in Trust for Benefits and Other Purposes	22,000	(77)	-	21,923
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 22,000</u>	<u>\$ 10,536</u>	<u>\$ 2,371,547</u>	<u>\$ 2,404,083</u>

See accompanying notes to the basic financial statements

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**1. Summary of Significant Accounting Policies**

The accounting policies of the Village of Osceola, Wisconsin 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 Osceola. The reporting entity for the Village consists of the primary government, organizations for which the primary government is financially accountable and 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 it is able to impose its will on that organization or there is a potential for the organization to provide special 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.

Redevelopment Authority

This report includes the Redevelopment Authority (the Authority) as a component unit. The Authority is a legally separate organization. The board of the Authority is appointed by the board of the Village of Osceola. The Authority meets the criteria of a component unit of the Village. The Authority was included as a blended component unit because it provides services exclusively, or almost exclusively to the Village. See Note 16 for further details.

Housing Authority

The Housing Authority is a legally separate organization. The Village appoints the Commissioners of the Housing Authority. The Village considers the Housing Authority a discretely presented component unit because there are circumstances where the Village can access its resources. Separate financial statements can be obtained from the Housing Authority.

**B. Government-Wide and Fund Financial Statements**

Government-wide financial statements are basic financial statements required for all governmental units. The statement of net assets and the statement of activities are the two required statements. Both statements are prepared on the full accrual basis. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**1. Summary of Significant Accounting Policies (Continued)**  
**B. Government-Wide and Fund Financial Statements (Continued)**

In addition, all funds in the fund financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note 1.

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus non-major funds.

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange 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 is 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 instead 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 individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

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

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

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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- 1. Summary of Significant Accounting Policies (Continued)**
- B. Government-Wide and Fund Financial Statements (Continued)**  
**Fund Financial Statements (Continued)**

**Major Governmental Funds**

The Village reports the following major governmental funds:

General Fund – accounts for the Village’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

General Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise debt.

General Capital Projects Fund – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed from proprietary funds.

Tax Incremental Financing District No. 2 (TID No. 2)/RDA fund

Tax Incremental Financing District (TID No. 1)

Transactions of the Village’s tax incremental districts are accounted for in capital projects funds and considered major funds. The Village’s Redevelopment Authority, a blended component unit, accounts for its transactions in the TIF 2 fund.

The Village reports the following major enterprise funds:

**Major Enterprise Funds**

Water Utility – accounts for the operations of the water system.

Sewer Utility – accounts for the operations of the sewer system.

The Village reports the following non-major governmental funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects). These are legally restricted to expenditures for specific purposes.

Community Trust Police	Library Act 150
Police Canine	Library Building, Book, Operating
Fire Community Trust	Insurance Reserve
Airport Fund	Preserve America Grant
Urban Forestry Grant	Room Tax
Office of Energy Independence	

Permanent Trust Funds – used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the specific program.

The Library restricted activity is accounted for as a permanent fund. In addition, the Village reports the tax agency fund and the Municipal Court/Forfeitures funds as agency funds. Agency funds are 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.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**1. Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

**Government-Wide Financial Statements**

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenue. Grants and similar items are recognized as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's water and sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. 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 sixty days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

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

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred revenues. Delinquent special assessments being held for collection by the county are reported as receivables and reserved fund balance in the general fund.

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



**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**1. Summary of Significant Accounting Policies (Continued)**

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

The Village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues 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, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as described previously in this note.

The proprietary funds follow all pronouncements of the Governmental Accounting Standards Board and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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. Assets, Liabilities, and Net Assets or Equity**

**1) Cash and Cash Equivalents/Investments**

The Village has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the Village's individual major funds, and in the aggregate for non-major and agency funds.

All deposits of the Village are made in board designated official depositories and are secured as required by State Statute. The Village may designate, as an official depository, any bank or savings association. Also, the Village may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices.

See Footnote 2 for additional information.



**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**1. Summary of Significant Accounting Policies (Continued)**  
**D. Assets, Liabilities, and Net Assets or Equity (Continued)**

**2) Proprietary Cash and Equivalents**

For purposes of the proprietary fund statement of cash flows, the Village considers all highly liquid investments, with a maturity of less than three months, when purchased, to be cash equivalents. This consists of current cash and investments. Cash reserves in the amount of \$260,906 for the water and \$193,674 for the sewer are not considered cash equivalents since they consist of CDs with maturity dates greater than three months.

**3) Taxes Receivable**

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach as an enforceable lien as of January 1. The Village's portion of taxes is recorded as a receivable in the general fund. The County acts as the collecting agency for all Village taxes. Since Village property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred revenues in the funds budgeted therefore. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2010 tax roll

Lien date and levy date	December, 2010
Tax Bills mailed	December, 2010
Payment in full, or	January 31, 2011
First installment due	January 31, 2011
Second installment due	July 31, 2011
Personal property taxes in full	January 31, 2011
Tax sale – 2010 delinquent real estate taxes	October, 2014

**4) Allowance for Uncollectible Accounts**

General fund accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year-end. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for delinquent water and sewer billings because the utilities have the right by law to place delinquent bills on tax roll.

**5) Special Assessments**

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Special assessments of enterprise funds are recorded as non-operating revenue at the time of assessment, if subject to collection. Deferred special assessments, those not subject to collection, are recorded as an other liability until such time as they are subject to collection.

Uncollected installments placed on prior year tax rolls are held for collection by Polk County and are remitted to the Village upon collection by the County. These delinquent installments are financed by the general fund.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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1. **Summary of Significant Accounting Policies (Continued)**  
D. **Assets, Liabilities, and Net Assets or Equity (Continued)**

6) **Inventories and Prepaid Items**

**Inventories**

Inventories of enterprise funds are valued at cost using the first-in/first-out method and are charged as expenses or capitalized when used. Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not material.

**Prepaid**

In the government funds, the State of Wisconsin prepaid medical transportation reimbursement of \$4,900 was paid directly to Osceola Area Ambulance in November 2010. The Village has set up a prepaid expense for this payment that is for 2011 EMS services. The Village will reduce their 2011 payment to Osceola Area Ambulance.

In addition, the Village prepaid health and dental insurance for the service period of 1/1/2011 through 1/31/2011, the 2011 election equipment maintenance contract, insurance coverage for first quarter 2011 and some miscellaneous 2011 expenses.

7) **Restricted Assets**

Restricted assets consisted of debt reserves and construction reserves relating to the utility mortgage revenue bonds. Proprietary fund restricted cash totaled \$621,821. This included debt reserves of \$260,906 for water utility revenue bonds, \$193,674 for sewer utility revenue bonds and \$167,241 for sewer equipment replacement. The TIF2/RDA fund, a capital projects fund, had \$340,003 reserved for debt service on its lease revenue bonds.

8) **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 \$5,000 for general capital assets including infrastructure assets, and an estimated useful life in excess of 1 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 retroactively reported all infrastructure acquired by its governmental fund types.

General Fixed Assets - Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund from which the disbursements are made. Interest incurred during construction is not capitalized.

Depreciation on governmental fixed assets is calculated straight-line based on the estimated useful life of assets. The estimated useful life of assets is determined by industry standards as recommended by GASB.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**1. Summary of Significant Accounting Policies (Continued)**  
**D. Assets, Liabilities, and Net Assets or Equity (Continued)**

**8) Capital Assets (Continued)**

Proprietary Fund Fixed Assets - Assets in the enterprise fund are capitalized at cost or fair value at date of contribution or acquisition. Normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining lives of the related assets. Net interest costs incurred for long-term debt issued for construction purposes are capitalized during the period of construction. Net interest cost consists of interest expense on long-term debt proceeds. No interest was capitalized in 2010.

Depreciation is charged over the estimated service life of the assets using the straight-line method. Annual depreciation charges are determined using the average utility plant in service and rates ranging from 1.3% to 26.7% for the water utility and rates ranging from 1.0% to 10.0%, depending on the various classes of property, in the respective utilities.

**9) Capital Contributions-Proprietary Funds**

Contributions in aid of construction represent amounts received from customers for construction and the value of property (plant) contributed to the utilities. These amounts are not subject to repayment.

**10) Deferred Debt Issuance Costs**

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

**11) Compensated Absences**

Vacation is granted in varying amounts dependent on length of service. A maximum of five days may be carried over into the next vacation year, provided the employee gives notice to the administration prior to December 1 of the current year. The Village accrued \$8,983 in vacation as of December 31, 2010. This is recorded as a fund liability in the general fund of \$5,889 and the enterprise funds of \$3,094.

All full-time employees are eligible for ten days of sick leave for each 12 months of employment. One half (1/2) of all accrued sick days (up to 90 days) shall, at the time of retirement, be converted to dollar value and used to pay future health insurance premiums.

The remaining employee's accrued unused sick leave amounted to \$81,927 at December 31, 2010. No current portion is accrued since the Village does not anticipate any payouts in the upcoming year. Payments for compensated absences will be made at rates in effect when the benefits are used. The accumulated vacation and sick liabilities at December 31, 2010 are determined on the basis of current salary rates.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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- 1. Summary of Significant Accounting Policies (Continued)**
- D. Assets, Liabilities, and Net Assets or Equity (Continued)**

**12) Long-Term Obligations/Conduit Debt**

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

All short term and long-term obligations expected to be financed from proprietary fund type operations are accounted for as fund liabilities.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Other Financing Sources" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure of the debt service fund in the year in which the debt matures or is repaid, whichever is earlier. Conduit debt obligations, such as industrial revenue bonds (IRBS), approved for business enterprises, do not constitute debt of the Village. Accordingly, the bonds are not recorded in the Village's financial statements.

**13) 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 statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

**14) Equity Classifications**

**Government-Wide Statements**

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - 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.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**1. Summary of Significant Accounting Policies (Continued)**  
**D. Assets, Liabilities, and Net Assets or Equity (Continued)**

**14) Equity Classifications (Continued)**

Governmental fund equity is classified as fund balance.

Fund Balances are segregated into three separate classifications. Reservations represent the portion of fund balances which may not be appropriated for expenditure or have been segregated for the specific future uses by legal mandate.

Designations of fund balances represent tentative plans of the Village for financial resource utilization in a future period as documented in the minutes or budgeting process for a succeeding year. Such plans are subject to change from original authorizations and may never result in expenditures.

Undesignated fund balance represents the amount available for appropriation after reservations and designations. It also is a measurement of current working capital position.

**E. User Charges**

The Village of Osceola Sewer Utility user charges are regulated and established by the Village Board. The Water Utility operates under service rules which are established by the Public Service Commission of Wisconsin. Rates charged are regulated by the Public Service Commission. Billings are made to customers on a quarterly basis for water and sewer service.

**F. Budgetary Information**

**Budgets**

The Village's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. Budgetary expenditure control is exercised at the individual account level.

Budget amounts include appropriations authorized in the original budget, any board approved amendments, appropriations of restricted resources received for funding specific expenditures and designated portions of the beginning balance of the general fund's equity expected to finance expenditures of the current fiscal year. Unused appropriations lapse at year-end unless specifically carried over for financing subsequent year expenditures.

**G. Excess Expenditures Over Appropriations**

The Village controls expenditures at the department level. General government expenditures (\$343,887) exceeded the budget (\$336,800) by \$7,087. Capital outlay expenditures (\$17,700) exceeded the budget (\$17,500) by \$200.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**1. Summary of Significant Accounting Policies (Continued)**

**H. Tax Incremental Financing Districts**

The Village has two Tax Incremental Districts (TIDS). The transactions of the Districts are shown in the Capital Projects Fund. TID's are authorized by Section 66.1105 of the Wisconsin Statutes. It is a method by which the Village can recover its project costs in designated District's of the Village. Those costs are recovered through tax increments, which are placed on the tax rolls.

**I. Inter-fund Transactions**

Inter-fund transactions are accounted for as follows:

The water utility is charged a tax equivalent due the general fund. Charges for the tax equivalent are recorded as transfers.

The water and sewer utilities provide basic services to the general fund. Charges for fire protection, sanitation and basic services are recorded as expenditures in the general fund.

The sewer utility pays an annual meter use charge to the water utility in accordance with requirements of the Public Service Commission. The annual charge is recorded as an operating expense of the sewer utility and as a reduction of various operating expenses and as operating revenue of the water utility based on the components of the charge.

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 inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**2. Cash and Cash Equivalents/Investments**

As previously discussed, cash for all Village funds are pooled for investment purposes. At December 31, 2010, the cash and investments consist of the following:

Petty Cash/Cash on Hand	#VALUE!
Deposits with Financial Institutions	#VALUE!
Total Cash and Investments	\$2,460,002

Cash and investments as of December 31, 2010 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and Investments	\$2,009,031
Fiduciary Funds:	
Cash and Investments	450,971
Total Cash and Investments	\$2,460,002

Investments Authorized by Wisconsin Statutes

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

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State if the time deposits mature in not more than three years;
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
- (3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, district or school district of this State;
- (4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;
- (5) Bonds or securities issued under the authority of the municipality;
- (6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes;
- (7) Agreements in which a public depository agrees to repay funds advanced to it by the Village plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- (8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- (9) Repurchase agreements with public depositories, with certain conditions.
- (10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority.



**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**2. Cash and Cash Equivalents/Investments (Continued)**

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 of fair value losses arising from increasing interest rates. The LGIP investments have an average maturity of 73 days for the month ended December 31, 2010.

The Village has \$476,581 in certificates of deposit. \$15,000 of the library certificates of deposit have maturities of 60 months and the remaining \$7,000 of library certificates of deposit have a maturity of 12 months. The remaining governmental fund certificates of deposit have an average maturity of 12 months.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Village would not be able to recover the value of its investment of collateral securities that are in the possession of another party. The Village does not have an investment policy for custodial credit risk.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited FDIC insurance to participants with non-interest bearing checking accounts. The program runs through December 31, 2012. Bank accounts and the local government investment pool 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 be significant to individual organizations.

As of December 31, 2010, \$394,071 of the Village's deposits with financial institutions in excess of federal depository insurance limits were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 394,071
	<u>\$ 394,071</u>

**3. Loans Receivable and Long-Term Receivable**

The Sewer fund has a long-term receivable with the West Central Wisconsin Bio-Solids Facility Commission. The receivable is an offset to the clean water fund loan pledged by the Village for the Commission. The receivable amount is \$97,116. The Village pays its portion of the debt pledged through rates. Note 17 describes more fully the transactions involving the Commission.

The Village's TIF 2 has a loan receivable of \$160,000 from a business. The loan is to be repaid December 31, 2037 at an interest rate of .25%.



**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**4. Capital Assets**

Capital asset activity in the governmental activities for the year ended December 31, 2010 was as follows:

	Balance 1/1/10	Additions	Retirements	Balance 12/31/10
<b>Governmental Activities</b>				
Non-depreciable Capital Assets:				
Land	\$ 4,340,402	\$ -	\$ -	\$ 4,340,402
Infrastructure in process	49,169	194,234	-	243,403
Total Non-depreciable Capital Assets	<u>4,389,571</u>	<u>194,234</u>	<u>-</u>	<u>4,583,805</u>
Capital Assets Being Depreciated:				
Buildings, Improvements and Equipment	4,057,192	151,069	55,814	4,152,447
Infrastructure	16,324,343	43,943	4,201	16,364,085
Total Capital Assets Being Depreciated	<u>20,381,535</u>	<u>195,012</u>	<u>60,015</u>	<u>20,516,532</u>
Total Capital Assets	<u>24,771,106</u>	<u>389,246</u>	<u>60,015</u>	<u>25,100,337</u>
Less: Accumulated Depreciation	<u>6,750,671</u>	<u>903,440</u>	<u>57,494</u>	<u>7,596,617</u>
Capital Assets Net of Depreciation	<u>\$ 18,020,435</u>	<u>\$ (514,194)</u>	<u>\$ 2,521</u>	<u>\$ 17,503,720</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Government	\$ 6,250
Public Safety	77,783
Public Works	776,509
Culture, Recreation and Education	42,898
	<u>\$ 903,440</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**4. Capital Assets (Continued)**

Capital asset activity in the business type activities for the year ended December 31, 2010 was as follows:

	Balance 1/1/10	Additions	Retirements	Balance 12/31/10
<b>Business Type Activities</b>				
Non-depreciable Capital Assets:				
Land	\$ 36,941	\$ -	\$ -	\$ 36,941
Construction in process	201,408	215,212	345,725	70,895
Total Non-depreciable Capital Assets	<u>238,349</u>	<u>215,212</u>	<u>345,725</u>	<u>107,836</u>
Capital Assets Being Depreciated:				
Buildings and Equipment	6,453,133	2,684	-	6,455,817
Infrastructure	14,501,734	345,428	107,616	14,739,546
Total Capital Assets Being Depreciated:	<u>20,954,867</u>	<u>348,112</u>	<u>107,616</u>	<u>21,195,363</u>
Total Capital Assets	<u>21,193,216</u>	<u>563,324</u>	<u>453,341</u>	<u>21,303,199</u>
Less: Accumulated Depreciation	<u>3,307,403</u>	<u>470,141</u>	<u>72,357</u>	<u>3,705,187</u>
Capital Assets Net of Depreciation	<u>\$ 17,885,813</u>	<u>\$ 93,183</u>	<u>\$ 380,984</u>	<u>\$ 17,598,012</u>

Depreciation expense was charged to functions as follows:

<b>Business Type Activities</b>	
Water Utility	\$ 171,318
Sewer Utility	298,823
Total Business-Type Activities Depreciation Expense	<u>\$ 470,141</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**5. Inter-fund Receivables/Payables, Inter-fund Advances and Transfers**

**Inter-fund Receivables/Payables**

There were inter-fund receivables/payables as of 12/31/10 as follows:

Receivable From	Payable To	Amount
TIF #2	Water	\$ 3,200
		\$ 3,200

The receivables/payables were for short-term cash flow purposes in the above funds. These were not set up for repayment.

**Inter-fund Transfers**

The following is a schedule of inter-fund transfers as of 12/31/2010:

Transfer From	Transfer To	Amount
TIF #1	TIF #2	\$ 243,400
General	Airport	5,000
General	Library Act 150	96,800
General	Capital Projects	6,000
Fire Community Trust	Capital Projects	3,500
TIF #2	Debt Service	105,881
General	Debt Service	338,193
Water	General	105,985
		\$ 904,759
Less: Interfund Eliminations		(798,774)
Transfers per Government-Wide Statements		\$ 105,985

The water utility transferred \$105,985 to the general fund for the tax equivalent. This is also regarded as a transfer from business-type activities to governmental activities. All other transfers were eliminated on the government-wide statements.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**6. Long-Term Obligations**

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Governmental activities notes and bonds will be retired by future property tax levies. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies. The following is a summary of long-term debt transactions of the Village for the year ended December 31, 2010.

	Balance 1/1/10	Issued	Retired	Balance 12/31/10
<b>Governmental Activities</b>				
Total General Obligation Bonds	\$ 4,779,518	\$ -	\$ 248,026	\$ 4,531,492
Total Governmental General Obligation Debt	4,779,518	-	248,026	4,531,492
Total Lease Revenue Bonds - TIF/RDA	2,660,000	-	300,000	2,360,000
Total Governmental Long-Term Debt	<u>\$ 7,439,518</u>	<u>\$ -</u>	<u>\$ 548,026</u>	<u>\$ 6,891,492</u>
<b>Business-Type Activities</b>				
Mortgage Revenue Bonds	\$ 7,995,800	\$ 127,022	\$ 445,446	\$ 7,677,376
Special Assessment B-Bonds	450,800	-	64,400	386,400
General Obligation Debt	2,488,259	-	17,410	2,470,849
Total Business-Type Activities	10,934,859	127,022	527,256	10,534,625
Total Long-Term Debt	<u>\$ 18,374,377</u>	<u>\$ 127,022</u>	<u>\$ 1,075,282</u>	<u>\$ 17,426,117</u>

Governmental activities general obligation long-term debt issues outstanding at December 31, 2010 were as follows:

Original Amount	Date of Issue	Year of Maturity	Interest Rate	Principal	Current Portion
2,580,000	12/5/2001	12/11/2021	3.00% - 4.75%	\$ 1,550,000	\$ 100,000
1,775,000	10/1/2003	12/1/2022	2.00% - 4.50%	1,150,000	80,000
1,580,000	12/1/2005	12/1/2023	3.50% - 4.15%	1,475,000	35,000
550,000	1/8/2007	1/8/2017	2.00%	356,492	54,094
Total Governmental General Obligation Debt				<u>\$ 4,531,492</u>	<u>\$ 269,094</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**6. Long-Term Obligations (Continued)**

Scheduled annual requirements for retirement of governmental general obligation debt outstanding at December 31, 2010 are summarized as follows:

Year	Principal	Interest	Total
2011	\$ 269,094	\$ 187,630	\$ 456,724
2012	275,185	178,059	453,244
2013	281,296	168,159	449,455
2014	287,431	157,873	445,304
2015	298,588	147,166	445,754
2016-2020	2,344,898	485,884	2,830,782
2021-2023	775,000	67,400	842,400
	<u>\$ 4,531,492</u>	<u>\$ 1,392,171</u>	<u>\$ 5,923,663</u>

The general obligation debt payable listed above includes \$1,387,042 in general obligation debt payable from the tax incremental district funds. These are expected to be retired from accumulated revenues therein as discussed in Note 12.

Wisconsin Statutes restrict general obligation debt to 5% of the equalized value of all property in the Village. At December 31, 2010 the Village's debt limit was as follows:

Equalized value-12/31/2010	\$ 190,946,800
Percent Limit	5%
General obligation debt limit	<u>9,547,340</u>
Debt subject to limit	<u>(7,098,741)</u>
Available debt margin	<u>\$ 2,448,599</u>

The short-term debt obligations were included in the indebtedness subject to the limit.

**Lease Revenue Bonds**

The Village's Redevelopment Authority (RDA) issued lease revenue bonds in 2003. The lease revenue bonds do not count towards the Village's general obligation debt limit. However, the Village is required to pay the debt if sufficient lease revenues are not available. The Village intends on paying the lease payments from tax incremental financing revenues. The individual debt issue components are summarized below.

Original Amount	Date of Issue	Year of Maturity	Interest Rate	12/31/10 Balance	Current Portion
\$ 3,400,000	5/15/2002	12/1/2020	4.500% - 5.375%	<u>\$2,360,000</u>	<u>\$ 325,000</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**6. Long-Term Obligations (Continued)**

Scheduled annual requirements to repay the lease revenue bonds payable outstanding at December 31, 2010 are summarized as follows:

Year	Principal	Interest	Total
2011	\$ 325,000	\$ 120,761	\$ 445,761
2012	375,000	105,324	480,324
2013	275,000	87,043	362,043
2014	325,000	72,880	397,880
2015	370,000	56,143	426,143
2016-2020	690,000	119,594	809,594
Total	<u>\$2,360,000</u>	<u>\$ 561,745</u>	<u>\$2,921,745</u>

**Mortgage Revenue Bonds**

Outstanding mortgage revenue bonds for the water and sewer utility totaled \$7,677,376 on December 31, 2010. There are a number of limitations and restrictions contained in the bond ordinances. The Village believes it is in compliance with all significant restrictions and limitations associated with the water revenue bonds. The Village's full faith and credit do not back mortgage revenue bonds which are instead backed only by the assets and revenues of the water and sewer utilities (enterprise funds). Individual debt issues outstanding at December 31, 2010 and annual requirements for their retirement are shown follows:

Utility	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Outstanding Debt	Current Portion
Water	\$2,165,000	12/1/2001	12/1/2021	4.60% - 5.50%	\$ 1,425,000	\$ 100,000
Water	\$ 430,000	12/1/2005	12/1/2023	5.00%	410,000	5,000
Water	\$ 149,437	10/28/2009	5/1/2029	2.67%	131,591	5,408
Sewer	\$1,545,000	12/1/2001	12/1/2021	2.75% - 5.50%	865,000	60,000
Sewer	\$ 298,367	11/15/1995	5/1/2015	3.17%	97,116	18,229
Sewer	\$6,122,000	8/24/2005	5/1/2025	2.43%	4,748,669	266,188
Total Mortgage Revenue Bonds					<u>\$ 7,677,376</u>	<u>\$ 454,825</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**6. Long-Term Obligations (Continued)**

Scheduled annual requirements for retirement of mortgage revenue bond obligation debt outstanding at December 31, 2010 are summarized as follows:

Mortgage Revenue Bonds

Year	Water		Sewer		Total
	Principal	Interest	Principal	Interest	
2011	\$ 110,408	\$ 97,899	\$ 344,417	\$ 159,351	\$ 712,075
2012	115,552	92,878	356,461	149,167	714,058
2013	120,701	87,542	363,680	138,509	710,432
2014	125,853	81,748	376,080	127,542	711,223
2015	131,009	75,590	388,663	116,130	711,392
2016-2020	767,536	269,421	2,005,319	401,666	3,443,942
2021-2025	562,115	60,810	1,876,165	112,678	2,611,768
2026-2029	33,417	1,813	-	-	35,230
	<u>\$ 1,966,591</u>	<u>\$ 767,701</u>	<u>\$ 5,710,785</u>	<u>\$ 1,205,043</u>	<u>\$ 9,650,120</u>

The water and sewer funds had the following general obligation debt outstanding:

Utility	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Outstanding Debt	Current Portion
Water	\$ 500,000	6/27/2007	12/1/2017	4.75%	\$ 460,849	\$ 18,237
Sewer	\$2,010,000	10/15/2009	12/1/2014	3.00%	2,010,000	-
Total General Obligation Debt					<u>\$ 2,470,849</u>	<u>\$ 18,237</u>

Scheduled annual requirements for retirement of the water and sewer general obligation debt outstanding at December 31, 2010 are summarized as follows:

Year	Water		Sewer		Total
	Principal	Interest	Principal	Interest	
2011	\$ 18,237	\$ 21,890	\$ -	\$ 60,300	\$ 100,427
2012	19,046	21,082	-	60,300	100,428
2013	20,008	20,119	-	60,300	100,427
2014	20,958	19,169	2,010,000	60,300	2,110,427
2015	21,954	18,174	-	-	40,128
2016-2017	360,646	33,218	-	-	393,864
	<u>\$ 460,849</u>	<u>\$ 133,652</u>	<u>\$ 2,010,000</u>	<u>\$ 241,200</u>	<u>\$ 2,845,701</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**6. Long-Term Obligations (Continued)**

The utilities also have special assessment b-bonds of \$386,400 outstanding at December 31, 2010 as follows:

Utility	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Outstanding Debt	Current Portion
Water	\$ 271,000	2/1/2006	3/1/2016	4.80%	\$ 162,600	\$ 27,100
Sewer	\$ 373,000	2/1/2006	3/1/2016	4.80%	223,800	37,300
Total Special Assessment B-Bonds					\$ 386,400	\$ 64,400

Scheduled annual requirements for retirement of the special assessment b-bonds outstanding at December 31, 2010 are summarized as follows:

Year	Principal	Interest	Total
2011	\$ 64,400	\$ 18,547	\$ 82,947
2012	64,400	15,456	79,856
2013	64,400	12,365	76,765
2014	64,400	9,274	73,674
2015	64,400	6,182	70,582
2016	64,400	3,091	67,491
Total	\$ 386,400	\$ 64,915	\$ 451,315

**Advances Payable**

There are long-term advances receivable/payable as of 12/31/10 as follows.

Advance Receivable From	Advance Payable To	Amount
TIF #1	Sewer	\$ 70,000
TIF #2	Water	140,000
Total Proprietary Advances		\$ 210,000
TIF #2	General	\$ 136,256
Total Governmental Advances		\$ 136,256
Total Advances		\$ 346,256

The advances were for cash flow purposes in the TIF Districts. For 2010, TIF 1 repaid \$10,000 to sewer and TIF 2 repaid \$20,000 to water. Interest accrued at 6%.

**Bond Covenant Disclosures**

The following information is provided in compliance with the resolution creating the revenue bonds:

**Insurance**

The utilities are 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. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year. Expiration for the following policies is January 1, 2011.



**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**6. Long-Term Obligations (Continued)**

The utilities are covered under the following insurance policies at December 31, 2010:

Type	Coverage	
Commercial General Liability		
Each occurrence	\$ 3,000,000	Liberty Mutual Ins Group
Damage to rented premises	250,000	
Medical expense	10,000	
Personal and advertising injury	3,000,000	
General aggregate	3,000,000	
Products/completed operations aggregate	3,000,000	
Employee Benefits Liability	1,000,000	
Business Auto Declarations Liability	3,000,000	
Excess Umbrella Liability	2,000,000	
Workers' Compensation and Employers' Liability		
Accident- each accident	1,000,000	
Disease-each employee	1,000,000	
Policy limit - disease	1,000,000	

**Debt Coverage – Water and Sewer**

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service of the bonds. The coverage requirement was met for the water and not the sewer:

	<u>Water</u>	<u>Sewer</u>
<b>GROSS REVENUES</b>		
Charges for Services	\$ 560,406	\$ 890,477
Other Operating Revenues	9,169	27,837
Special Assessment collections	30,705	42,100
Interest revenue	21,514	24,017
Total Operating Revenues	<u>621,794</u>	<u>984,431</u>
<b>OPERATING EXPENSES</b>		
Operation and Maintenance	202,329	387,256
Taxes	16,807	1,311
Total Operating Expenses	<u>219,136</u>	<u>388,567</u>
Net revenues	<u>402,658</u>	<u>595,864</u>
Highest Combined debt service - all bonds	210,227	505,627
Coverage Ratio	<u>125%</u>	<u>125%</u>
Net Revenues required	<u>\$ 262,784</u>	<u>\$ 632,034</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
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**6. Long-Term Obligations (Continued)**

**Number of Customers – Water and Sewer**

The utility has the following number of customers and billed volumes for 2010:

	Water		Sewer	
	Customers	Sales (00 cf)	Customers	Sales (00 cf)
Residential	1,009	46,107	997	43,065
Commercial	142	33,974	130	25,220
Industrial	28	25,424	25	11,041
Public Authority	28	14,413	19	6,296
	1,207	119,918	1,171	85,622

**7. Short-term Debt**

At 12/31/10 the following short-term debt is outstanding:

Fund	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Outstanding Debt
Airport	74,149	9/21/2010	9/21/2011	3.50%	\$ 74,149
Governmental Short-Term Debt					\$ 74,149
Utility	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Outstanding Debt
Sewer	22,251	9/21/2010	9/21/2011	3.50%	\$ 22,251
Business-Type Short-Term Debt					\$ 22,251

The following is a summary of short-term debt transactions of the Village for the year ended December 31, 2010.

	Balance 1/1/10	Issued	Retired	Balance 12/31/10
<b>Governmental Activities</b>				
Airport Short-Term Debt	\$ 88,149	\$ 74,149	\$ 88,149	\$ 74,149
Total Governmental Short-Term Debt	\$ 88,149	\$ 74,149	\$ 88,149	\$ 74,149
<b>Business-Type Activities</b>				
Sewer Short-Term Debt	\$ 29,251	\$ 22,251	\$ 29,251	\$ 22,251
Total Business-Type Activities	\$ 29,251	\$ 22,251	\$ 29,251	\$ 22,251
Total Short-Term Debt	\$ 117,400	\$ 96,400	\$ 117,400	\$ 96,400

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**8. Conduit Debt Obligations**

From time to time the Village has provided Industrial Revenue Bonds to provide financial assistance for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector served by the bond issuance. Neither the Village, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

The Village helped provide Industrial Revenue Bonds for \$2,000,000 in 1997. The aggregate amount of Industrial Revenue Bonds outstanding for any prior issues is undetermined. The Village also issued Industrial Revenue Bonds of \$2,800,000 in 1999. The Village also approved an Industrial Revenue Bond in 2006 for \$1,500,000. This is for a local business.

The Village authorized \$8 million in Hospital Revenue Bonds in 2007. The proceeds were transferred to Ladd Memorial Hospital, Inc. (hereafter "Hospital") and used for the construction of hospital facilities. These bonds do not constitute an obligation of the Village.

**9. Deferred Revenues**

Deferred revenues recorded by the Village at December 31, 2010 totaled \$2,050,869 as detailed below:

	General Fund	TIF #2/ RDA	Capital Projects Fund	TIF #1	Special Revenue Fund	Enterprise
Property Taxes 2010 Tax Roll	\$ 708,929	\$ 336,939	\$ 158,274	\$ 324,958	\$ -	\$ -
Prepaid Rent	-	-	-	-	16,611	-
Deferred Regulatory Credit	-	-	-	-	-	86,292
Deferred Special Assessments	229,037	-	29,829	-	-	-
Loan Receivable	-	160,000	-	-	-	-
<b>Total</b>	<u>\$ 937,966</u>	<u>\$ 496,939</u>	<u>\$ 188,103</u>	<u>\$ 324,958</u>	<u>\$ 16,611</u>	<u>\$ 86,292</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**10. Fund Balance and Retained Earnings - Reservations, Designations and Deficits**

General Fund

The general fund balance of \$808,442 at December 31, 2010 was allocated as follows:

Unreserved/Undesignated	\$ 506,001
Reserved Fund Balance	
Advances	136,256
Designated Fund Balance:	
Levy Stabilization	54,138
General Capital Fund	108,276
2011 Budget Deficit	3,771
Total General Fund Balance	<u>\$ 808,442</u>

Special Revenue Fund

The Village special revenue funds had fund balances (deficits) at December 31, 2010 as follows:

Community Trust (Police)	\$ 1,573
Police Canine (Deficit Unreserved/Undesignated)	24,652
Library Act 150 (Deficit Unreserved/Undesignated)	8,336
Library Building and Book Funds	3,775
Fire Community Trust	6,608
Urban Forestry Grant	2,419
Airport Fund (Deficit Unreserved/Undesignated)	(84,384)
Room Tax Fund	8,167
Office of Energy Independence	(80)
Insurance Reserve	21,834
Total Non-Major Governmental Fund Balance	<u>\$ (7,100)</u>

Enterprise Funds

The Village enterprise funds have restricted net assets of \$621,821. This is restricted for mortgage revenue bond reservations and sewer equipment replacement.

Debt Service Fund

The debt service fund balance of \$8,778 was reserved.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**11. Agreement with Village of Dresser**

The Village has entered into an agreement with the Village of Dresser to treat the wastewater effluent of the Village of Dresser at the Osceola wastewater treatment plant. An amendment to the agreement was put into effect on May 2, 2005 to reflect cost-sharing for the new treatment plant. The agreement requires quarterly payments by the Village of Dresser for its share of operation and maintenance expenses plus a depreciation charge associated with the treatment plant. The agreement became effective January 11, 1985. The amount chargeable to the Village of Dresser for its share of 2010 operation and maintenance expenses and depreciation charges was \$148,595.

The Village's sewer fund has a receivable from the Village of Dresser for \$40,443 as of December 31, 2010. This included the fourth quarter bill of \$35,620. In addition, \$4,823 was charged as a result of the true-up.

**12. Tax Incremental Districts**

The Village has created two tax incremental financing districts (TIDs) in accordance with Section 66.46 of the Wisconsin Statutes. The ordinance creating TID #1 was dated June 9, 1987. The ordinance creating TID #2 was dated July 27, 1992. The project plans, on file in the office of the Village Administrator, detail the proposed projects, the estimated years of construction or site acquisition and the estimated costs of the individual project components. Transactions of the tax incremental districts have been accounted for in separate capital projects funds. Project expenditures have been financed by proceeds from long-term borrowing and advances from the general-fund. The indebtedness is expected to be paid from the increase in property tax revenue which results from the increased valuation in the tax incremental districts. The following is a summary of the two districts' expenditures and revenues through December 31, 2010:

	TIF #1	TIF #2
Accumulated Project Expenditures:		
Construction and Administration	\$ 2,447,437	\$ 5,975,234
Interest on debt and debt issuance costs	817,459	2,251,445
Total expenditures	\$ 3,264,896	\$ 8,226,679
Accumulated project revenues	3,280,676	4,523,184
Future project revenues necessary to recover net expenditures to date	\$ 15,780	\$ 3,703,495

The above summary of transactions is reconcilable to the fund balances in the TIF funds at December 31, 2010 as follows:

	Tax Incremental District #1	Tax Incremental District #2
Project debt obligations outstanding at 12/31/10	\$ -----	\$ 3,747,042
Less unrecovered expenditures above	15,780	3,703,495
Plus transfer from general fund	-----	17,000
Fund balance 12/31/10	\$ 15,780	\$ 60,547

The Village's tax incremental financing district number 1 has been allocating positive increment to TIF 2. To date, the District has transferred \$908,400 to TIF 1 including \$243,400 in 2010.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**13. Defined Benefit Pension Plan**

All eligible Village of Osceola employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the General/Teacher/Educational Support Personnel category are required by statute to contribute 6.2% of their salary (3.2% for Executives and Elected Officials, 5.5% for Protective Occupations with Social Security, and 3.9% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for Village of Osceola employees covered by the WRS for the year ended December 31, 2010 was \$816,109, the employer's total payroll was \$901,232. The total required contribution for the year ended December 31, 2010 was \$99,479, which was 12.2% of covered payroll. The Village pays for the employer and employee portions. Total contributions for the years ended December 31, 2009 and 2008 were \$100,814 and \$98,107 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings are the average of the employee's three highest year's 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 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 are immediately vested.

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

**14. Intergovernmental Agreements**

**Fire Protection**

The Village of Osceola entered into a fire protection agreement with the Town of Farmington and the Town of Alden. The agreement specifies that the Village will provide fire protection service to the Townships. The Towns are required to reimburse the Village a sum equal to .60 mills for Alden and .75 mills for Farmington based on the respective Town's equalized value.

The Towns reimbursed the following in 2010:

Town of Alden	\$ 53,537
Town of Farmington	131,367
Total	<u>\$ 184,904</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**14. Intergovernmental Agreements (Continued)**

**EMS**

The Village of Osceola, along with the Towns of Farmington, Osceola and Alden and the Village of Dresser, participate in the Osceola Area Ambulance Service Commission. The Commission provides EMS services to the respective communities. Each community appoints 2 members to the Board of Directors. Annual contributions by the Village are \$8.00 per resident. In 2010, the contribution was \$26,636 including pass-through of Act 102 monies from the state.

**15. Related Parties**

**Osceola Industrial Development Corporation (OIDC)**

The OIDC is a Wisconsin non-stock corporation with a seven member board of directors. The Village Administrator serves on the board. The following transactions were consummated between the Village and the OIDC.

- The OIDC has a loan that it owes to a public power company. The Village has guaranteed this loan. The original loan has been modified with the borrower. As of 12/31/10, the balance outstanding on the loan was \$25,000. The final principal payment of \$25,000 is due on September 7, 2011. In addition, an administrative fee of 1% on the outstanding balance is also due at the time of principal payment.
- No provision for a liability has been made in the Village's statement of net assets since the Village anticipates that other financial resources will be used to pay the debt and the Village does not believe asset impairment is probable. As of December 31, 2010 the OIDC has sufficient cash to make the final payment due on September 7, 2011.
- There are separate marketing agreements between the Village and the OIDC. As land in the industrial park is sold, the OIDC keeps the sale proceeds and pays the Village its cost of land. There were no sales transactions in 2010.

**16. Redevelopment Authority**

The Village, in 2001, created a redevelopment authority ("the authority") pursuant to Wisconsin Statute Section 66.133. The Authority is a legally separate entity that is appointed by the Village Board. The intention of the Authority is to purchase, manage and finance public improvements associated with TIF #2. The Authority obtained financing (RDA lease revenue bonds) that was used to purchase TID #2 infrastructure from the Village and lease the infrastructure back to the Village. The Village has approved the following:

- A Cooperative Agreement between the Village and the Authority.
- A purchase agreement between the Village and the Authority.
- A lease of public improvements from the Authority to the Village.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**17. Bio-Solids Joint Commission**

The Village of Osceola, along with ten other communities, is a member of the West Central Wisconsin Bio-Solids Facility Commission. The Commission was created under Section 66.30 Wis. Stats. The purpose of the Commission is to create and operate a facility for disposal of Bio-Solids waste. The Village's share of costs for 2010 was \$136,116.

Each member municipality has pledged funds for the construction and design of the facility. The debt is repaid by the Commission through rates charged to members. The Village has pledged the following proceeds for this purpose:

Type of Funding	Clean Water Fund Loan
Amount of Borrowing	\$298,367
Date of Issue	November 15, 1995
Interest Rate	3.173%
Outstanding Balance	\$98,116

The repayment schedule for this debt is included in the sewer utility mortgage revenue bonds in Note 6. The Commission issues separate financial statements.

**18. Commitments and Contingencies**

**TIF**

The Village has two TIF districts. The Districts are subject to audits at several times including termination of the District. The Districts are subject to requests for reimbursement if expenditures are questioned. No provision for liability exists since management does not believe that there will be any material disallowances.

**19. Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; error and omissions; workers compensation; and health care of its employees. All risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years.



**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

**20. Osceola Municipal Court**

The Osceola Municipal Court was disbanded on April 10, 2010. A new court was implemented at the same time. In conjunction with the new court, there has been a change in accounting. Activities of the new court are recorded as an agency fund.

**21. Deferred Regulatory Credit**

In 2004 the Public Service Commission of Wisconsin required regulated utilities to create a deferred regulatory credit account. The amount of the credit was equal to the estimated accumulated depreciation on contributed utility plant as of December 31, 2003. The credit has the effect of reducing the rate base used by the Commission in approving user rates charged by the utilities. The credit is reported as a liability in the statement of net assets. The credit is being amortized to non-operating income over a period of 20 years. As of December 31, 2010, the balance was \$86,292.

**22. Component Unit-Housing Authority of the Village of Osceola**

This report contains the Housing Authority of the Village of Osceola (Authority), which is included as a component unit. Financial information is presented as a discrete column in the government-wide statement of net assets and statement of activities. The financial information is reported as of and for the year ended December 31, 2010. In addition to the basic financial statements that apply, the following additional disclosures are considered necessary for a fair presentation.

(a) Basis of Accounting/Measurement Focus

The Housing Authority follows the full-accrual basis of accounting and the flow of economic resources measurement focus. The economic resources measurement focus means all assets and liabilities are recorded on the statement of net assets. Revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

(b) Cash and Cash Investments- Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 at each depository. At year-end, the carrying amount was \$86,307 and the bank balance of the Authority's deposits was \$89,759. No investments were held at year-end.

(c) Capital Assets- Capital assets include property, buildings, furniture and equipment. Capital assets are valued at historical cost or estimated historical cost. Donated assets are valued at fair market value at the date donated. Interest has not been capitalized. Depreciation is recorded using the straight-line method over the various lives of the assets which range from 3 to 40 years. A summary of the capital asset activity follows:

	Balance 12/31/2009	Additions	Adjustments/ Deletions	Balance 12/31/2010
Non-depreciable land and improvements	\$ 54,968	\$ 6,750	\$ -----	\$ 61,718
Depreciable capital assets	795,294	18,940	22,878	791,356
Less: Accumulated Depreciation	<u>(579,766)</u>	<u>(38,934)</u>	<u>13,894</u>	<u>(604,806)</u>
Net Book Value	<u>\$ 270,496</u>	<u>\$ (13,244)</u>	<u>\$ (8,984)</u>	<u>\$ 248,268</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2010**

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**23. Donation**

The Osceola Historical Society received a donation of \$100,000. The Village had to secure the purchase of park land by December 23, 2010; otherwise, the donation was to be utilized to fund an endowment for the operation of the Village of Osceola Municipal Library. The Village was granted a one year extension in which to secure the purchase of park land.

**24. Restatement of Beginning Balances**

**Net Asset Restatement**

Beginning Net Assets were restated as follows:

<b>Governmental Activities</b>	
Net Assets 12/31/09 as previously stated	\$ 11,313,645
Municipal Court funds reclassified as Fiduciary	77
Rounding	<u>2</u>
Net Assets 1/1/10 as restated	<u>\$ 11,313,724</u>

**25. New Reporting Requirements**

The Governmental Accounting Standards Board (GASB) recently issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" effective for periods beginning after June 15, 2010. This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and disclosures from what governments have reported in the past. Comparability with reports issued in all prior years will be affected. The Village has not yet determined the effect that adoption of GASB Statement 54 will have on the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Village of Osceola  
Osceola, Wisconsin**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (with Variances)  
General Fund  
For the year ended December 31, 2010**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property Taxes	\$ 694,800	\$ 694,800	\$ 694,801	\$ 1
Other Taxes	21,100	21,100	18,359	(2,741)
Intergovernmental	599,800	599,800	604,606	4,806
License and Permits	49,500	49,500	37,899	(11,601)
Fines, Forfeits and Penalties	50,300	51,400	27,313	(24,087)
Public Charges for Services	260,800	270,900	259,961	(10,939)
Intergovernmental Charges for Services	182,700	182,700	187,291	4,591
Interest Income	8,000	8,000	4,292	(3,708)
Miscellaneous Income	70,000	70,000	84,819	14,819
Total Revenues	<u>1,937,000</u>	<u>1,948,200</u>	<u>1,919,341</u>	<u>(28,859)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	332,300	336,800	343,887	(7,087)
Public Safety	985,700	956,500	905,261	51,239
Public Works	252,900	252,600	239,595	13,005
Health and Human Services	100	100	100	-
Culture, Recreation and Education	61,000	61,800	52,648	9,152
Conservation and Development	19,100	19,100	16,973	2,127
Capital Outlay	-	17,500	17,700	(200)
Total Expenditures	<u>1,651,100</u>	<u>1,644,400</u>	<u>1,576,164</u>	<u>68,236</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>285,900</u>	<u>303,800</u>	<u>343,177</u>	<u>39,377</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	82,000	82,000	105,985	23,985
Transfers Out	(440,900)	(447,600)	(445,993)	1,607
Total Other Financing Sources and Uses	<u>(358,900)</u>	<u>(365,600)</u>	<u>(340,008)</u>	<u>25,592</u>
Net Change in Fund Balances	(73,000)	(61,800)	3,169	64,969
Fund Balances - Beginning	805,273	805,273	805,273	-
Fund Balances - Ending	<u>\$ 732,273</u>	<u>\$ 743,473</u>	<u>\$ 808,442</u>	<u>\$ 64,969</u>

## **SUPPLEMENTAL INFORMATION**

**Village of Osceola  
Osceola, Wisconsin**

**Non-Major Special Revenue Funds  
Combining Balance Sheet  
December 31, 2010**

	<b>Office of Energy Independence</b>	<b>Community Trust Police</b>	<b>Police Canine</b>	<b>Library ACT 150</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ (80)	\$ 1,073	\$ 24,296	\$ 12,669
Receivables:				
Other	-	500	515	-
Total Assets	\$ (80)	\$ 1,573	\$ 24,811	\$ 12,669
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 159	\$ 4,333
Total Liabilities	-	-	159	4,333
Fund Balances:				
Reserved	-	1,573	24,652	8,336
Unreserved/Undesignated	(80)	-	-	-
Total Fund Balances (Deficit)	(80)	1,573	24,652	8,336
Total Liabilities and Fund Balances	\$ (80)	\$ 1,573	\$ 24,811	\$ 12,669

Village of Osceola  
Osceola, Wisconsin

Non-Major Special Revenue Funds  
Combining Balance Sheet  
December 31, 2010

	<u>Library Building Book Operating</u>	<u>Fire Community Trust</u>	<u>Urban Forestry Grant</u>	<u>Airport</u>	<u>Room Tax Fund</u>	<u>Insurance Reserve</u>	<u>Non-Major Governmental Funds</u>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 6,906	\$ 6,608	\$ 2,419	\$ 4,137	\$ 4,083	\$ 21,834	\$ 83,945
Receivables:							
Other	-	-	-	15,584	4,084	-	20,683
Prepaid Expenses	-	-	-	262	-	-	262
Total Assets	<u>\$ 6,906</u>	<u>\$ 6,608</u>	<u>\$ 2,419</u>	<u>\$ 19,983</u>	<u>\$ 8,167</u>	<u>\$ 21,834</u>	<u>\$ 104,890</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 3,131	\$ -	\$ -	\$ 13,607	\$ -	\$ -	\$ 21,230
Short-term debt	-	-	-	74,149	-	-	74,149
Deferred Revenue	-	-	-	16,611	-	-	16,611
Total Liabilities	<u>3,131</u>	<u>-</u>	<u>-</u>	<u>104,367</u>	<u>-</u>	<u>-</u>	<u>111,990</u>
Fund Balances:							
Reserved	3,775	6,608	2,419	-	8,167	21,834	77,364
Unreserved/Undesignated	-	-	-	(84,384)	-	-	(84,464)
Total Fund Balances (Deficit)	<u>3,775</u>	<u>6,608</u>	<u>2,419</u>	<u>(84,384)</u>	<u>8,167</u>	<u>21,834</u>	<u>(7,100)</u>
Total Liabilities and Fund Balances	<u>\$ 6,906</u>	<u>\$ 6,608</u>	<u>\$ 2,419</u>	<u>\$ 19,983</u>	<u>\$ 8,167</u>	<u>\$ 21,834</u>	<u>\$ 104,890</u>

Village of Osceola  
Osceola, Wisconsin

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Special Revenue Funds  
For the Year Ended December 31, 2010**

	<u>Office of Energy Independence</u>	<u>Preserve America Grant</u>	<u>Community Trust Police</u>	<u>Police Canine</u>	<u>Library ACT 150</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 29,405	\$ -	\$ -	\$ 59,863
Public Charges for Services	-	-	-	-	2,950
Interest Income	17	-	1	43	94
Miscellaneous Income	-	12,000	65	-	8,188
Total Revenues	<u>17</u>	<u>41,405</u>	<u>66</u>	<u>43</u>	<u>71,095</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	-	-	71	9,400	-
Culture, Recreation and Education	-	-	-	-	163,622
Conservation and Development	27	19,953	-	-	-
Capital Outlay	-	11,946	-	-	-
Total Expenditures	<u>27</u>	<u>31,899</u>	<u>71</u>	<u>9,400</u>	<u>163,622</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(10)</u>	<u>9,506</u>	<u>(5)</u>	<u>(9,357)</u>	<u>(92,527)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	95,800
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,800</u>
Net Change in Fund Balances	(10)	9,506	(5)	(9,357)	3,273
Fund Balances - Beginning	(70)	(9,506)	1,578	34,009	5,063
Fund Balances - Ending	<u>\$ (80)</u>	<u>\$ -</u>	<u>\$ 1,573</u>	<u>\$ 24,652</u>	<u>\$ 8,336</u>



Village of Osceola  
Osceola, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Special Revenue Funds  
For the Year Ended December 31, 2010

	Library Building Book Operating	Fire Community Trust	Urban Forestry Grant	Airport	Room Tax Fund	Insurance Reserve	Non-Major Governmental Funds
<b>REVENUES</b>							
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ 17,540	\$ -	\$ 17,540
Intergovernmental	-	-	-	-	-	-	89,268
Public Charges for Services	-	-	-	73,874	-	-	76,824
Intergovernmental Charges for Services	-	-	-	-	-	7,357	7,357
Interest Income	686	7	7	23	12	31	921
Miscellaneous Income	5,797	7,946	-	100	-	199	34,295
Total Revenues	<u>6,483</u>	<u>7,953</u>	<u>7</u>	<u>73,997</u>	<u>17,552</u>	<u>7,587</u>	<u>226,205</u>
<b>EXPENDITURES</b>							
Current:							
Public Safety	-	-	-	-	-	-	9,471
Public Works	-	-	-	73,571	-	-	73,571
Culture, Recreation and Education	4,183	-	-	-	-	-	167,805
Conservation and Development	-	-	3,564	-	31,502	-	55,046
Capital Outlay	-	-	-	-	-	-	11,946
Debt Service							
Interest Expense	-	-	-	3,128	-	-	3,128
Total Expenditures	<u>4,183</u>	<u>-</u>	<u>3,564</u>	<u>76,699</u>	<u>31,502</u>	<u>-</u>	<u>320,967</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,300</u>	<u>7,953</u>	<u>(3,557)</u>	<u>(2,702)</u>	<u>(13,950)</u>	<u>7,587</u>	<u>(94,762)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	1,000	-	-	5,000	-	-	101,800
Transfers Out	-	(3,500)	-	-	-	-	(3,500)
Total Other Financing Sources and Uses	<u>1,000</u>	<u>(3,500)</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>98,300</u>
Net Change in Fund Balances	3,300	4,453	(3,557)	2,298	(13,950)	7,587	3,538
Fund Balances - Beginning	475	2,155	5,976	(86,682)	22,117	14,247	(10,638)
Fund Balances - Ending	<u>\$ 3,775</u>	<u>\$ 6,608</u>	<u>\$ 2,419</u>	<u>\$ (84,384)</u>	<u>\$ 8,167</u>	<u>\$ 21,834</u>	<u>\$ (7,100)</u>

**VILLAGE OF OSCEOLA**  
**Osceola, Wisconsin**

**DEBT REPAYMENT SCHEDULES**  
**Total Governmental Activities General Obligation Debt**  
**12/31/10**

Year	General		TIF #2		TOTAL		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2011	\$ 209,506	\$ 132,213	\$ 59,588	\$ 55,417	\$ 269,094	\$ 187,630	\$ 456,724
2012	220,101	124,467	55,084	53,592	275,185	178,059	453,244
2013	230,707	116,213	50,589	51,946	281,296	168,159	449,455
2014	236,326	107,392	51,105	50,481	287,431	157,873	445,304
2015	241,957	98,161	56,631	49,005	298,588	147,166	445,754
2016	247,601	88,618	207,168	47,328	454,769	135,946	590,715
2017	243,252	78,797	206,877	38,784	450,129	117,581	567,710
2018	240,000	68,425	215,000	29,750	455,000	98,175	553,175
2019	250,000	57,607	255,000	20,613	505,000	78,220	583,220
2020	250,000	46,187	230,000	9,775	480,000	55,962	535,962
2021	255,000	34,500	-	-	255,000	34,500	289,500
2022	270,000	22,525	-	-	270,000	22,525	292,525
2023	250,000	10,375	-	-	250,000	10,375	260,375
	<u>\$ 3,144,450</u>	<u>\$ 985,480</u>	<u>\$ 1,387,042</u>	<u>\$ 406,691</u>	<u>\$ 4,531,492</u>	<u>\$ 1,392,171</u>	<u>\$ 5,923,663</u>

2011-2015	\$ 1,411,594	\$ 838,887	\$ 2,250,481
2016-2020	2,344,898	485,884	2,830,782
2021-2023	775,000	67,400	842,400
	<u>\$ 4,531,492</u>	<u>\$ 1,392,171</u>	<u>\$ 5,923,663</u>

**VILLAGE OF OSCEOLA**  
Osceola, Wisconsin

**DEBT REPAYMENT SCHEDULES**  
**General Debt (Excluding TIF, Water and Sewer)**  
**12/31/10**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 209,506	\$ 132,213	\$ 341,719
2012	220,101	124,467	344,568
2013	230,707	116,213	346,920
2014	236,326	107,392	343,718
2015	241,957	98,161	340,118
2016	247,601	88,618	336,219
2017	243,252	78,797	322,049
2018	240,000	68,425	308,425
2019	250,000	57,607	307,607
2020	250,000	46,187	296,187
2021	255,000	34,500	289,500
2022	270,000	22,525	292,525
2023	250,000	10,375	260,375
	<u>\$ 3,144,450</u>	<u>\$ 985,480</u>	<u>\$ 4,129,930</u>

2011-2015	\$ 1,138,597	\$ 578,446	\$ 1,717,043
2016-2020	1,230,853	339,634	1,570,487
2021-2023	775,000	67,400	842,400
	<u>\$ 3,144,450</u>	<u>\$ 985,480</u>	<u>\$ 4,129,930</u>

VILLAGE OF OSCEOLA

DEBT REPAYMENT SCHEDULES  
TIF #2  
12/31/10

Year	Principal	Interest	Total
2011	\$ 59,588	\$ 55,417	\$ 115,005
2012	55,084	53,592	108,676
2013	50,589	51,946	102,535
2014	51,105	50,481	101,586
2015	56,631	49,005	105,636
2016	207,168	47,328	254,496
2017	206,877	38,784	245,661
2018	215,000	29,750	244,750
2019	255,000	20,613	275,613
2020	230,000	9,775	239,775
	<u>\$ 1,387,042</u>	<u>\$ 406,691</u>	<u>\$ 1,793,733</u>
2011-2015	\$ 272,997	\$ 260,441	\$ 533,438
2016-2020	1,114,045	146,250	1,260,295
	<u>\$ 1,387,042</u>	<u>\$ 406,691</u>	<u>\$ 1,793,733</u>

**VILLAGE OF OSCEOLA  
DEBT REPAYMENT SCHEDULES  
RDA  
12/31/10**

Year	Lease Revenue Bonds		
	Principal	Interest	Total
2011	\$ 325,000	\$ 120,761	\$ 445,761
2012	375,000	105,324	480,324
2013	275,000	87,043	362,043
2014	325,000	72,880	397,880
2015	370,000	56,143	426,143
2016	100,000	37,088	137,088
2017	125,000	31,712	156,712
2018	150,000	24,994	174,994
2019	150,000	16,931	166,931
2020	165,000	8,869	173,869
	<u>\$ 2,360,000</u>	<u>\$ 561,745</u>	<u>\$ 2,921,745</u>
2011-2015	\$ 1,670,000	\$ 442,151	\$ 2,112,151
2016-2020	690,000	119,594	809,594
	<u>\$ 2,360,000</u>	<u>\$ 561,745</u>	<u>\$ 2,921,745</u>

**VILLAGE OF OSCEOLA**  
**Osceola, Wisconsin**

**DEBT REPAYMENT SCHEDULES**

**Water Utility**

**12/31/10**

**MORTGAGE REVENUE BONDS**

Year	Principal	Interest	Total
2011	\$ 110,408	\$ 97,899	\$ 208,307
2012	115,552	92,878	208,430
2013	120,701	87,542	208,243
2014	125,853	81,748	207,601
2015	131,009	75,590	206,599
2016	141,169	69,058	210,227
2017	146,334	61,881	208,215
2018	151,503	54,304	205,807
2019	161,676	46,354	208,030
2020	166,854	37,824	204,678
2021	177,037	28,863	205,900
2022	182,225	19,348	201,573
2023	187,418	10,402	197,820
2024	7,616	1,201	8,817
2025	7,819	996	8,815
2026	8,027	785	8,812
2027	8,242	567	8,809
2028	8,461	345	8,806
2029	8,687	116	8,803
	\$ 1,966,591	\$ 767,701	\$ 2,734,292
2011-2015	\$ 603,523	\$ 435,657	\$ 1,039,180
2016-2020	767,536	269,421	1,036,957
2021-2025	562,115	60,810	622,925
2026-2029	33,417	1,813	35,230
	\$ 1,966,591	\$ 767,701	\$ 2,734,292

This excludes bond anticipation notes and special assessment b-bonds.

**VILLAGE OF OSCEOLA**  
Osceola, Wisconsin

**DEBT REPAYMENT SCHEDULES**  
**Sewer Utility**  
**12/31/10**

**MORTGAGE REVENUE BONDS**

Year	Principal	Interest	Total
2011	\$ 344,417	\$ 159,351	\$ 503,768
2012	356,461	149,167	505,628
2013	363,680	138,509	502,189
2014	376,080	127,542	503,622
2015	388,663	116,130	504,793
2016	380,125	104,508	484,633
2017	387,415	92,809	480,224
2018	399,883	80,796	480,679
2019	412,531	68,285	480,816
2020	425,365	55,268	480,633
2021	438,390	41,783	480,173
2022	346,609	30,714	377,323
2023	355,029	22,193	377,222
2024	363,652	13,464	377,116
2025	372,485	4,524	377,009
	\$ 5,710,785	\$ 1,205,043	\$ 6,915,828
2011-2015	\$ 1,829,301	\$ 690,699	\$ 2,520,000
2016-2020	2,005,319	401,666	2,406,985
2021-2025	1,876,165	112,678	1,988,843
	\$ 5,710,785	\$ 1,205,043	\$ 6,915,828

This excludes bond anticipation notes and special assessment b-bonds.