



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

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Certified Public Accountants

**VILLAGE OF OSCEOLA**  
**AUDITED FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

*Quality service through our commitment to clients and staff.*

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**Village of Osceola  
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December 31, 2012**

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## **INDEPENDENT AUDITOR'S REPORT**

August 13, 2013

To the Village Board  
Village of Osceola  
Osceola, Wisconsin

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

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

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

### ***Auditor's Responsibility***

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

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

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



### ***Opinions***

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

### ***New Accounting Policy***

As discussed in Note 1(D) to the financial statements, in 2012, the Village of Osceola adopted new accounting guidance. Our opinion is not modified with respect to this matter.

### ***Report on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as identified 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.

### ***Report on Supplemental Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Osceola, Wisconsin's financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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

**VILLAGE OF OSCEOLA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2012**

As management of the Village of Osceola, we offer readers of the Village of Osceola financial statements this narrative overview and analysis of the financial activities of the Village of Osceola for the fiscal year ended December 31, 2012. 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 Position 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 position, 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 Position 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 Position:**

This statement provides information on all assets, deferred outflows, liabilities and deferred inflows of the Village. The statement presents, separately, a roll up of all Governmental activities and Business-Type activities. The difference between assets, deferred outflows, liabilities and deferred inflows, net position, is one way to measure the financial status of the Village. Over time, increases or decreases in net position 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 Position**  
**December 31, 2012**  
(In thousands \$)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 3,195	\$ 5,265	\$ 1,585	\$ 1,764	\$ 4,780	\$ 7,029
Capital Assets	17,451	17,952	16,933	17,201	34,384	35,153
Total Assets	20,646	23,217	18,518	18,965	39,164	42,182
Deferred Outflows of Resources	238	335	3	90	241	425
Total Assets and Deferred Outflows	20,884	23,552	18,521	19,055	39,405	42,607
Long-Term Liabilities Outstanding	6,440	9,116	9,502	10,064	15,942	19,180
Other Liabilities	87	165	229	215	316	380
Total Liabilities	6,527	9,281	9,731	10,279	16,258	19,560
Deferred Inflows of Resources	1,999	2,009	73	80	2,072	2,089
Net Position	12,358	12,262	8,717	8,696	21,075	20,958
Net Investment in Capital Assets	11,084	8,909	7,360	7,060	18,444	15,969
Restricted	322	2,332	599	648	921	2,980
Unrestricted	952	1,021	758	988	1,710	2,009
Total Net Position	\$ 12,358	\$ 12,262	\$ 8,717	\$ 8,696	\$ 21,075	\$ 20,958

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. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Village's net position (\$321,669) represents resources that are subject to external restrictions on how they may be used.. Unrestricted net position represents funds available to provide services to the community.

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

**Statement of Activities:**

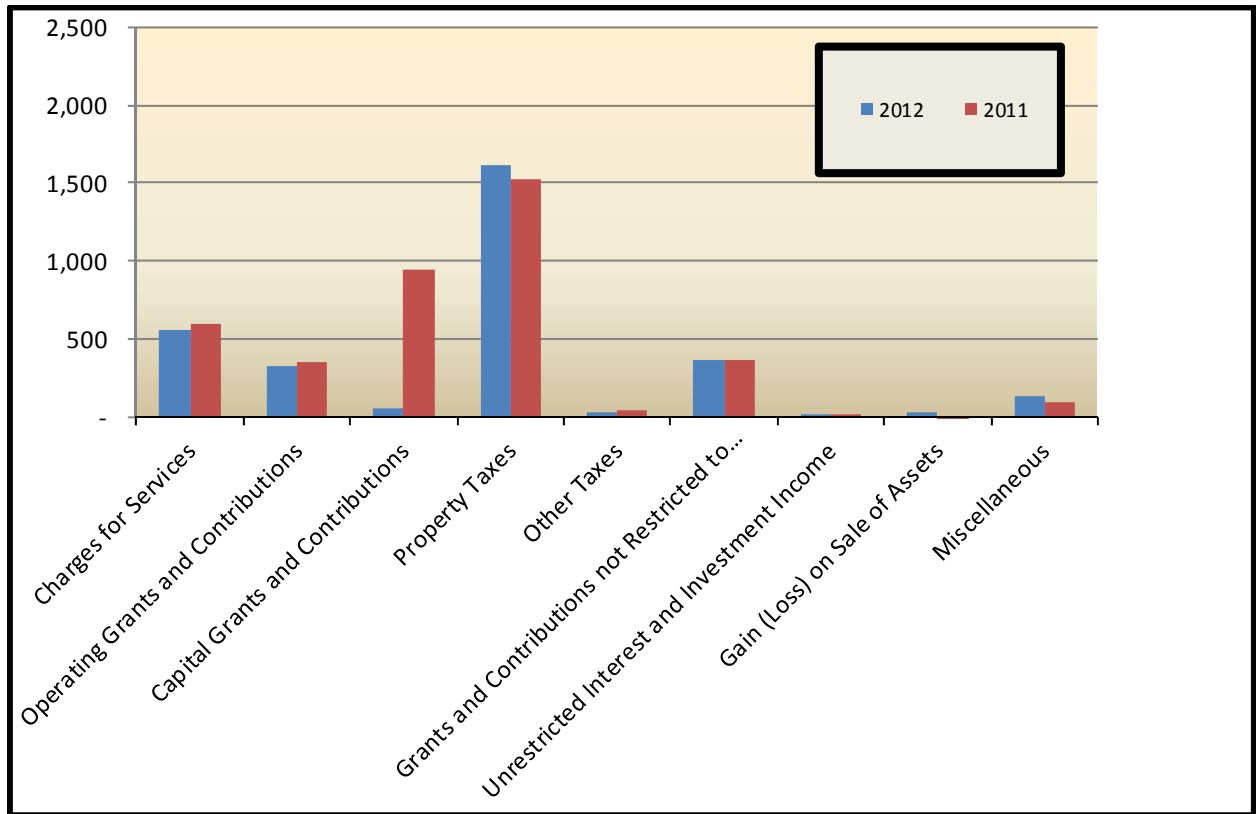
This statement presents the operations of the Village by function, program revenues supporting each function and general revenues which support all functions, by governmental and business-type activities. The following table provides a summary of the Village's operating results and their impact on net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

**Summary of Revenues, Expenses and Change in Net Position**  
**For the Years Ended December 31, 2012 and 2011**  
(In thousands \$)

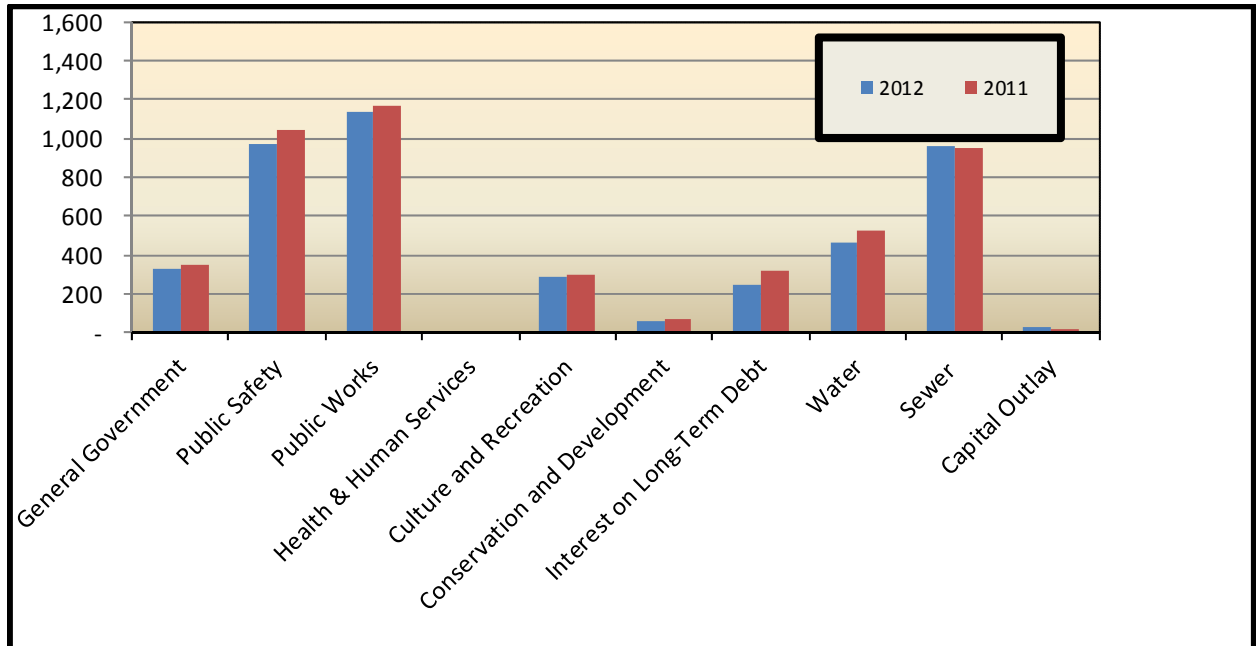
	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services and fees, fines and costs	\$ 558	\$ 595	\$ 1,481	\$ 1,473	\$ 2,039	\$ 2,068
Operating grants and contributions	327	355	-	1	327	356
Capital grants and contributions	49	941	136	36	185	977
<b>General Revenues:</b>						
Property taxes	1,608	1,529	-	-	1,608	1,529
Other taxes	36	37	-	-	36	37
Grants and contributions not restricted to specific programs	366	370	-	-	366	370
Unrestricted Interest and Investment Income	3	5	36	38	39	43
Gain (loss) on sale of assets	27	(23)	1	(21)	28	(44)
Miscellaneous	136	91	7	7	143	98
<b>Total Revenues</b>	<b>\$ 3,110</b>	<b>\$ 3,900</b>	<b>\$ 1,661</b>	<b>\$ 1,534</b>	<b>\$ 4,771</b>	<b>\$ 5,434</b>
<b>Expenses:</b>						
General Government	\$ 328	\$ 347	\$ -	\$ -	\$ 328	\$ 347
Public Safety	975	1,044	-	-	975	1,044
Public Works	1,139	1,171	-	-	1,139	1,171
Culture and Recreation	290	298	-	-	290	298
Conservation and Development	59	65	-	-	59	65
Interest on Long-Term Debt	240	321	-	-	240	321
Capital Outlay	27	20	-	-	27	20
Water	-	-	459	520	459	520
Sewer	-	-	957	951	957	951
<b>Total Expenses</b>	<b>3,058</b>	<b>3,266</b>	<b>1,416</b>	<b>1,471</b>	<b>4,474</b>	<b>4,737</b>
Change in Net Position before Transfers	52	634	245	63	297	697
Transfers	106	120	(136)	(120)	(30)	-
Change in Net Position	158	754	109	(57)	267	697
Net Position - January 1	12,262	11,508	8,696	8,753	20,958	20,261
2012 Restatement	(62)	-	(88)	-	(150)	-
<b>Net Position - December 31</b>	<b>\$ 12,358</b>	<b>\$ 12,262</b>	<b>\$ 8,717</b>	<b>\$ 8,696</b>	<b>\$ 21,075</b>	<b>\$ 20,958</b>

The net position increased in the Governmental Activities and in the Business-Type Activities. The increase in governmental activities is related to donations received for the library building fund, a gain on the sale of assets and an increase in property taxes. The increase in business-type net position relates to special assessment revenue received in 2012. 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, 2012 and 2011**



**Total Expenditures for all Activities by Use  
For the Years Ended December 31, 2012 and 2011**





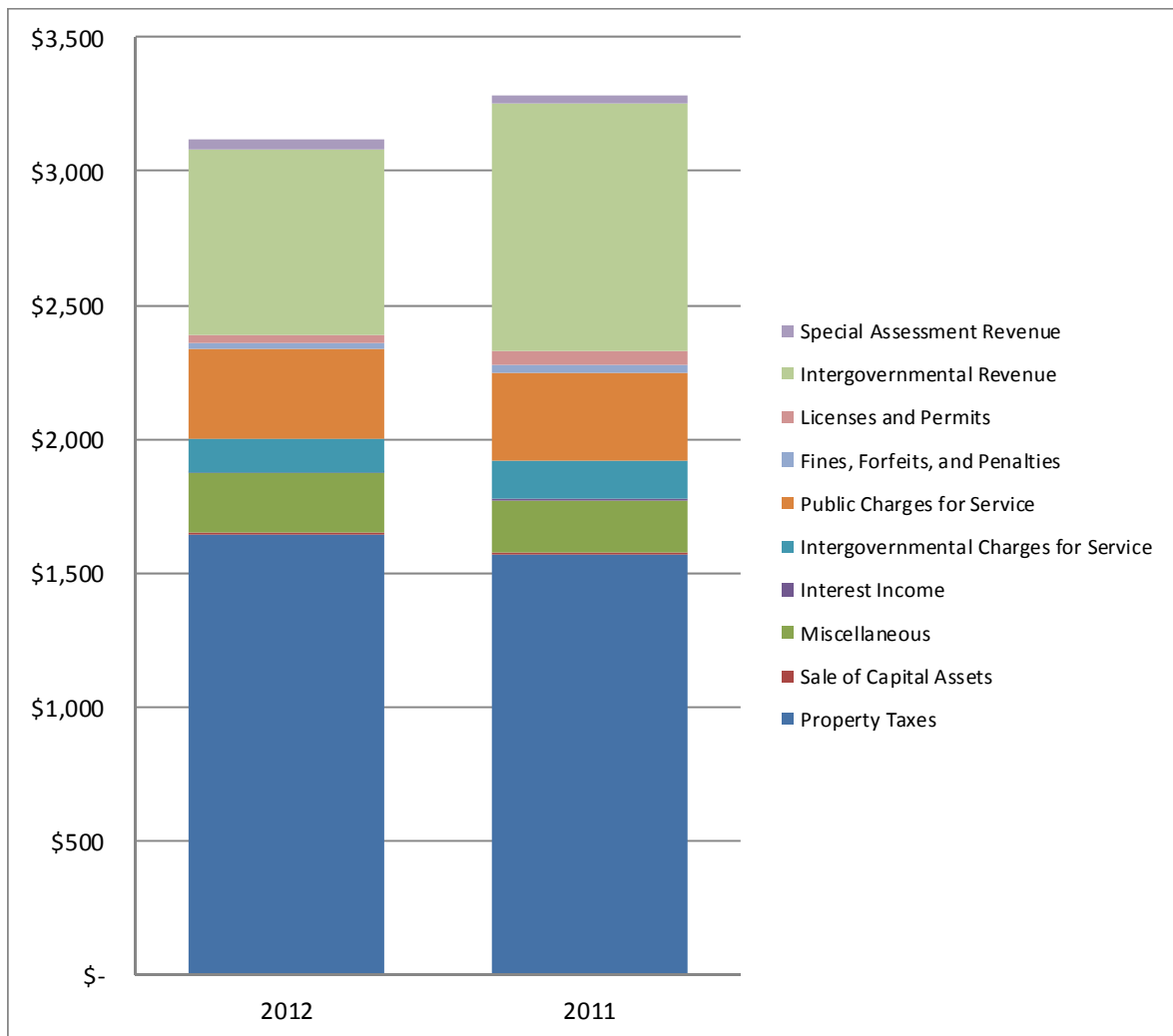
**Revenue and Expense Highlights:**

**Governmental funds.** The focus of the 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, unassigned 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, 2012, the Village’s governmental funds reported combined ending fund balances of \$1,142,965, a decrease of \$1,994,857 from the prior year. The most significant portion of the decrease is attributable to the repayment of debt that was refinanced in 2011. The fund balance in the General Fund increased by \$38,240 in 2012.

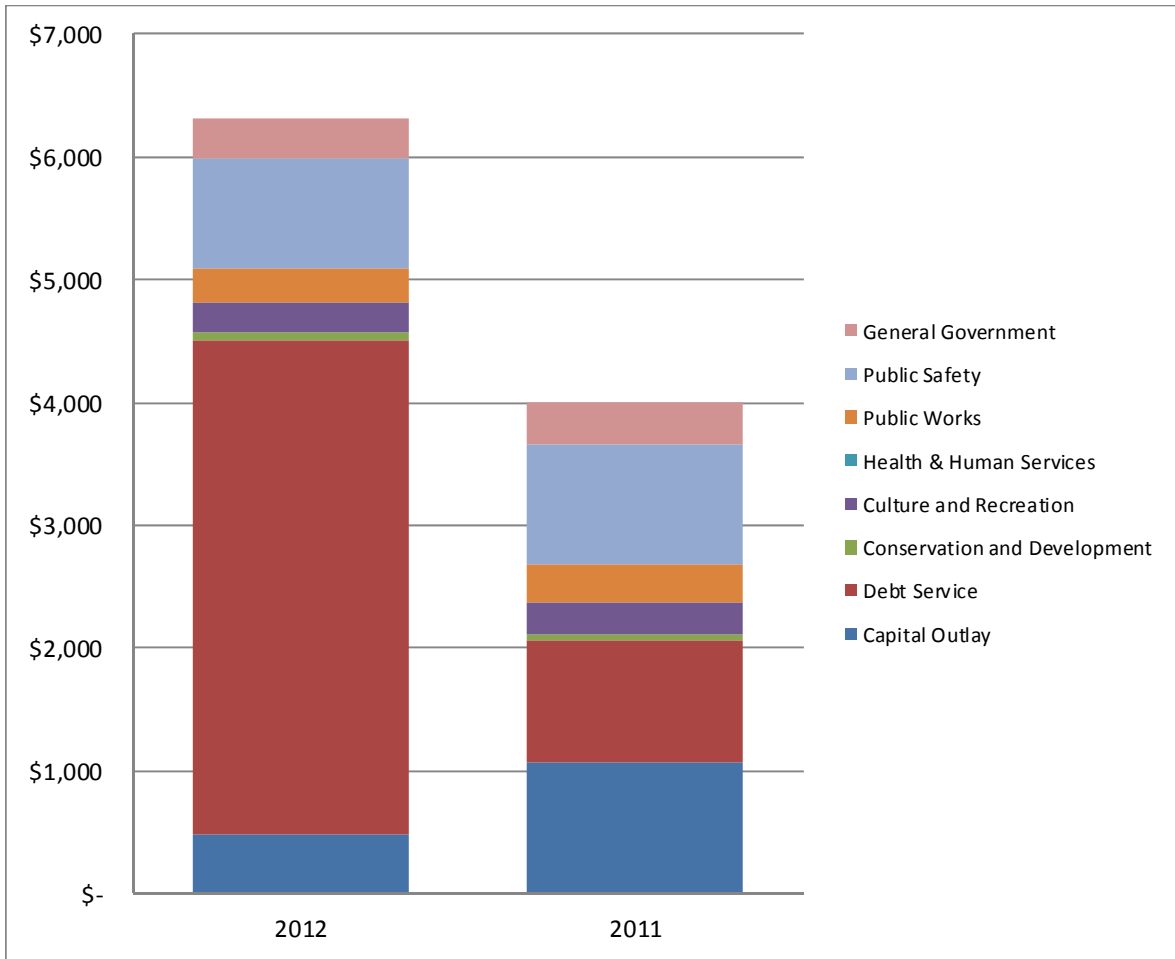
The following charts provide a comparison between 2012 and 2011 Revenues and Expenditures in the Governmental Funds. The decrease in revenue is attributable to the Safe Routes to School grant that was received in 2011.

**Total Revenues for Governmental Funds  
For the Years Ended December 31, 2012 and 2011  
(In thousands \$)**



Overall expenditures from the Governmental Funds increased by \$2,308,444, largely due to a decrease in Capital Outlays of \$582,719 and an increase in debt service of \$3,034,462 for the retirement and refunding of debt issues. In 2012, the largest portion of governmental expenditures was for public safety (\$896,221), capital outlay (\$487,987) and debt service (\$4,022,771). These total \$5,406,979 and comprise 85.6% of total governmental fund expenditures.

**Total Expenditures for Governmental Funds  
For the Years Ended December 31, 2012 and 2011  
(In thousands \$)**



**Proprietary funds.** The 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 Position within the proprietary funds increased from \$8,696,005 to \$8,717,151 in 2012. The largest component of the increase relates to capital contributions from special assessments. In 2012 the Water Utility operating revenues remained flat and operating expenses before depreciation decreased by \$9,859. The decrease in operating expenses relates to a reduction in tax expense and accounting & admin charges. Sewer utility operating revenues increased by \$5,693 and Sewer utility operating expenses before depreciation increased by \$4,294.

### **Proprietary Construction Activities**

Infrastructure improvements completed in 2012 includes the following projects listed below:

- Installation of a new hydrant on 6<sup>th</sup> Avenue (\$8,995)
- Installation of new meters (\$2,393)
- Mapping of the water system (\$26,939)
- Sewer main rehab (\$188,944)
- New pipeline for Braves restroom (\$15,188)

### **General Fund Budgetary Highlights**

The General Fund is the primary operating fund of the Village. Within the General Fund, revenues exceeded expenditures by \$38,240. The original budget provided for a \$26,394 decrease in fund balance. Actual expenditures (excluding transfer out) were \$12,291 more than the amended budget. Culture, Recreation and Education exceeded budgets by \$10,852. The increased costs are related to an increase in the maintenance and mowing of parks.

The year-end fund balance of \$798,396 represents 40.3% of 2012 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 \$48.4 million in capital assets (before depreciation). Additions to these Capital Assets totaled \$937,524 in 2012. The following table provides a summary of the Capital Assets of the Village.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Land	\$ 4,341	\$ 4,341	\$ 37	\$ 37	\$ 4,378	\$ 4,378
Infrastructure in Progress	17	31	-	-	17	31
Construction in Progress	67	9	-	35	67	44
Buildings, Improvements & Equipment	4,219	4,171	6,533	6,491	10,752	10,662
Infrastructure	18,236	17,879	15,014	14,815	33,250	32,694
<b>Total Capital Assets</b>	<b>26,880</b>	<b>26,431</b>	<b>21,584</b>	<b>21,378</b>	<b>48,464</b>	<b>47,809</b>
Less: Accumulated Depreciation	9,429	8,479	4,651	4,177	14,080	12,656
<b>Net Investment in Capital Assets</b>	<b>\$ 17,451</b>	<b>\$ 17,952</b>	<b>\$ 16,933</b>	<b>\$ 17,201</b>	<b>\$ 34,384</b>	<b>\$ 35,153</b>

## Long-Term Debt

The Village had \$15,866,613 of long-term debt outstanding at December 31, 2012 as compared to \$19,103,889 at December 31, 2011. 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>Totals</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>General Obligation Debt:</b>						
Bonds	\$ 4,796	\$ 5,032	\$ 2,524	\$ 2,548	\$ 7,320	\$ 7,580
Mortgage Revenue Bonds	-	-	6,719	7,192	6,719	7,192
Special Assessment B-Bonds	-	-	258	322	258	322
Lease Revenue Bonds	1,570	4,010	-	-	1,570	4,010
	<b>\$ 6,366</b>	<b>\$ 9,042</b>	<b>\$ 9,501</b>	<b>\$ 10,062</b>	<b>\$ 15,867</b>	<b>\$ 19,104</b>

## **Long-Term Debt (Continued)**

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 31 through 37 of this report.

## **ECONOMIC FACTORS and 2013 BUDGET and RATES**

The 2013 budget was developed based on a "steady state" to reflect inflation with only minor modification to operations and programs. General Fund revenues for 2013 are budgeted at \$1,988,481, which is a \$1,926 decrease from the 2012 amended budget. General Fund expenditures for 2013 are budgeted at \$1,986,351, which is a \$1,308 decrease from the 2012 amended budget.

## **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, 54020-217. The phone number is (715) 294-3498.

Questions concerning any of the information provided for in this report for the Housing Authority of the Village of Osceola, or requests for additional financial information, should be addressed to the Executive Director, Housing Authority of the Village of Osceola, 602 3<sup>rd</sup> Avenue, Osceola, WI 52501. The phone number is (715) 294-3629.

**Village of Osceola  
Osceola, Wisconsin**

**Statement of Net Position  
December 31, 2012**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Primary Government</b>
<b>ASSETS</b>			
Cash and Investments	\$ 892,671	\$ 821,678	\$ 1,714,349
Receivables	2,068,550	933,232	3,001,782
Internal Balances	225,685	(225,685)	-
Due from Other Governmental Agencies	8,763	43,276	52,039
Inventories	-	12,946	12,946
Capital Assets			
Land, Improvements, and Construction in Progress	4,424,158	36,941	4,461,099
Other Capital Assets, net of depreciation	13,026,618	16,895,996	29,922,614
Total Capital Assets	<u>17,450,776</u>	<u>16,932,937</u>	<u>34,383,713</u>
Total Assets	<u>20,646,445</u>	<u>18,518,384</u>	<u>39,164,829</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Prepaid Expenses	17,113	-	17,113
Special Assessments due in the Future	220,335	-	220,335
Investment in Biosolids	-	2,515	2,515
Total Deferred Outflows of Resources	<u>237,448</u>	<u>2,515</u>	<u>239,963</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 20,883,893</u>	<u>\$ 18,520,899</u>	<u>\$ 39,404,792</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 63,919	\$ 182,851	\$ 246,770
Due to Other Governmental Agencies	-	-	-
Accrued Interest	23,124	46,166	69,290
Long-Term Liabilities			
Due within one year			
Bonds and Notes payable	672,296	589,436	1,261,732
Compensated absences	6,939	1,314	8,253
Due in more than one year			
Bonds and Notes payable	5,693,917	8,910,964	14,604,881
Compensated Absences	66,329	-	66,329
Total Liabilities	<u>6,526,524</u>	<u>9,730,731</u>	<u>16,257,255</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2013 Tax Revenues	1,595,076	-	1,595,076
2013 Public Fire Protection	229,378	-	229,378
2013 Other Revenues	12,091	-	12,091
MDI Loan	162,415	-	162,415
Regulatory Credit	-	73,017	73,017
Total Deferred Inflows of Resources	<u>1,998,960</u>	<u>73,017</u>	<u>2,071,977</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	11,084,563	7,359,520	18,444,083
Restricted for:			
Special Revenue	119,674	-	119,674
Debt Service	201,995	422,669	624,664
Other projects	-	176,757	176,757
Unrestricted	952,177	758,205	1,710,382
Total Net Position	<u>12,358,409</u>	<u>8,717,151</u>	<u>21,075,560</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 20,883,893</u>	<u>\$ 18,520,899</u>	<u>\$ 39,404,792</u>

See accompanying notes to the basic financial statements

**Village of Osceola  
Osceola, Wisconsin**

**Statement of Activities  
For the Year Ended December 31, 2012**

<b>Functions/Programs</b>	<b>Program Revenue</b>				<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Primary Government</b>		
					<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Primary Government</b>
<b>Primary government</b>							
Governmental Activities							
General Government	\$ 327,525	\$ 119,347	\$ 6,070	\$ -	\$ (202,108)		\$ (202,108)
Public Safety	975,292	363,664	20,738	-	(590,890)		(590,890)
Public Works	1,138,714	70,801	219,797	41,380	(806,736)		(806,736)
Culture and Recreation	290,305	3,862	79,912	4,653	(201,878)		(201,878)
Conservation and Development	59,072	-	-	-	(59,072)		(59,072)
Interest on Long-term debt	240,085	-	-	-	(240,085)		(240,085)
Capital Outlay	27,433	-	-	3,404	(24,029)		(24,029)
Total governmental activities	3,058,426	557,674	326,517	49,437	(2,124,798)		(2,124,798)
<b>Business-type activities</b>							
Water	458,978	571,903	-	68,204	-	181,129	181,129
Sewer	956,900	909,459	-	68,203	-	20,762	20,762
Total business-type activities	1,415,878	1,481,362	-	136,407	-	201,891	201,891
Total primary government	\$ 4,474,304	\$ 2,039,036	\$ 326,517	\$ 185,844	(2,124,798)	201,891	(1,922,907)
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					1,607,640	-	1,607,640
Other taxes					19,603	-	19,603
Room taxes					16,674	-	16,674
Grants and contributions not restricted to specific programs					365,612	-	365,612
Unrestricted investment earnings					3,122	35,624	38,746
Miscellaneous					136,818	6,638	143,456
<i>Special item</i> - gain (loss) on sale/retirement of asset(s)					27,094	1,173	28,267
Transfers					136,369	(136,369)	-
Total general revenues, special items, and transfers					2,312,932	(92,934)	2,219,998
Transfer to fiduciary fund					(29,957)	-	(29,957)
Change in net position					158,177	108,957	267,134
Net position - beginning (restated)					12,200,232	8,608,194	20,808,426
Net position - ending	\$ 12,358,409	\$ 8,717,151	\$ 21,075,560		\$ 12,358,409	\$ 8,717,151	\$ 21,075,560

See accompanying notes to the basic financial statements

Village of Osceola  
Osceola, Wisconsin

Balance Sheet  
Governmental Funds  
December 31, 2012

	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	\$ 278,253	\$ 4,674	\$ 153,404	\$ -	\$ 91,680	\$ 167,160	\$ 695,171
Receivables:							
Taxes	773,281	-	330,179	133,846	357,770	-	1,595,076
Delinquent Personal Property Taxes	3,846	-	-	-	-	-	3,846
Special Assessments	230,192	-	-	44,207	-	-	274,399
Accounts	873	-	1,007	9,433	-	-	11,313
Loans	-	-	162,415	-	-	-	162,415
Other	-	-	-	-	-	21,501	21,501
Due from Other Funds	199,025	-	-	-	-	-	199,025
Due from Other Governments	8,763	-	-	-	-	-	8,763
Restricted Cash	-	-	197,500	-	-	-	197,500
Advances Receivable	339,677	-	-	-	-	-	339,677
Total Assets	<u>1,833,910</u>	<u>4,674</u>	<u>844,505</u>	<u>187,486</u>	<u>449,450</u>	<u>188,661</u>	<u>3,508,686</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Prepaid Expenses	11,073	-	-	6,040	-	-	17,113
Special Assessments due in the Future	-	-	-	220,335	-	-	220,335
Total Deferred Outflows of Resources	<u>11,073</u>	<u>-</u>	<u>-</u>	<u>226,375</u>	<u>-</u>	<u>-</u>	<u>237,448</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,844,983</u>	<u>\$ 4,674</u>	<u>\$ 844,505</u>	<u>\$ 413,861</u>	<u>\$ 449,450</u>	<u>\$ 188,661</u>	<u>\$ 3,746,134</u>
<b>LIABILITIES</b>							
Liabilities:							
Accounts Payable	\$ 37,766	\$ -	\$ -	\$ 9,299	\$ -	\$ 16,853	\$ 63,918
Due to Other Funds	-	-	-	-	-	25	25
Short-Term Compensated Absences	6,162	-	-	-	-	777	6,939
Advances Payable	-	-	236,256	26,736	50,000	-	312,992
Total Liabilities	<u>43,928</u>	<u>-</u>	<u>236,256</u>	<u>36,035</u>	<u>50,000</u>	<u>17,655</u>	<u>383,874</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Inflows of Resources	1,002,659	-	492,594	354,181	357,770	12,091	2,219,295
Total Deferred Inflows of Resources	<u>1,002,659</u>	<u>-</u>	<u>492,594</u>	<u>354,181</u>	<u>357,770</u>	<u>12,091</u>	<u>2,219,295</u>
<b>FUND BALANCES</b>							
Nonspendable	350,750	-	-	-	-	-	350,750
Restricted	13,685	4,674	115,655	-	41,680	158,915	334,609
Assigned	-	-	-	23,645	-	-	23,645
Unassigned	433,961	-	-	-	-	-	433,961
Total Fund Balances	<u>798,396</u>	<u>4,674</u>	<u>115,655</u>	<u>23,645</u>	<u>41,680</u>	<u>158,915</u>	<u>1,142,965</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,844,983</u>	<u>\$ 4,674</u>	<u>\$ 844,505</u>	<u>\$ 413,861</u>	<u>\$ 449,450</u>	<u>\$ 188,661</u>	<u>\$ 3,746,134</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 Position  
December 31, 2012**

Total fund balance, governmental funds	\$	1,142,965
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Amounts reported for governmental activities in the Statement of Net Position 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 Position.		17,450,776
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Deferred inflows are reported in the fund financial statement, but are already recognized as earned in the Statement of Net Position.		220,335
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Some liabilities, (such as Notes Payable, Long-term Compensated Absences, and Bonds Payable ), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

	Accrued Interest	\$ (23,124)	
	Bond and Notes Payable Due Within One Year	(672,296)	
	Bond and Notes Payable Due In More Than One Year	(5,693,917)	
	Compensated Absences	(66,329)	
	Rounding	(1)	(6,455,667)

Net Position of Governmental Activities in the Statement of Net Position	\$	12,358,409
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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, 2012**

	<u>General Fund</u>	<u>Debt Service</u>	<u>TIF 2/RDA</u>	<u>Capital Projects</u>	<u>TIF 1</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>							
Property Taxes	\$ 768,151	\$ -	\$ 347,589	\$ 141,384	\$ 350,516	\$ -	\$ 1,607,640
Other Taxes	19,603	-	-	-	-	16,674	36,277
Special Assessment Revenue	-	-	-	36,942	-	-	36,942
Intergovernmental	565,511	-	16,022	29,152	15,428	69,060	695,173
License and Permits	30,816	-	-	-	-	-	30,816
Fines, Forfeits and Penalties	23,387	-	-	-	-	-	23,387
Public Charges for Services	268,370	-	-	375	-	67,161	335,906
Intergovernmental Charges for Services	122,470	-	-	-	-	-	122,470
Interest Income	-	-	17	2,770	-	335	3,122
Miscellaneous Income	74,141	-	32,015	16,433	-	102,516	225,105
Total Revenues	<u>1,872,449</u>	<u>-</u>	<u>395,643</u>	<u>227,056</u>	<u>365,944</u>	<u>255,746</u>	<u>3,116,838</u>
<b>EXPENDITURES</b>							
Current:							
General Government	289,646	-	15,150	-	16,150	15	320,961
Public Safety	883,114	-	-	-	-	13,107	896,221
Public Works	202,982	-	-	-	-	75,987	278,969
Culture, Recreation and Education	63,091	-	-	-	-	184,087	247,178
Conservation and Development	14,500	-	31,339	-	-	13,232	59,071
Capital Outlay	-	-	-	456,815	-	31,172	487,987
Debt Service							
Principal Repayment	-	1,326,184	2,440,000	-	-	-	3,766,184
Interest Expense	-	183,369	52,509	-	3,600	-	239,478
Fiscal Charges	-	2,164	-	14,945	-	-	17,109
Total Expenditures	<u>1,453,333</u>	<u>1,511,717</u>	<u>2,538,998</u>	<u>471,760</u>	<u>19,750</u>	<u>317,600</u>	<u>6,313,158</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>419,116</u>	<u>(1,511,717)</u>	<u>(2,143,355)</u>	<u>(244,704)</u>	<u>346,194</u>	<u>(61,854)</u>	<u>(3,196,320)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from Sale of Capital Assets	1,647	-	-	3,404	-	-	5,051
Proceeds from Long-Term Debt	-	-	-	110,000	-	-	110,000
Refunding Bonds Issued	-	980,000	-	-	-	-	980,000
Transfers In	144,969	529,554	318,601	-	-	130,000	1,123,124
Transfers Out	(527,492)	-	(108,676)	(39,343)	(318,601)	(22,600)	(1,016,712)
Total Other Financing Sources and Uses	<u>(380,876)</u>	<u>1,509,554</u>	<u>209,925</u>	<u>74,061</u>	<u>(318,601)</u>	<u>107,400</u>	<u>1,201,463</u>
Net Change Fund Balances	38,240	(2,163)	(1,933,430)	(170,643)	27,593	45,546	(1,994,857)
Fund Balances - Beginning	760,156	6,837	2,049,085	194,288	14,087	113,369	3,137,822
Fund Balances - Ending	<u>\$ 798,396</u>	<u>\$ 4,674</u>	<u>\$ 115,655</u>	<u>\$ 23,645</u>	<u>\$ 41,680</u>	<u>\$ 158,915</u>	<u>\$ 1,142,965</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, 2012**

Net change in fund balances - total governmental funds: \$ (1,994,857)

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 capital outlays exceeded depreciation in the current period.

	Capital Outlay	\$ 460,553	
	Depreciation	<u>(986,939)</u>	(526,386)

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.

(37,147)

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. \$3,766,185 is the amount of principal repayments less proceeds from long-term debt of \$1,090,000 represents the net activity in 2012.

2,676,185

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	16,503
Adjustment for increase in compensated absences	(1,568)
Adjustment for gain on sale of fixed assets	<u>25,447</u>
Change in net position of governmental activities:	<u><u>\$ 158,177</u></u>

See accompanying notes to the basic financial statements

**Village of Osceola  
Osceola, Wisconsin**

**Statement of Net Position  
Proprietary Funds  
December 31, 2012**

	<b>Proprietary Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 37,876	\$ 376	\$ 38,252
Receivables			
Taxes	67,358	134,743	202,101
Accounts	91,808	217,439	309,247
Loans	-	19,404	19,404
Other	1,500	22,814	24,314
Due from Other Governments	-	43,276	43,276
Inventories	9,285	3,661	12,946
Total Current Assets	207,827	441,713	649,540
Restricted Assets:			
Restricted Cash and Investments	226,600	556,826	783,426
Total Restricted Assets	226,600	556,826	783,426
Capital Assets:			
Land and Improvements	36,941	-	36,941
Other Capital Assets	8,299,416	13,247,841	21,547,257
Less Accumulated Depreciation	(1,835,119)	(2,816,142)	(4,651,261)
Net Capital Assets	6,501,238	10,431,699	16,932,937
Noncurrent Assets:			
Advances Receivable	100,000	50,000	150,000
Special Assessments	152,715	184,777	337,492
Long-Term Loans Receivable	-	40,674	40,674
Total Noncurrent Assets	252,715	275,451	528,166
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Investment in Biosolids	-	2,515	2,515
Total Deferred Outflows of Resources	-	2,515	2,515
Total Assets and Deferred Outflows of Resources	\$ 7,188,380	\$ 11,708,204	\$ 18,896,584

See accompanying notes to the basic financial statements

**Village of Osceola  
Osceola, Wisconsin**

**Statement of Net Position  
Proprietary Funds  
December 31, 2012**

	<b>Proprietary Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 2,765	\$ 36,413	\$ 39,178
Taxes Accrued	143,673	-	143,673
Accrued Interest Payable	10,992	35,174	46,166
Due to Other Funds	-	199,000	199,000
Compensated Absences	657	657	1,314
Current Portion of Long-Term Debt:			
Current Portion of Long-Term Bonds	178,456	410,980	589,436
Total Current Liabilities	336,543	682,224	1,018,767
Non-Current Liabilities:			
Long-Term Debt			
Bonds and Loans Payable	2,062,838	6,848,126	8,910,964
Total Long-Term Debt	2,062,838	6,848,126	8,910,964
Other Liabilities:			
Advances Payable	-	176,685	176,685
Total Other Liabilities	-	176,685	176,685
Total Non-Current Liabilities	2,062,838	7,024,811	9,087,649
Total Liabilities	2,399,381	7,707,035	10,106,416
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Regulatory Credit	73,017	-	73,017
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,186,927	3,172,593	7,359,520
Restricted Assets	226,600	556,826	783,426
Unrestricted	302,455	271,750	574,205
Total Net Position	4,715,982	4,001,169	8,717,151
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 7,188,380	\$ 11,708,204	\$ 18,896,584

See accompanying notes to the basic financial statements

**Village of Osceola  
Osceola, Wisconsin**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2012**

	<b>Proprietary Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>REVENUES</b>			
Charges for Services	\$ 563,127	\$ 862,890	\$ 1,426,017
Other Operating Revenues	8,776	46,569	55,345
Total Operating Revenues	571,903	909,459	1,481,362
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	191,490	432,459	623,949
Depreciation	171,509	304,651	476,160
Taxes	10,654	1,575	12,229
Total Operating Expenses	373,653	738,685	1,112,338
Operating Income (Loss)	198,250	170,774	369,024
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and Investment Revenue	17,143	18,481	35,624
Miscellaneous Non-Operating Revenue	6,638	-	6,638
Interest Expense	(84,741)	(218,215)	(302,956)
Debt Issuance Expense	(584)	-	(584)
Total Non-Operating Revenue (Expenses)	(61,544)	(199,734)	(261,278)
Income (Loss) Before Contributions and Transfers	136,706	(28,960)	107,746
Capital Contributions	68,204	68,203	136,407
Transfers Out (Tax Equivalent)	(136,369)	-	(136,369)
Gain (Loss) on Retirement of Assets	1,173	-	1,173
Change in Net Position	69,714	39,243	108,957
Total Net Position - Beginning (Restated)	4,646,268	3,961,926	8,608,194
Total Net Position - Ending	\$ 4,715,982	\$ 4,001,169	\$ 8,717,151

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, 2012**

	Water Utility	Sewer Utility	Totals 2012
<u>Cash Flows From Operating Activities:</u>			
Receipts from Customers	\$ 562,065	\$ 868,164	\$ 1,430,229
Payments to Suppliers	(130,198)	(147,107)	(277,305)
Payments to Employees	(53,058)	(75,418)	(128,476)
Taxes Paid	(147,023)	(1,575)	(148,598)
Net Cash Provided (Used) by Operating Activities	<u>231,786</u>	<u>644,064</u>	<u>875,850</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Proceeds of special assessments	37,265	47,952	85,217
Acquisition and Construction of Plant Assets	(11,934)	(194,563)	(206,497)
Repayment of Advance to TIF	20,000	10,000	30,000
Principal Payments on Long-Term Debt	(162,330)	(379,356)	(541,686)
Interest Paid	(95,340)	(222,098)	(317,438)
Net Cash Used for Capital and Related Financing Activities	<u>(212,339)</u>	<u>(738,065)</u>	<u>(950,404)</u>
<u>Cash Flows From Investing Activities:</u>			
Interest on Investments	17,143	18,481	35,624
Purchase of Non-Cash Equivalents	(226,600)	(196,069)	(422,669)
Sale of non-cash equivalents	225,076	195,106	420,182
Net Cash Provided (Used) by Investing Activities	<u>15,619</u>	<u>17,518</u>	<u>33,137</u>
<u>Cash Flows From Non-Investing Activities:</u>			
Short-term cash borrowing from general fund	-	184,000	184,000
Net cash provided by non-investing activities	<u>-</u>	<u>184,000</u>	<u>184,000</u>
Net Increase (Decrease) in Cash and Equivalents	35,066	107,517	142,583
Cash and Equivalents - Beginning of Year	<u>2,810</u>	<u>253,616</u>	<u>256,426</u>
Cash and Equivalents - End of Year	<u>\$ 37,876</u>	<u>\$ 361,133</u>	<u>\$ 399,009</u>
Reconciliation to Statement of Net Position			
Current Cash and Cash Equivalents	\$ 37,876	\$ 376	\$ 38,252
Restricted Cash and Investments	226,600	556,826	783,426
Less Non-Cash Equivalents	(226,600)	(196,069)	(422,669)
Cash and Equivalents - End of Year	<u>\$ 37,876</u>	<u>\$ 361,133</u>	<u>\$ 399,009</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, 2012**

	Water Utility	Sewer Utility	Totals 2012
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>			
<b>Provided (Used) by Operating Activities</b>			
Operating Income	\$ 198,250	\$ 170,774	\$ 369,024
Adjustments to Reconcile Operating Income to Net			
Cash Provided by Operating Activities:			
Joint Meter	3,276	(3,276)	-
Tax Equivalent	(136,369)	-	(136,369)
Amortization	51,919	-	51,919
Depreciation	171,509	304,651	476,160
Prior Period Adjustment	(51,919)	-	(51,919)
Changes in Assets and Liabilities:			
Customer Accounts Receivable	2,019	(1,193)	826
Other Accounts Receivable	(6,216)	(31,525)	(37,741)
Due from/to Other Governmental Units	-	(8,577)	(8,577)
Due from/to other funds	(5,641)	191,685	186,044
Material & Supplies	434	(500)	(66)
Accounts Payable	832	25,324	26,156
Accrued Liabilities	3,692	(3,299)	393
Net Cash Provided (Used) by Operating Activities	\$ 231,786	\$ 644,064	\$ 875,850
 <u>Noncash Activity</u>			
Debt Paid by Joint Sewerage Commission	\$ -	\$ 18,808	\$ 18,808
Net Noncash Activity	\$ -	\$ 18,808	\$ 18,808

See accompanying notes to the basic financial statements



**Village of Osceola  
Osceola, Wisconsin**

**Statement of Net Position  
Fiduciary Funds  
December 31, 2012**

	<b>Library Restricted</b>	<b>Municipal Court/Forfeitures</b>	<b>Tax Agency</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 22,000	\$ 10,359	\$ 505,553	\$ 537,912
Receivables:				
Taxes Receivable	-	-	1,764,137	1,764,137
Due from Other Governments	-	2,932	-	2,932
Total Receivables	-	2,932	1,764,137	1,767,069
<b>TOTAL ASSETS</b>	<b>\$ 22,000</b>	<b>\$ 13,291</b>	<b>\$ 2,269,690</b>	<b>\$ 2,304,981</b>
<b>LIABILITIES</b>				
Accounts Payable	-	\$ 6,010	-	\$ 6,010
Due to Other Governments	-	-	2,269,690	2,269,690
Total Liabilities	-	6,010	2,269,690	2,275,700
<b>NET POSITION</b>				
Held in Trust for Benefits and Other Purposes	22,000	7,281	-	29,281
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 22,000</b>	<b>\$ 13,291</b>	<b>\$ 2,269,690</b>	<b>\$ 2,304,981</b>

See accompanying notes to the basic financial statements

Village of Osceola  
Osceola, Wisconsin

Statement of Activities  
Fiduciary Funds  
For the Year Ended December 31, 2012

	<b>Municipal Court/Forfeitures</b>
<b>REVENUES</b>	
Fines, Forfeits and Penalties	\$ 27,822
Public Charges for Services	12,283
Miscellaneous Income	2,932
Total Revenues	<u>43,037</u>
<b>EXPENDITURES</b>	
Current:	
General Government	64,229
Total Expenditures	<u>64,229</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(21,192)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers In	29,957
Total Other Financing Sources and Uses	<u>29,957</u>
<b>SPECIAL ITEM</b>	
Change in Net Position	8,765
Net Position - Beginning	(1,484)
Net Position - Ending	<u>\$ 7,281</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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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 blended 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 15 for further details.

The Housing Authority of the Village of Osceola

Effective in 2012, management of the Village has determined that the Housing Authority of the Village of Osceola (the "Housing Authority") is excluded as a component unit. The Housing Authority is a legally separate organization and appointments to the Housing Authority are approved by the Village Board; however, since the Village cannot impose its will on the Housing Authority and there is no material benefit to, or burden on, the Village, the Housing Authority does not meet the criteria for inclusion in the reporting entity. Financial statements for the Housing Authority may be obtained from:

Housing Authority of Osceola  
602 3<sup>rd</sup> Avenue  
Osceola, WI 52501

Component Units

The School District of Osceola is excluded from the reporting entity. The financial statements exclude the accounts of the above named school district because the school district has a separately elected governing body, is legally separate and fiscally independent.

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

Government-wide financial statements are basic financial statements required for all governmental units. The statement of net position 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, 2012**

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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.

**Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other 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, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditures/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, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary 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, 2012**

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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 proprietary 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 proprietary funds:

**Major Proprietary 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	Urban Forestry Grant
Room Tax	Law Enforcement Grants
CDBG Fund	

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, 2012**

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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 Position and Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. 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 inter-fund 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 inflows of resources. 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 inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

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 inflows of resources. Delinquent special assessments being held for collection by the county are reported as receivables and non-spendable fund balance in the general fund.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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

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

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. Other general revenues such as 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.

The Village reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources 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 deferred inflows of resources 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. 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 fund's 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. New Accounting Pronouncements**

Effective January 1, 2012, the Village implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 provides financial guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This Statement amends the net assets reporting requirements in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

Effective January 1, 2012, the Village also implemented GASB Statement No. 65, *Reporting Items Previously Recognized as Assets and Liabilities*. GASB Statement No. 65 defines deferred outflows and deferred inflows of resources, which are to be separated from assets and liabilities under GASB Statement No. 63. The financial statement effect of implementing these standards resulted in a restatement of net position. See Note 21.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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

**E. Assets, Liabilities, and Net Position 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.

**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. The beginning cash and equivalents balance was changed to \$253,616 from \$62,213. The adjustment was for items previously identified as non-cash equivalents that were cash equivalents. Cash reserves in the amount of \$226,600 for the water and \$196,069 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 – 2012 tax roll

Lien date and levy date	December, 2012
Tax Bills mailed	December, 2012
Payment in full, or	January 31, 2013
First installment due	January 31, 2013
Second installment due	July 31, 2013
Personal property taxes in full	January 31, 2013
Tax sale – 2012 delinquent real estate taxes	October, 2015



**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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

**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. Special assessments not subject to collection 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 proprietary funds are recorded as non-operating revenue at the time of assessment, if subject to collection. Special assessments, those not subject to collection, are recorded as another deferred inflow of resources 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.

**6) Inventories and Prepaid Items**

**Inventories**

Inventories of proprietary 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 \$7,800 was paid directly to Osceola Area Ambulance in November 2012. The Village has set up a prepaid expense for this payment that is for 2013 EMS services. The Village will reduce their 2013 payment to Osceola Area Ambulance.

In addition, the Village prepaid life and dental insurance for the service period of 1/1/2013 through 1/31/2013 and a municipal fee for the assessment of property.

The Village also has a deposit of \$6,040 with the Department of Aeronautics to be used for future airport projects.

**7) Restricted Assets**

Restricted assets consisted of debt reserves and construction reserves relating to the utility mortgage revenue bonds. Proprietary fund restricted cash totaled \$599,426. This included debt reserves of \$226,600 for water utility revenue bonds, \$196,069 for sewer utility revenue bonds and \$176,757 for sewer equipment replacement. The TIF2/RDA fund, a capital projects fund, had \$197,500 in restricted cash. \$197,500 is reserved for debt service on its lease revenue bonds.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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

**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.

Proprietary Fund Fixed Assets – Assets in the proprietary 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 2012.

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) Debt Issuance Costs**

In both the governmental funds and the government-wide and proprietary fund type financial statements, debt issuance costs are recognized as expenditures in the current period.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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

**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 \$8,253 in vacation as of December 31, 2012. This is recorded as a fund liability in the general fund of \$6,939 and the proprietary funds of \$1,314.

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 \$66,329 at December 31, 2012. 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, 2012 are determined on the basis of current salary rates.

**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.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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

**14) Equity and Net Position Classifications**

**Government-Wide Statements**

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

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

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

**Fund Financial Statements – Governmental Funds – Fund Balance**

In the fund financial statements, governmental fund balance is presented in five possible categories:

**Non-spendable** – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

**Restricted** – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

**Assigned** – resources neither restricted nor committed for which a government has a stated intended use as established by the Board or a body or official of which the Board has delegated the authority to assign amounts for specific purposes.

**Unassigned** – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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- 1. Summary of Significant Accounting Policies (Continued)**
- E. Assets, Liabilities, and Net Position or Equity (Continued)**
- 14) Equity and Net Position Classifications (Continued)**

**Fund Financial Statements – Governmental Funds – Fund Balance (Continued)**

The Village Board established a fund balance policy on January 25, 2011. Key components of the policy are:

- Strive to maintain a general fund balance equal or above 30% of budgeted general fund expenditures.
- Amounts in excess of the 30% shall be allocated as follows:
  - 25% to Levy Stabilization Fund
  - 25% to Unassigned General Fund Balance
  - 50% to General Capital Fund

At 12/31/2012, the general fund unassigned fund balance of \$460,697 represents 23.2% of the 2013 budgeted expenditures. There were no excess funds to allocate to the Levy Stabilization Fund and the General Capital Fund.

**F. Utility Rates – Proprietary Funds**

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

**G. 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.

**Excess Expenditures Over Appropriations**

The Village controls expenditures at the department level. A comparison of 2012 expenditures to budget can be found on Page 46

**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.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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

**I. PSC Regulatory Credit**

In 2004 the Public Service Commission of Wisconsin required regulated utilities to create a 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 deferred inflow on the statement of net position. The credit is being amortized to non-operating income over a period of 20 years. As of December 31, 2012, the balance was \$73,017.

**J. 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 operating transfers in the general fund and water utility. In 2012, the transfer was \$136,369.

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.

**K. Advances to Other Funds**

Non-current portions of long-term inter-fund loan receivables are reported as advances and are offset equally by a fund balance non-spendable account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation. The Village's General Fund advanced money to the capital projects fund in the amount of \$26,736 and to TIF 2 in the amount of \$136,256. No repayment schedule exists for these advances. The Village's water utility also has an advance receivable from TIF 2. The Village has a repayment schedule and the balance as of 12/31/12 is \$100,000. The Village's sewer utility advanced money to TIF 1. The Village has a repayment schedule and the balance as of 12/31/12 is \$50,000. The net of these amounts (\$150,000) is reported on government statements as an internal balance. See Note 5.

**L. Limitations on the Village Tax Levy**

As part of Wisconsin's Act 25 (2005), legislation was passed that limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount, increased by the percentage change in the Village's equalized value due to new construction. Changes in debt service from one year to the next are generally exempt from this limit.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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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, 2012, the cash and investments consist of the following:

Petty Cash/Cash on Hand	\$ 1,500
Deposits with Financial Institutions	<u>2,250,761</u>
Total Cash and Investments	<u><u>\$2,252,261</u></u>

Cash and investments as of December 31, 2012 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$1,714,349
Fiduciary Funds:	
Cash and Investments	<u>537,912</u>
Total Cash and Investments	<u><u>\$2,252,261</u></u>

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, 2012**

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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, 2012.

The Village has \$444,670 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 ran 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, 2012, \$377,867 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	<u><u>\$ 377,867</u></u>
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**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 \$60,078. The Village pays its portion of the debt pledged through rates. Note 16 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%. The total loan receivable with accrued interest is \$162,415 as of December 31, 2012.



**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

**4. Capital Assets**

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

	Balance 1/1/12	Additions	Retirements	Balance 12/31/12
<b>Governmental Activities</b>				
Non-depreciable Capital Assets:				
Land	\$ 4,340,402	\$ -	\$ -	\$ 4,340,402
Infrastructure in process	30,753	-	13,533	17,220
Construction in process	9,330	57,206	-	66,536
Total Non-depreciable Capital Assets	<u>4,380,485</u>	<u>57,206</u>	<u>13,533</u>	<u>4,424,158</u>
Capital Assets Being Depreciated:				
Buildings, Improvements and Equipment	4,171,133	86,271	38,250	4,219,154
Infrastructure	17,879,570	370,494	13,944	18,236,120
Total Capital Assets Being Depreciated	<u>22,050,703</u>	<u>456,765</u>	<u>52,194</u>	<u>22,455,274</u>
Total Capital Assets	<u>26,431,188</u>	<u>513,971</u>	<u>65,727</u>	<u>26,879,432</u>
Less: Accumulated Depreciation	<u>8,479,474</u>	<u>986,939</u>	<u>37,757</u>	<u>9,428,656</u>
Capital Assets Net of Depreciation	<u>\$ 17,951,714</u>	<u>\$ (472,968)</u>	<u>\$ 27,970</u>	<u>\$ 17,450,776</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Government	\$ 6,250
Public Safety	78,444
Public Works	859,117
Culture, Recreation and Education	43,128
	<u>\$ 986,939</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

**4. Capital Assets (Continued)**

Capital asset activity in the business type activities for the year ended December 31, 2012 was as follows:

	Balance 1/1/12	Additions	Retirements	Balance 12/31/12
<b>Business Type Activities</b>				
Non-depreciable Capital Assets:				
Land	\$ 36,941	\$ -	\$ -	\$ 36,941
Construction in process	34,790	181,093	215,883	-
Total Non-depreciable Capital Assets	71,731	181,093	215,883	36,941
Capital Assets Being Depreciated:				
Buildings and Equipment	6,491,372	42,128	1	6,533,499
Infrastructure	14,814,616	200,332	1,190	15,013,758
Total Capital Assets Being Depreciated:	21,305,988	242,460	1,191	21,547,257
Total Capital Assets	21,377,719	423,553	217,074	21,584,198
Less: Accumulated Depreciation	4,176,292	476,160	1,191	4,651,261
Capital Assets Net of Depreciation	\$17,201,427	\$ (52,608)	\$ 215,883	\$16,932,937

Depreciation expense was charged to functions as follows:

<b>Business Type Activities</b>	
Water Utility	\$ 171,509
Sewer Utility	304,651
Total Business-Type Activities Depreciation Expense	\$ 476,160

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

**5. Inter-fund Activity**  
**Inter-fund Receivables/Payables**

There were inter-fund receivables/payables as of 12/31/2012 as follows:

Receivable Fund	Payable Fund	Amount
General	CDBG Grants	\$ 25
General	Sewer	199,000
		\$ 199,025

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

**Inter-Fund Advances and Internal Balances per Government-Wide Statements of Net Position**

Receivable Fund	Payable Fund	Amount
General	Capital Projects	\$ 26,736
General	TIF #2	136,256
General	Sewer	176,685
Total Governmental Advances		\$ 339,677
Sewer	TIF #1	\$ 50,000
Water	TIF #2	100,000
Total Proprietary Advances		\$ 150,000
Total Interfund Receivables and Advances		\$ 688,702
Less: Interfund Eliminations		(463,017)
Internal Balance per Government-Wide Statements		\$ 225,685

The advances were for cash flow purposes in the TIF Districts. For 2012, TIF #1 repaid \$10,000 to sewer and TIF #2 repaid \$20,000 to water. Interest accrued at 6%.

**Inter-fund Transfers**

The following is a schedule of inter-fund transfers as of 12/31/2012:

Transfer From	Transfer To	Amount
TIF #1	TIF #2	\$ 318,601
General	Airport	5,000
General	Library Act 150	105,000
Library Building Fund	Library Act 150	20,000
Room Tax	General	2,600
Capital Projects	General	6,000
TIF #2	Debt Service	108,676
General	Debt Service	387,535
Capital Projects	Debt Service	33,343
Water	General	136,369
Transfers In per Governmental Statements		\$ 1,123,124
Less: Governmental Interfund Eliminations		(986,755)
Transfers per Government-Wide Statements - Business-Type Activities		\$ 136,369

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

**5. Inter-fund Activity (Continued)**

**Inter-fund Transfers (Continued)**

The water utility transferred \$136,369 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.

**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, 2012.

	<u>Balance</u> <u>1/1/12</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/12</u>
<b>Governmental Activities</b>				
General Obligation Bonds	\$ 5,032,398	\$ 1,090,000	\$ 1,326,185	\$ 4,796,213
<b>Total Governmental General Obligation Debt</b>	<u>5,032,398</u>	<u>1,090,000</u>	<u>1,326,185</u>	<u>4,796,213</u>
Total Lease Revenue Bonds - TIF/RDA	<u>4,010,000</u>	-	<u>2,440,000</u>	<u>1,570,000</u>
<b>Total Governmental Long-Term Debt</b>	<u>\$ 9,042,398</u>	<u>\$ 1,090,000</u>	<u>\$ 3,766,185</u>	<u>\$ 6,366,213</u>
<b>Business-Type Activities</b>				
General Obligation Debt	\$ 2,547,612	\$ -	\$ 24,047	\$ 2,523,565
Mortgage Revenue Bonds	7,191,879	-	472,644	6,719,235
Special Assessment B-Bonds	<u>322,000</u>	-	<u>64,400</u>	<u>257,600</u>
<b>Total Business-Type Activities</b>	<u>10,061,491</u>	<u>-</u>	<u>561,091</u>	<u>9,500,400</u>
<b>Total Long-Term Debt</b>	<u>\$ 19,103,889</u>	<u>\$ 1,090,000</u>	<u>\$ 4,327,276</u>	<u>\$ 15,866,613</u>

Governmental activities general obligation long-term debt issues outstanding at December 31, 2012 were as follows:

<u>Original</u> <u>Amount</u>	<u>Date of</u> <u>Issue</u>	<u>Year of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Current</u> <u>Portion</u>
\$1,580,000	12/1/2005	12/1/2023	3.50% - 4.15%	\$1,410,000	\$ 25,000
550,000	1/8/2007	1/8/2017	2.00%	247,213	56,296
2,055,000	9/2/2011	12/1/2021	2.00% - 3.00%	1,815,000	160,000
260,000	12/5/2011	3/1/2021	4.00%	234,000	26,000
1,090,000	9/4/2012	9/1/2022	2.00%	<u>1,090,000</u>	<u>110,000</u>
<b>Total Governmental General Obligation Debt</b>				<u>\$4,796,213</u>	<u>\$ 377,296</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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

Scheduled annual requirements for retirement of governmental general obligation debt outstanding at December 31, 2012 are summarized as follows:

Year	Principal	Interest	Total
2013	\$ 377,296	\$ 143,147	\$ 520,443
2014	383,431	134,855	518,286
2015	394,588	125,957	520,545
2016	550,769	116,172	666,941
2017	556,129	98,230	654,359
2018-2022	2,284,000	215,858	2,499,858
2023	250,000	10,375	260,375
	<u>\$ 4,796,213</u>	<u>\$ 844,594</u>	<u>\$ 5,640,807</u>

The general obligation debt payable listed above includes \$1,272,370 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, 2012 the Village's debt limit was as follows:

Equalized value-12/31/2012	\$ 163,085,800
Percent Limit	<u>5%</u>
General obligation debt limit	8,154,290
Debt subject to limit	<u>(7,319,778)</u>
Available debt margin	<u>\$ 834,512</u>

**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	12/31/12 Balance	Current Portion
\$ 1,975,000	12/1/2011	12/1/2018	1.000% - 3.100%	\$ 1,570,000	\$ 295,000
				<u>\$ 1,570,000</u>	<u>\$ 295,000</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

**6. Long-Term Obligations (Continued)**  
**Lease Revenue Bonds (Continued)**

Scheduled annual requirements to repay the lease revenue bonds payable outstanding at December 31, 2012 are summarized as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 295,000	\$ 32,125	\$ 327,125
2014	335,000	28,142	363,142
2015	365,000	22,615	387,615
2016	85,000	15,680	100,680
2017	105,000	13,810	118,810
2018-2020	<u>385,000</u>	<u>23,180</u>	<u>408,180</u>
Total	<u>\$ 1,570,000</u>	<u>\$ 135,552</u>	<u>\$ 1,705,552</u>

**Mortgage Revenue Bonds**

Outstanding mortgage revenue bonds for the water and sewer utility totaled \$6,719,235 on December 31, 2012. 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 (proprietary funds). Individual debt issues outstanding at December 31, 2012 and annual requirements for their retirement are shown follows:

<u>Utility</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Outstanding Debt</u>	<u>Current Portion</u>
Water	\$ 430,000	12/1/2005	12/1/2023	5.00%	\$ 400,000	\$ 5,000
Water	149,437	10/28/2009	5/1/2029	2.67%	134,329	6,348
Water	1,280,000	9/2/2011	12/1/2021	2.00% - 3.40%	1,175,000	120,000
Sewer	1,545,000	12/1/2001	12/1/2021	2.75% - 5.50%	740,000	65,000
Sewer	298,367	11/15/1995	5/1/2015	3.17%	60,078	19,404
Sewer	6,122,000	8/24/2005	5/1/2025	2.43%	<u>4,209,828</u>	<u>279,276</u>
Total Mortgage Revenue Bonds					<u>\$ 6,719,235</u>	<u>\$ 495,028</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

**6. Long-Term Obligations (Continued)**  
**Mortgage Revenue Bonds (Continued)**

Scheduled annual requirements for retirement of mortgage revenue bond obligation debt outstanding at December 31, 2012 are summarized as follows:

Year	Water		Sewer		Total
	Principal	Interest	Principal	Interest	
2013	\$ 131,348	\$ 56,079	\$ 363,680	\$ 138,509	\$ 689,616
2014	131,517	53,258	376,080	127,542	688,397
2015	131,691	50,432	388,662	116,130	686,915
2016	141,870	47,600	380,125	104,508	674,103
2017	142,053	43,265	387,415	92,809	665,542
2018-2022	788,190	147,879	2,022,778	276,846	3,235,693
2023-2028	223,564	14,515	1,091,166	40,181	1,369,426
2029	19,096	513	-	-	19,609
	<u>\$ 1,709,329</u>	<u>\$ 413,541</u>	<u>\$ 5,009,906</u>	<u>\$ 896,525</u>	<u>\$ 8,029,301</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%	\$ 423,565	\$ 20,008
Sewer	2,010,000	10/15/2009	12/1/2014	3.00%	2,010,000	-
Sewer	95,000	9/2/2011	6/1/2021	2.00% - 3.00%	90,000	10,000
Total General Obligation Debt					<u>\$ 2,523,565</u>	<u>\$ 30,008</u>

Scheduled annual requirements for retirement of the water and sewer general obligation debt outstanding at December 31, 2012 are summarized as follows:

Year	Water		Sewer		Total
	Principal	Interest	Principal	Interest	
2013	\$ 20,008	\$ 20,119	\$ 10,000	\$ 62,600	\$ 112,727
2014	20,958	19,169	2,020,000	62,400	2,122,527
2015	21,954	18,174	10,000	1,900	52,028
2016	22,950	17,178	10,000	1,650	51,778
2017	337,695	16,040	10,000	1,350	365,085
2018-2021	-	-	40,000	2,400	42,400
	<u>\$ 423,565</u>	<u>\$ 90,680</u>	<u>\$ 2,100,000</u>	<u>\$ 132,300</u>	<u>\$ 2,746,545</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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**6. Long-Term Obligations (Continued)**  
**Mortgage Revenue Bonds (Continued)**

The utilities also have special assessment b-bonds of \$257,600 outstanding at December 31, 2012 as follows:

<u>Utility</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Outstanding Debt</u>	<u>Current Portion</u>
Water	\$ 271,000	2/1/2006	3/1/2016	4.80%	\$ 108,400	\$ 27,100
Sewer	373,000	2/1/2006	3/1/2016	4.80%	149,200	37,300
Total Special Assessment B-Bonds					<u>\$ 257,600</u>	<u>\$ 64,400</u>

Scheduled annual requirements for retirement of the special assessment b-bonds outstanding at December 31, 2012 are summarized as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>\$ 257,600</u>	<u>\$ 30,912</u>	<u>\$ 288,512</u>



**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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

**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, 2013.

The utilities are covered under the following insurance policies at December 31, 2012:

Type	Coverage
Commercial General Liability	
Each occurrence	\$ 3,000,000
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	100,000
Disease-each employee	100,000
Policy limit - disease	500,000

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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

**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:

	<b>Water</b>	<b>Sewer</b>
<b>GROSS REVENUES</b>		
Charges for Services	\$ 563,127	\$ 862,890
Other Operating Revenues	8,776	46,569
Special Assessment collections	37,264	47,952
Interest revenue	17,143	18,481
Total Operating Revenues	626,310	975,892
<b>OPERATING EXPENSES</b>		
Operation and Maintenance	191,490	432,459
Taxes	10,654	1,575
Total Operating Expenses	202,144	434,034
Net revenues	424,166	541,858
Highest Combined debt service - all bonds	202,574	504,792
Coverage Ratio	125%	125%
Net Revenues required	\$ 253,218	\$ 630,990

**Number of Customers – Water and Sewer**

The utility has the following number of customers and billed volumes for 2012:

	Water		Sewer	
	Customers	Sales (00 cf)	Customers	Sales (00 cf)
Residential	928	\$ 46,916	918	\$ 41,567
Commercial	139	37,872	129	28,526
Industrial	26	12,561	23	8,254
Public Authority	27	14,515	19	5,985
	1,120	\$ 111,864	1,089	\$ 84,332

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

**7. 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.

**8. Deferred Inflows of Resources**

Deferred inflows of resources recorded by the Village at December 31, 2012 totaled \$2,219,295 in the governmental fund financials and \$1,998,960 in the Statement of Net Position Governmental Activities. The Proprietary Funds Deferred Inflows of Resources was the same for both the fund financials and the government-wide financials. The detail is outlined below:

	General Fund	TIF #2/ RDA	Capital Projects Fund	TIF #1	Special Revenue Fund	Enterprise
Property Taxes 2012 Tax Roll	\$ 773,281	\$ 330,179	\$ 133,846	\$ 357,770	\$ -	\$ -
Prepaid Rent	-	-	-	-	12,091	-
Regulatory Credit	-	-	-	-	-	73,017
Special Assessments	-	-	220,335	-	-	-
Special Charges	229,378	-	-	-	-	-
Loan Receivable	-	162,415	-	-	-	-
Total Deferred Inflows of Resources per Fund Financials	<u>\$1,002,659</u>	<u>\$492,594</u>	<u>\$354,181</u>	<u>\$357,770</u>	<u>\$12,091</u>	<u>\$73,017</u>
Government-wide adjustment for Capital Projects Fund Special Assessments	<u>-</u>	<u>-</u>	<u>(220,335)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources per Government Wide Statement of Net Position	<u><u>\$1,002,659</u></u>	<u><u>\$492,594</u></u>	<u><u>\$133,846</u></u>	<u><u>\$357,770</u></u>	<u><u>\$12,091</u></u>	<u><u>\$73,017</u></u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

**9. Fund Balance and Net Position**

The following is a detailed schedule of ending fund balances as reported in the fund financial statements by category:

	<b>Nonspendable</b>	<b>Restricted</b>	<b>Assigned</b>	<b>Unassigned</b>	<b>Total</b>
<b>General Fund</b>					
Advance receivable	\$ 339,677	\$ -	\$ -	\$ -	\$ 339,677
Prepaid expenses	11,073	-	-	-	11,073
Impact fees	-	13,685	-	-	13,685
Unassigned	-	-	-	433,961	433,961
Subtotal General Fund	\$ 350,750	\$ 13,685	\$ -	\$ 433,961	\$ 798,396
<b>Debt Service Fund</b>					
Debt payments	\$ -	\$ 4,674	\$ -	\$ -	\$ 4,674
Subtotal Debt Service Fund	\$ -	\$ 4,674	\$ -	\$ -	\$ 4,674
<b>TIF 2/RDA</b>					
TIF expenses and debt service	\$ -	\$ 115,655	\$ -	\$ -	\$ 115,655
Subtotal TIF 2/RDA	\$ -	\$ 115,655	\$ -	\$ -	\$ 115,655
<b>Capital Projects Funds</b>					
Other	\$ -	\$ -	\$ 23,645	\$ -	\$ 23,645
Subtotal Capital Projects Fund	\$ -	\$ -	\$ 23,645	\$ -	\$ 23,645
<b>TIF 1</b>					
TIF expenses and debt service	\$ -	\$ 41,680	\$ -	\$ -	\$ 41,680
Subtotal Debt Service Fund	\$ -	\$ 41,680	\$ -	\$ -	\$ 41,680
<b>Non-Major Funds</b>					
Community Trust Police	\$ -	\$ 1,456	\$ -	\$ -	\$ 1,456
Law Enforcement Grants	-	151	-	-	151
Police Canine	-	57,327	-	-	57,327
Library ACT 150	-	4,288	-	-	4,288
Library Building Book Operating	-	7,783	-	-	7,783
Fire Community Trust	-	4,115	-	-	4,115
Urban Forestry Grant	-	2,421	-	-	2,421
Airport	-	39,731	-	-	39,731
Room Tax Fund	-	13,127	-	-	13,127
Insurance Reserve	-	28,516	-	-	28,516
Subtotal Non-Major Governmental Funds	\$ -	\$ 158,915	\$ -	\$ -	\$ 158,915
<b>GRAND TOTAL ALL FUNDS</b>	<b>\$ 350,750</b>	<b>\$ 334,609</b>	<b>\$ 23,645</b>	<b>\$ 433,961</b>	<b>\$ 1,142,965</b>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

**9. Fund Balance and Net Position (Continued)**

Net investment of capital assets was as follows:

	Governmental Activities	Water	Sewer	Total Bus-type
Capital assets	\$ 17,450,776	\$ 6,501,238	\$ 10,431,699	\$ 16,932,937
less current portion lt debt	(672,296)	(178,456)	(410,980)	(589,436)
less LT debt	(5,693,917)	(2,062,838)	(6,848,126)	(8,910,964)
less deferred reg credit		(73,017)	-	(73,017)
	<u>\$ 11,084,563</u>	<u>\$ 4,186,927</u>	<u>\$ 3,172,593</u>	<u>\$ 7,359,520</u>

The restricted net position as of December 31, 2012 consist of the following:

	Governmental	Water	Sewer	Total Bus-type
Restricted for:				
TIF/RDA restricted for debt service	\$ 197,500	\$ -	\$ -	\$ -
Debt service fund balance	4,495	-	-	-
Debt service	-	226,600	196,069	422,669
Equipment replacement	-	-	176,757	176,757
Special revenue-TIF 1	41,680	-	-	-
<b>Non-Major Governmental Funds</b>				
Community Trust Police	1,456	-	-	-
Law Enforcement Grants	151	-	-	-
Police Canine	57,447	-	-	-
Library ACT 150	4,621	-	-	-
Library Building Book Operating	7,783	-	-	-
Fire Community Trust	4,115	-	-	-
Urban Forestry	2,421	-	-	-
Special revenue	77,994	-	-	-
	<u>\$ 321,669</u>	<u>\$ 226,600</u>	<u>\$ 372,826</u>	<u>\$ 599,426</u>

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

**10. 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 2012 operation and maintenance expenses and depreciation charges was \$138,106.

The Village's sewer fund has a receivable from the Village of Dresser for \$43,276 as of December 31, 2012. This included the fourth quarter bill of \$30,690. In addition, \$12,586 was charged as a result of the true-up.

**11. Tax Incremental Districts**

The Village has created two tax incremental financing districts (TIFs) 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, 2012:

	TIF #1	TIF #2
Accumulated Project Expenditures:		
Construction and Administration	\$ 3,114,595	\$ 6,065,987
Interest on debt and debt issuance costs	825,259	2,610,737
Total expenditures	\$ 3,939,854	\$ 8,676,724
Accumulated project revenues	3,981,534	5,933,009
Future project revenues necessary to recover net expenditures to date	\$ (41,680)	\$ 2,743,715

The above summary of transactions is reconcilable to the fund balances in the TIF funds at December 31, 2012 as follows:

	Tax Incremental District #1	Tax Incremental District #2
Project debt obligations outstanding at 12/31/2012	\$ -	\$ 2,842,370
Less: unrecovered expenditures above	(41,680)	2,743,715
Plus: Transfer from General Fund	-	17,000
Ending Fund Balance 12/31/2012	\$ 41,680	\$ 115,655

The Village's tax incremental financing district number 1 has been allocating positive increment to TIF 2. To date, the District has transferred \$1,542,001 to TIF 2, including \$318,601 in 2012.

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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**12. Wisconsin Retirement System**

All eligible Village employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teacher, and Executive and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rate for 2012 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	5.90%	5.90%
Protective with Social Security	5.90%	9.00%

The payroll for the Village's employees covered by the WRS for the year ended December 31, 2012 was \$857,809; the employer's total payroll was \$923,580. The total required contribution for the year ended December 31, 2012 was \$111,197, which consisted of \$60,586, or 7.1% of payroll from the employer and \$50,611, or 5.9% of payroll from employees. Total contributions for the years ending December 31, 2011 and 2010 were \$110,383 and \$99,479, respectively, equal to the required contributions for each year.

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

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

**VILLAGE OF OSCEOLA**  
**Notes to Financial Statements**  
**December 31, 2012**

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**13. 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 2012:

Town of Alden	\$ 17,108
Town of Farmington	105,362
Total	<u>\$ 122,470</u>

**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 2012, the contribution was \$26,514 including pass-through of Act 102 monies from the state.

**14. 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.

- 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 2012.

**15. 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, 2012**

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**16. 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 2012 was \$140,115. This amount reflects the 2012 true-up charge of \$11,023.

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	\$60,078

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

**17. 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.

**18. 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, 2012**

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**19. Restatement of Beginning Net Position**

In 2012 the Village implemented new accounting standards that required restatement of beginning net position for any previously unamortized debt issuance costs. Beginning net position was restated for this adjustment as follows:

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Balance as of December 31, 2011, as reported	\$ 4,698,187	\$ 3,997,818	\$ 12,261,984	\$ 8,696,005
Adjustment for change in accounting policy for debt issuance costs previously deferred	(51,919)	(35,892)	(61,752)	(87,811)
Balance as of January 1, 2012, as restated	<u>\$ 4,646,268</u>	<u>\$ 3,961,926</u>	<u>\$ 12,200,232</u>	<u>\$ 8,608,194</u>

**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, 2012**

	<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	\$ 768,151	\$ 768,151	\$ 768,151	\$ -
Other Taxes	18,500	20,074	19,603	(471)
Intergovernmental	564,666	568,782	565,511	(3,271)
License and Permits	31,200	28,950	30,816	1,866
Fines, Forfeits and Penalties	29,300	20,000	23,387	3,387
Public Charges for Services	261,750	261,467	268,370	6,903
Intergovernmental Charges for Services	120,000	120,000	122,470	2,470
Interest Income	1,000	1,000	-	(1,000)
Miscellaneous Income	73,200	72,383	74,141	1,758
Total Revenues	<u>1,867,767</u>	<u>1,860,807</u>	<u>1,872,449</u>	<u>11,642</u>
<b>EXPENDITURES</b>				
Current:				
General Government	287,159	293,258	289,646	3,612
Public Safety	908,536	890,968	883,114	7,854
Public Works	236,906	213,873	202,982	10,891
Culture, Recreation and Education	51,239	52,239	63,091	(10,852)
Conservation and Development	15,286	15,286	14,500	786
Total Expenditures	<u>1,499,126</u>	<u>1,465,624</u>	<u>1,453,333</u>	<u>12,291</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>368,641</u>	<u>395,183</u>	<u>419,116</u>	<u>23,933</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	1,647	1,647
Transfers In	127,000	129,600	144,969	15,369
Transfers Out	(522,035)	(522,035)	(527,492)	(5,457)
Total Other Financing Sources and Uses	<u>(395,035)</u>	<u>(392,435)</u>	<u>(380,876)</u>	<u>11,559</u>
Net Change in Fund Balances	(26,394)	2,748	38,240	35,492
Fund Balances - Beginning	760,156	760,156	760,156	-
Fund Balances - Ending	<u>\$ 733,762</u>	<u>\$ 762,904</u>	<u>\$ 798,396</u>	<u>\$ 35,492</u>

## **SUPPLEMENTAL INFORMATION**

**Village of Osceola  
Osceola, Wisconsin**

**Non-Major Special Revenue Funds  
Combining Balance Sheet  
December 31, 2012**

	<u>CDBG Fund</u>	<u>Community Trust Police</u>	<u>Law Enforcement Grants</u>	<u>Police Canine</u>	<u>Library ACT 150</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 25	\$ 1,456	\$ 151	\$ 57,327	\$ 5,555
Total Assets	<u>\$ 25</u>	<u>\$ 1,456</u>	<u>\$ 151</u>	<u>\$ 57,327</u>	<u>\$ 5,555</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 490
Due to Other Funds	25	-	-	-	-
Short-Term Compensated Absences	-	-	-	-	777
Total Liabilities	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,267</u>
<b>FUND BALANCES</b>					
Restricted	-	1,456	151	57,327	4,288
Total Fund Balances	<u>-</u>	<u>1,456</u>	<u>151</u>	<u>57,327</u>	<u>4,288</u>
Total Liabilities and Fund Balances	<u>\$ 25</u>	<u>\$ 1,456</u>	<u>\$ 151</u>	<u>\$ 57,327</u>	<u>\$ 5,555</u>

**Village of Osceola  
Osceola, Wisconsin**

**Non-Major Special Revenue Funds  
Combining Balance Sheet  
December 31, 2012**

	<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	\$ 7,783	\$ 4,115	\$ 2,421	\$ 47,752	\$ 12,059	\$ 28,516	\$ 167,160
Receivables:							
Other	-	-	-	17,941	3,560	-	21,501
Total Assets	<u>\$ 7,783</u>	<u>\$ 4,115</u>	<u>\$ 2,421</u>	<u>\$ 65,693</u>	<u>\$ 15,619</u>	<u>\$ 28,516</u>	<u>\$ 188,661</u>
<b>LIABILITIES</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ 13,871	\$ 2,492	\$ -	\$ 16,853
Due to Other Funds	-	-	-	-	-	-	25
Short-Term Compensated Absences	-	-	-	-	-	-	777
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,871</u>	<u>2,492</u>	<u>-</u>	<u>17,655</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
2013 Other Revenues	-	-	-	12,091	-	-	12,091
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,091</u>	<u>-</u>	<u>-</u>	<u>12,091</u>
<b>FUND BALANCES</b>							
Restricted	7,783	4,115	2,421	39,731	13,127	28,516	158,915
Total Fund Balances	<u>7,783</u>	<u>4,115</u>	<u>2,421</u>	<u>39,731</u>	<u>13,127</u>	<u>28,516</u>	<u>158,915</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,783</u>	<u>\$ 4,115</u>	<u>\$ 2,421</u>	<u>\$ 65,693</u>	<u>\$ 15,619</u>	<u>\$ 28,516</u>	<u>\$ 188,661</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, 2012**

	<b>Community Trust Police</b>	<b>Law Enforcement Grants</b>	<b>Police Canine</b>	<b>Library ACT 150</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 4,000	\$ -	\$ 65,060
Public Charges for Services	-	-	-	1,771
Miscellaneous Income	-	-	50,000	17,756
Total Revenues	<u>-</u>	<u>4,000</u>	<u>50,000</u>	<u>84,587</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	117	4,000	7,916	-
Culture, Recreation and Education	-	-	-	183,883
Capital Outlay	-	-	-	31,172
Total Expenditures	<u>117</u>	<u>4,000</u>	<u>7,916</u>	<u>215,055</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(117)</u>	<u>-</u>	<u>42,084</u>	<u>(130,468)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	125,000
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,000</u>
Net Change in Fund Balances	(117)	-	42,084	(5,468)
Fund Balances - Beginning	1,573	151	15,243	9,756
Fund Balances - Ending	<u>\$ 1,456</u>	<u>\$ 151</u>	<u>\$ 57,327</u>	<u>\$ 4,288</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, 2012**

	<b>Library Building Book Operating</b>	<b>Fire Community Trust</b>	<b>Urban Forestry Grant</b>	<b>Airport</b>	<b>Room Tax Fund</b>	<b>Insurance Reserve</b>	<b>Non-Major Governmental Funds</b>
<b>REVENUES</b>							
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ 16,674	\$ -	\$ 16,674
Intergovernmental	-	-	-	-	-	-	69,060
Public Charges for Services	-	-	-	65,390	-	-	67,161
Interest Income	326	-	-	9	-	-	335
Miscellaneous Income	1,749	4,969	-	21,972	-	6,070	102,516
Total Revenues	<u>2,075</u>	<u>4,969</u>	<u>-</u>	<u>87,371</u>	<u>16,674</u>	<u>6,070</u>	<u>255,746</u>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	15	-	-	15
Public Safety	-	1,074	-	-	-	-	13,107
Public Works	-	-	-	75,987	-	-	75,987
Culture, Recreation and Education	204	-	-	-	-	-	184,087
Conservation and Development	-	-	-	-	13,232	-	13,232
Capital Outlay	-	-	-	-	-	-	31,172
Total Expenditures	<u>204</u>	<u>1,074</u>	<u>-</u>	<u>76,002</u>	<u>13,232</u>	<u>-</u>	<u>317,600</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,871</u>	<u>3,895</u>	<u>-</u>	<u>11,369</u>	<u>3,442</u>	<u>6,070</u>	<u>(61,854)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	5,000	-	-	130,000
Transfers Out	(20,000)	-	-	-	(2,600)	-	(22,600)
Total Other Financing Sources and Uses	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>(2,600)</u>	<u>-</u>	<u>107,400</u>
Net Change in Fund Balances	(18,129)	3,895	-	16,369	842	6,070	45,546
Fund Balances - Beginning	25,912	220	2,421	23,362	12,285	22,446	113,369
Fund Balances - Ending	<u>\$ 7,783</u>	<u>\$ 4,115</u>	<u>\$ 2,421</u>	<u>\$ 39,731</u>	<u>\$ 13,127</u>	<u>\$ 28,516</u>	<u>\$ 158,915</u>

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

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

Year	General		TIF #2		TOTAL		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2013	\$ 326,707	\$ 91,201	\$ 50,589	\$ 51,946	\$ 377,296	\$ 143,147	\$ 520,443
2014	332,326	84,374	51,105	50,481	383,431	134,855	518,286
2015	337,957	76,952	56,631	49,005	394,588	125,957	520,545
2016	343,601	68,844	207,168	47,328	550,769	116,172	666,941
2017	349,252	59,446	206,877	38,784	556,129	98,230	654,359
2018	346,000	49,690	215,000	29,750	561,000	79,440	640,440
2019	326,000	40,000	255,000	20,613	581,000	60,613	641,613
2020	321,000	30,410	230,000	9,775	551,000	40,185	591,185
2021	326,000	20,945	-	-	326,000	20,945	346,945
2022	265,000	14,675	-	-	265,000	14,675	279,675
2023	250,000	10,375	-	-	250,000	10,375	260,375
	<u>\$ 3,523,843</u>	<u>\$ 546,912</u>	<u>\$ 1,272,370</u>	<u>\$ 297,682</u>	<u>\$ 4,796,213</u>	<u>\$ 844,594</u>	<u>\$ 5,640,807</u>
				2013-2017	\$ 2,262,213	\$ 618,361	\$ 2,880,574
				2018-2022	2,284,000	215,858	2,499,858
				2023	250,000	10,375	260,375
					<u>\$ 4,796,213</u>	<u>\$ 844,594</u>	<u>\$ 5,640,807</u>

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

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

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	326,707	91,201	417,908
2014	332,326	84,374	416,700
2015	337,957	76,952	414,909
2016	343,601	68,844	412,445
2017	349,252	59,446	408,698
2018	346,000	49,690	395,690
2019	326,000	40,000	366,000
2020	321,000	30,410	351,410
2021	326,000	20,945	346,945
2022	265,000	14,675	279,675
2023	250,000	10,375	260,375
	<u>\$ 3,523,843</u>	<u>\$ 546,912</u>	<u>\$ 4,070,755</u>

2013-2017	\$ 1,340,591	\$ 321,371	\$ 1,661,962
2018-2022	1,668,252	200,491	1,868,743
2023	515,000	25,050	540,050
	<u>\$ 3,523,843</u>	<u>\$ 546,912</u>	<u>\$ 4,070,755</u>

**VILLAGE OF OSCEOLA**

**DEBT REPAYMENT SCHEDULES**

**TIF #2  
12/31/12**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 1,272,370</u>	<u>\$ 297,682</u>	<u>\$ 1,570,052</u>
2013-2017	\$ 572,370	\$ 237,544	\$ 809,914
2018-2020	700,000	60,138	760,138
	<u>\$ 1,272,370</u>	<u>\$ 297,682</u>	<u>\$ 1,570,052</u>

**VILLAGE OF OSCEOLA  
DEBT REPAYMENT SCHEDULES  
RDA**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 295,000	\$ 32,125	\$ 327,125
2014	335,000	28,142	363,142
2015	365,000	22,615	387,615
2016	85,000	15,680	100,680
2017	105,000	13,810	118,810
2018-2020	<u>385,000</u>	<u>23,180</u>	<u>408,180</u>
 Total	 <u><u>\$ 1,570,000</u></u>	 <u><u>\$ 135,552</u></u>	 <u><u>\$ 1,705,552</u></u>
 2013-2017	 \$ 1,185,000	 \$ 112,372	 \$ 1,297,372
2018-2020	<u>385,000</u>	<u>23,180</u>	<u>408,180</u>
	<u><u>\$ 1,570,000</u></u>	<u><u>\$ 135,552</u></u>	<u><u>\$ 1,705,552</u></u>

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

**DEBT REPAYMENT SCHEDULES**  
**Water Utility**  
**12/31/12**

**MORTGAGE REVENUE BONDS**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 131,348	\$ 56,079	\$ 187,427
2014	131,517	53,258	184,775
2015	131,691	50,432	182,123
2016	141,870	47,600	189,470
2017	142,053	43,265	185,318
2018	142,241	38,924	181,165
2019	152,434	34,578	187,012
2020	152,633	29,927	182,560
2021	157,836	24,921	182,757
2022	183,046	19,529	202,575
2023	188,260	10,562	198,822
2024	8,481	1,338	9,819
2025	8,707	1,109	9,816
2026	8,939	874	9,813
2027	9,177	632	9,809
2028	9,422	384	9,806
2029	9,674	129	9,803
	\$ 1,709,329	\$ 413,541	\$ 2,122,870
2013-2017	\$ 678,479	\$ 250,634	\$ 929,113
2018-2022	788,190	147,879	936,069
2023-2027	223,564	14,515	238,079
2028-2029	19,096	513	19,609
	\$ 1,709,329	\$ 413,541	\$ 2,122,870

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

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

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

**MORTGAGE REVENUE BONDS**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 363,680	\$ 138,509	\$ 502,189
2014	376,080	127,542	503,622
2015	388,662	116,130	504,792
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
	<u>\$ 5,009,906</u>	<u>\$ 896,525</u>	<u>\$ 5,906,431</u>
2013-2017	\$ 1,895,962	\$ 579,498	\$ 2,475,460
2018-2022	2,022,778	276,846	2,299,624
2023-2025	1,091,166	40,181	1,131,347
	<u>\$ 5,009,906</u>	<u>\$ 896,525</u>	<u>\$ 5,906,431</u>

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