

VILLAGE OF MARSHALL

Marshall, Wisconsin

FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2013

VILLAGE OF MARSHALL

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Marshall
Marshall, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Marshall, Wisconsin, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village of Marshall's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the Village of Marshall'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 Village of Marshall'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.

To the Village Board
Village of Marshall

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Marshall, Wisconsin, as of December 31, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the Village of Marshall adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

To the Village Board
Village of Marshall

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Marshall's basic financial statements. The combining fund financial statements, detailed budgetary comparison schedules, and statement of component unit cash flows as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, detailed budgetary comparison schedules, and statement of component unit cash flows are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the Village of Marshall's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Marshall's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin

March 5, 2014

VILLAGE OF MARSHALL

STATEMENT OF NET POSITION As of December 31, 2013

	Governmental Activities	Business-type Activities	Totals	Component Unit
ASSETS				
Cash and investments	\$ 3,594,111	\$ 1,009,666	\$ 4,603,777	\$ 72,559
Receivables (net)				
Taxes receivable	2,235,382	-	2,235,382	-
Delinquent personal property taxes	302	-	302	-
Accounts	18,837	106,601	125,438	-
Loans	-	-	-	127,891
Accrued interest	2,689	3,333	6,022	-
Delinquent special assessments	3,768	-	3,768	-
Special assessments	7,320	-	7,320	-
Due from other governments	27,592	-	27,592	-
Internal balances	13,143	(13,143)	-	-
Advances	(1,164,960)	1,164,960	-	-
Prepaid items	44,843	-	44,843	-
Restricted assets				
Cash and investments	-	1,089,914	1,089,914	-
Preliminary survey and investigation	-	4,687	4,687	-
Property held for future use	-	290,488	290,488	-
Capital Assets				
Land	1,368,379	299,365	1,667,744	-
Stormwater detention pond	16,867	-	16,867	-
Construction in progress	316,066	-	316,066	-
Other capital assets, net of depreciation	<u>8,331,759</u>	<u>11,385,490</u>	<u>19,717,249</u>	-
Total Assets	<u>14,816,098</u>	<u>15,341,361</u>	<u>30,157,459</u>	<u>200,450</u>
LIABILITIES				
Accounts payable	204,310	10,319	214,629	-
Accrued liabilities and deposits	66,099	5,751	71,850	-
Liabilities Payable from Restricted Assets				
Current portion of revenue bonds	-	578,563	578,563	-
Accrued interest	-	18,060	18,060	-
Noncurrent Liabilities				
Due within one year	459,155	65,000	524,155	-
Due in more than one year	<u>3,519,130</u>	<u>3,284,501</u>	<u>6,803,631</u>	-
Total Liabilities	<u>4,248,694</u>	<u>3,962,194</u>	<u>8,210,888</u>	-
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	<u>2,210,285</u>	-	<u>2,210,285</u>	-
Total Deferred Inflows of Resources	<u>2,210,285</u>	-	<u>2,210,285</u>	-
NET POSITION				
Net investment in capital assets	7,593,204	8,928,196	16,521,400	-
Restricted for				
Replacement of capital assets	-	569,285	569,285	-
Debt service	-	502,569	502,569	-
Library	253,310	-	253,310	-
TID Activities	562,479	-	562,479	-
Unrestricted (deficit)	<u>(51,874)</u>	<u>1,379,117</u>	<u>1,327,243</u>	<u>200,450</u>
TOTAL NET POSITION	<u>\$ 8,357,119</u>	<u>\$ 11,379,167</u>	<u>\$ 19,736,286</u>	<u>\$ 200,450</u>

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2013

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 301,680	\$ 27,529	\$ -	\$ -
Public safety	999,580	40,324	21,994	-
Public works	682,952	161,439	178,504	-
Health and human services	11,500	-	-	-
Culture, recreation and education	585,336	60,862	35,975	-
Conservation and development	6,032	-	13,567	-
Interest and fiscal charges	<u>235,812</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>2,822,892</u>	<u>290,154</u>	<u>250,040</u>	<u>-</u>
Business-type Activities				
Water	441,671	506,312	-	118,596
Sewer	<u>750,473</u>	<u>725,074</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>1,192,144</u>	<u>1,231,386</u>	<u>-</u>	<u>118,596</u>
Total Primary Government	<u>\$ 4,015,036</u>	<u>\$ 1,521,540</u>	<u>\$ 250,040</u>	<u>\$ 118,596</u>
Component Unit				
CDA	<u>\$ 1,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Property taxes, levied for other purposes

Other taxes

Intergovernmental

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total General Revenues

Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Totals	Component Unit
\$ (274,151)	\$ -	\$ (274,151)	\$ -
(937,262)	-	(937,262)	-
(343,009)	-	(343,009)	-
(11,500)	-	(11,500)	-
(488,499)	-	(488,499)	-
7,535	-	7,535	-
<u>(235,812)</u>	<u>-</u>	<u>(235,812)</u>	<u>-</u>
<u>(2,282,698)</u>	<u>-</u>	<u>(2,282,698)</u>	<u>-</u>
-	183,237	183,237	-
-	<u>(25,399)</u>	<u>(25,399)</u>	-
-	<u>157,838</u>	<u>157,838</u>	-
<u>(2,282,698)</u>	<u>157,838</u>	<u>(2,124,860)</u>	-
-	-	-	(1,805)
925,961	-	925,961	-
315,993	-	315,993	-
738,850	-	738,850	-
3,400	-	3,400	-
72,659	-	72,659	-
454,120	-	454,120	-
17,034	39,519	56,553	7,339
<u>113,944</u>	<u>-</u>	<u>113,944</u>	<u>-</u>
<u>2,641,961</u>	<u>39,519</u>	<u>2,681,480</u>	<u>7,339</u>
<u>93,212</u>	<u>(93,212)</u>	<u>-</u>	<u>-</u>
452,475	104,145	556,620	5,534
<u>7,904,644</u>	<u>11,275,022</u>	<u>19,179,666</u>	<u>194,916</u>
<u>\$ 8,357,119</u>	<u>\$ 11,379,167</u>	<u>\$ 19,736,286</u>	<u>\$ 200,450</u>

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2013

	General	General Debt Service	TIF No.1	Street Construction
ASSETS				
Cash and investments	\$ 1,314,330	\$ 87	\$ 1,733,970	\$ 229,907
Receivables				
Taxes receivable	754,239	350,143	772,357	5,885
Delinquent personal property tax	302	-	-	-
Accounts	17,360	-	-	-
Accrued interest	2,689	-	-	-
Delinquent special assessments held by county	3,768	-	-	-
Special assessments	-	-	-	7,320
Due from other governments	27,592	-	-	-
Due from other funds	28,862	-	-	-
Prepaid items	44,843	-	-	-
	\$ 2,193,985	\$ 350,230	\$ 2,506,327	\$ 243,112
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 84,310	\$ -	\$ 6,698	\$ 95,787
Accrued liabilities	11,945	-	-	-
Due to other funds	15,719	-	-	-
Advances from other funds	-	-	1,164,960	-
Total Liabilities	111,974	-	1,171,658	95,787
Deferred Inflows of Resources				
Unearned revenues	738,114	350,143	769,270	-
Unavailable revenues	30,766	-	2,920	12,567
Total Deferred Inflows of Resources	768,880	350,143	772,190	12,567
Fund Balances				
Nonspendable	48,913	-	-	-
Restricted	-	87	562,479	124,692
Committed	-	-	-	-
Assigned	194,785	-	-	10,066
Unassigned	1,069,433	-	-	-
Total Fund Balances	1,313,131	87	562,479	134,758
	\$ 2,193,985	\$ 350,230	\$ 2,506,327	\$ 243,112

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 315,817	\$ 3,594,111
352,758	2,235,382
-	302
1,477	18,837
-	2,689
-	3,768
-	7,320
-	27,592
-	28,862
<u>-</u>	<u>44,843</u>
<u>\$ 670,052</u>	<u>\$ 5,963,706</u>

\$ 17,515	\$ 204,310
-	11,945
-	15,719
-	<u>1,164,960</u>
<u>17,515</u>	<u>1,396,934</u>

352,758	2,210,285
-	46,253
<u>352,758</u>	<u>2,256,538</u>

-	48,913
253,310	940,568
46,469	46,469
-	204,851
-	<u>1,069,433</u>
<u>299,779</u>	<u>2,310,234</u>

<u>\$ 670,052</u>	<u>\$ 5,963,706</u>
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See accompanying notes to financial statements.

VILLAGE OF MARSHALL

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2013

Total Fund Balances - Governmental Funds \$ 2,310,234

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. 10,033,071

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 46,253

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II. A. (4,032,439)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 8,357,119

VILLAGE OF MARSHALL

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

	General	General Debt Service	TIF No.1	Street Construction
REVENUES				
Taxes	\$ 803,095	\$ 315,993	\$ 738,850	\$ -
Intergovernmental	660,765	-	15,905	-
Licenses and permits	61,114	-	-	-
Fines, forfeitures and penalties	29,067	-	-	-
Public charges for services	4,763	-	-	-
Special assessments	-	-	4,600	6,790
Investment income	9,518	-	1,191	763
Other revenues	68,615	-	52,655	1,150
Total Revenues	1,636,937	315,993	813,201	8,703
EXPENDITURES				
Current				
General government	297,545	-	1,838	-
Public safety	867,001	-	-	-
Public works	342,289	-	-	-
Health and human services	11,500	-	-	-
Culture, recreation and education	102,452	-	-	-
Conservation and development	646	-	-	-
Capital Outlay	51,233	-	75,656	608,415
Debt Service				
Principal	-	210,000	789,973	-
Interest and fiscal charges	-	113,292	87,461	-
Total Expenditures	1,672,666	323,292	954,928	608,415
Excess (deficiency) of revenues over expenditures	(35,729)	(7,299)	(141,727)	(599,712)
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	-	-	-	702,739
Property sales	11,922	-	-	-
Transfers in	144,692	7,383	-	-
Transfers out	-	-	-	(7,383)
Total Other Financing Sources (Uses)	156,614	7,383	-	695,356
Net Change in Fund Balances	120,885	84	(141,727)	95,644
FUND BALANCES - Beginning of Year	1,192,246	3	704,206	39,114
FUND BALANCES - END OF YEAR	\$ 1,313,131	\$ 87	\$ 562,479	\$ 134,758

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 198,925	\$ 2,056,863
35,117	711,787
-	61,114
-	29,067
209,356	214,119
-	11,390
2,873	14,345
<u>4,924</u>	<u>127,344</u>
<u>451,195</u>	<u>3,226,029</u>
-	299,383
-	867,001
148,778	491,067
-	11,500
304,756	407,208
-	646
64	735,368
-	999,973
-	<u>200,753</u>
<u>453,598</u>	<u>4,012,899</u>
<u>(2,403)</u>	<u>(786,870)</u>
-	702,739
-	11,922
7,997	160,072
<u>(7,997)</u>	<u>(15,380)</u>
<u>-</u>	<u>859,353</u>
(2,403)	72,483
<u>302,182</u>	<u>2,237,751</u>
<u>\$ 299,779</u>	<u>\$ 2,310,234</u>

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

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, 2013

Net change in fund balances - total governmental funds	\$	72,483
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		735,368
Some items reported as capital outlay in the fund financial statements did not meet the criteria for capital assets recorded in the government wide statements.		(135,515)
Contributed capital assets to business-type activities		(51,480)
Depreciation is reported in the government-wide financial statements		(306,004)
Net book value of assets retired		(63,300)
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>		
		(55,796)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Debt issued		(702,739)
Principal repaid		999,973
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		(5,456)
Accrued interest and other debt related costs		(36,224)
Premium		1,165
		1,165
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>452,475</u>

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

STATEMENT OF NET POSITION PROPRIETARY FUND As of December 31, 2013

ASSETS

Current Assets

Cash and investments	\$	654,661
Interest receivable		3,333
Receivables		
Customers		106,601
Advance to TIF - current portion		200,441
Due from other funds		15,719
Restricted Assets		
Redemption account		<u>354,601</u>
Total Current Assets		<u>1,335,356</u>

Noncurrent Assets

Restricted Assets		
Reserve account		166,028
Replacement account		569,285
Capital Assets		
Land		299,365
Plant in service		17,355,886
Accumulated depreciation		(5,970,396)
Other Assets		
Capital project sinking fund		355,005
Preliminary survey and investigation		4,687
Property held for future use		290,488
Advance to TIF - non-current portion		<u>964,519</u>
Total Noncurrent Assets		<u>14,034,867</u>

Total Assets		<u>15,370,223</u>
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LIABILITIES

Current Liabilities

Accounts payable	\$ 10,319
Due to other funds	28,862
Accrued interest	5,751
Current portion of general obligation debt	65,000
Liabilities Payable from Restricted Assets	
Current portion of revenue bonds	578,563
Accrued interest	<u>18,060</u>
Total Current Liabilities	<u>706,555</u>

Noncurrent Liabilities

Long-Term Debt

General obligation debt	400,000
Revenue bonds	2,878,056
Accrued sick leave	<u>6,445</u>
Total Noncurrent Liabilities	<u>3,284,501</u>

Total Liabilities 3,991,056

NET POSITION

Net investment in capital assets	8,928,196
Restricted for	
Debt service	502,569
Equipment replacement	569,285
Unrestricted net position	<u>1,379,117</u>

TOTAL NET POSITION \$ 11,379,167

VILLAGE OF MARSHALL

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND

For the Year Ended December 31, 2013

OPERATING REVENUES

Water service	\$ 506,312
Sewage service	<u>725,074</u>
Total Operating Revenues	<u>1,231,386</u>

OPERATING EXPENSES

Operation and maintenance	554,288
Depreciation	<u>479,797</u>
Total Operating Expenses	<u>1,034,085</u>

Operating Income	<u>197,301</u>
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NONOPERATING REVENUES (EXPENSES)

Investment income	2,474
Interest on advance to TIF	37,045
Debt issuance costs	(27,610)
Interest expense	<u>(130,449)</u>
Total Nonoperating Revenues (Expenses)	<u>(118,540)</u>

Income Before Contributions and Transfers	<u>78,761</u>
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CONTRIBUTIONS AND TRANSFERS

Capital contributions	118,596
Transfers - tax equivalent	(144,692)
Capital contributions - municipal	<u>51,480</u>
Total Contributions and Transfers	<u>25,384</u>

Change in Net Position	104,145
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NET POSITION - Beginning of Year	<u>11,275,022</u>
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NET POSITION - END OF YEAR	<u><u>\$ 11,379,167</u></u>
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See accompanying notes to financial statements.

VILLAGE OF MARSHALL

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Received from customers	\$ 1,235,579
Paid to suppliers for goods and services	(340,718)
Paid to employees for services	<u>(214,158)</u>
Net Cash Flows From Operating Activities	<u>680,703</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investments sold and matured	200,000
Investment income	13,627
Investments purchased	<u>(200,000)</u>
Net Cash Flows From Investing Activities	<u>13,627</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Paid to municipality for tax equivalent	(136,792)
Received on long-term advance to TIF	165,456
Advance to TIF	<u>(552,477)</u>
Net Cash Flows From Noncapital Financing Activities	<u>(523,813)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Debt retired	(606,741)
Interest paid	(132,625)
Capital contribution received	118,596
Acquisition and construction of capital assets	(12,356)
Proceeds from debt issue	437,499
Received from the sale of capital assets	13,003
Debt issuance costs	<u>(6,000)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(188,624)</u>

Net Change in Cash and Cash Equivalents (18,107)

CASH AND CASH EQUIVALENTS - Beginning of Year 1,422,301

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 1,404,194

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$	197,301
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities		
Depreciation		479,797
Changes in assets and liabilities		
Customer accounts receivable		3,138
Other receivable		1,128
Due from other funds		(73)
Accounts payable		(440)
Accrued sick leave		(148)

NET CASH FLOWS FROM OPERATING ACTIVITIES \$ 680,703

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS

Cash and investments - statement of net position	\$	654,661
Redemption account		354,601
Reserve account		166,028
Replacement account		569,285
Capital project sinking account		<u>355,005</u>
Total Cash and Investments		2,099,580
Less: Noncash equivalents		<u>(695,386)</u>

CASH AND CASH EQUIVALENTS \$ 1,404,194

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Municipality financed additions to utility plant	\$	<u>51,480</u>
Change in market value of investments	\$	<u>(4,614)</u>
Debt issuance costs	\$	<u>21,610</u>

VILLAGE OF MARSHALL

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2013

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ 2,493,778
Taxes receivable	<u>462,468</u>
TOTAL ASSETS	<u>\$ 2,956,246</u>
LIABILITIES	
Due to other governments	<u>\$ 2,956,246</u>
TOTAL LIABILITIES	<u>\$ 2,956,246</u>

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

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VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Marshall, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or 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. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Unit

Community Development Authority

The government-wide financial statements include the Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the village board. Wisconsin Statutes provide for circumstances whereby the village can impose its will on the CDA, and also create a potential financial benefit to or burden on the village. See Note IV.H. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2013. The CDA does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In March 2012, the GASB issued statement No. 65 - *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective January 1, 2013.

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 nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the reporting entity are organized into 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 nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the 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 enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The village reports the following major governmental funds:

- General Fund - accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- General Debt service fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- Tax Incremental District (TID) No. 1 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.
- Street Construction Capital Projects Fund - accounts for financial resources to be used for the construction or acquisition of equipment and/or major capital facilities.

The village reports the following major enterprise fund:

- Water and Sewer Fund - accounts for operations of the water and sewer utility

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The village reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Recreation Fund
Langer Park Fund
Library Fund
Solid Waste Fund
Veterans Memorial Park Fund

In addition, the village reports the following fund type:

Agency Funds - used to account for and report assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Agency Fund

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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 unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

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. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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

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

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. 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 nonoperating revenues and expenses.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

All Financial Statements

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

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of village funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The village has adopted an investment policy. That policy follows the state statute for allowable investments.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

No policy exists for the following risks:

Credit risk
Custodial credit risk
Interest rate risk

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities - agency fund.

Property tax calendar - 2013 tax roll:

Lien date and levy date	December 2013
Tax bills mailed	December 2013
Payment in full, or	January 31, 2014
First installment due	January 31, 2014
Second installment due	July 31, 2014
Personal property taxes in full	January 31, 2014
Tax sale - 2013 delinquent real estate taxes	October 2016

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Accounts receivable have been shown net of an allowance for uncollectible accounts. 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 the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$15,000 for 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 capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	15 - 75 Years
Land Improvements	15 - 30 Years
Machinery and Equipment	3 - 15 Years
Utility System	2 - 10 Years
Infrastructure	15 - 60 Years
Water Plant	4 - 77 Years
Sewer Plant	7 - 100 Years

Fund Financial Statements

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

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

6. Other Assets

Preliminary survey and investigation represents initial project engineering costs that will be capitalized when and if construction commences on the project.

Property held for future use represents property purchased by the water utility for future use of a water tower. In addition, the sewer utility maintains property for future use following the retirement of the old wastewater treatment plant.

7. Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2013, are determined on the basis of current salary rates and include salary related payments.

8. 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 bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred outflow/inflow in the statement of net position.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt (cont.)

The village may approve the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were no IRB's outstanding at year end.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

10. Equity 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 (excluding unspent debt proceeds) 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 positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

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

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements (cont.)

- b. Restricted - Consists of fund balances 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. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The village has adopted a financial policy authorizing the administrator-treasurer to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note IV. G. for further information.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

11. Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on April 11, 2012.

Sewer Utility

Current sewer rates were approved by the village and took effect February 11, 2012.

NOTE II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

Long-term liabilities applicable to the village's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position.

Bonds and notes payable	\$	3,904,139
Compensated absences		65,987
Accrued interest		54,154
Unamortized premium on debt		<u>8,159</u>
Combined Adjustment for Long-Term Liabilities	\$	<u><u>4,032,439</u></u>

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
TIF No. 1	\$ 460,411	\$ 954,928	\$ 494,517
Veterans Memorial Park	400	777	377

The village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

B. LIMITATIONS ON THE VILLAGE'S TAX LEVY

Wisconsin law limits the village's future tax levies. Generally the village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Demand deposits	\$ 6,991,560	\$ 7,003,324	Custodial credit risk
Certificates of deposit	1,000,000	1,002,689	Custodial credit risk
US agencies	195,386	195,386	Custodial credit risk, credit risk, interest rate risk
LGIP	69	69	Credit risk
Petty cash	454	-	N/A
 Total Deposits and Investments	 \$ 8,187,469	 \$ 8,201,468	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 4,603,777		
Restricted cash and investments	1,089,914		
Per statement of net position - fiduciary fund			
Agency Fund	2,493,778		
 Total Deposits and Investments	 \$ 8,187,469		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The village maintains collateral agreements with its banks. At December 31, 2013, the banks had pledged various government securities in the amount of \$2,030,463 to secure the village's deposits.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

As of December 31, 2013, \$3,690,043 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 3,690,043</u>
--------------------------------	---------------------

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The village does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2013, the village's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poors</u>	<u>Moody's Investors Services</u>
Federal Home Loan	AA+	AAA

The village also held investments in the following external pool which is not rated:

Local Government Investment Pool

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2013, the village's investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
Federal Home Loan Bank	2/5/18	8/5/13	\$ <u>195,386</u>

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	General Debt Service	TIF No. 1	Street Construction	Nonmajor and Other Funds	Totals
Receivables						
Taxes	\$ 754,239	\$ 350,143	\$ 772,357	\$ 5,885	\$ 352,758	\$ 2,235,382
Delinquent personal property	302	-	-	-	-	302
Accounts	17,360	-	-	-	1,477	18,837
Accrued interest	2,689	-	-	-	-	2,689
Delinquent special assessments	3,768	-	-	-	-	3,768
Special assessments	-	-	-	7,320	-	7,320
Due from other governments	27,592	-	-	-	-	27,592
Totals	<u>\$ 805,950</u>	<u>\$ 350,143</u>	<u>\$ 772,357</u>	<u>\$ 13,205</u>	<u>\$ 354,235</u>	<u>\$ 2,295,890</u>
Amounts not expected to be collected within one year	<u>\$ 4,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,320</u>	<u>\$ -</u>	<u>\$ 11,390</u>

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 2,210,285	\$ -
Special assessments not yet due	-	15,487
Long-term receivable from fire department	-	28,077
Accrued interest on investments	-	2,689
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 2,210,285</u>	 <u>\$ 46,253</u>

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2013:

Restricted Assets	
Redemption account	\$ 354,601
Reserve account	166,028
Replacement account	569,285
 Total Restricted Assets	 <u>\$ 1,089,914</u>

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	1,363,379	5,000	-	1,368,379
Stormwater detention pond	16,867	-	-	16,867
Construction in progress	74,365	316,066	74,365	316,066
Total Capital Assets Not Being Depreciated	1,454,611	321,066	74,365	1,701,312
Capital assets being depreciated				
Buildings	2,526,659	170,679	93,286	2,604,052
Machinery and equipment	670,633	86,480	77,786	679,327
Streets	6,098,197	-	-	6,098,197
Storm sewers	273,715	-	-	273,715
Sidewalks	598,474	-	-	598,474
Street lighting	731,312	-	-	731,312
Library capital assets	655,896	44,513	49,788	650,621
Total Capital Assets Being Depreciated	11,554,886	301,672	220,860	11,635,698
Total Capital Assets	13,009,497	622,738	295,225	13,337,010
Less: Accumulated depreciation for				
Buildings	(702,125)	(50,063)	61,986	(690,202)
Machinery and equipment	(379,627)	(48,732)	45,786	(382,573)
Streets	(1,163,706)	(84,571)	-	(1,248,277)
Storm sewers	(17,356)	(3,220)	-	(20,576)
Sidewalks	(269,292)	(9,975)	-	(279,267)
Street lighting	(182,830)	(36,566)	-	(219,396)
Library capital assets	(440,559)	(72,877)	49,788	(463,648)
Total Accumulated Depreciation	(3,155,495)	(306,004)	157,560	(3,303,939)
Net Capital Assets Being Depreciated	8,399,391	(4,332)	63,300	8,331,759
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 9,854,002	\$ 316,734	\$ 137,665	\$ 10,033,071

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 2,257
Public safety	15,660
Public works, which includes the depreciation of infrastructure	173,052
Culture, recreation and education	<u>115,035</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 306,004</u></u>

Business-type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Sewer</u>				
Capital assets not being depreciated				
Land and land rights	\$ 215,728	\$ -	\$ -	\$ 215,728
Total Capital Assets Not Being Depreciated	<u>215,728</u>	<u>-</u>	<u>-</u>	<u>215,728</u>
Capital assets being depreciated				
Collection system	3,941,598	48,980	15,170	3,975,408
Collecting system pumping	218,989	-	-	218,989
Treatment and disposal	6,355,966	-	5,005	6,350,961
General	<u>328,876</u>	<u>5,749</u>	<u>10,338</u>	<u>324,287</u>
Total Capital Assets Being Depreciated	<u>10,845,429</u>	<u>54,729</u>	<u>30,513</u>	<u>10,869,645</u>
Total Capital Assets	<u>11,061,157</u>	<u>54,729</u>	<u>30,513</u>	<u>11,085,373</u>
Less: Accumulated depreciation for				
Sewer	<u>(4,246,847)</u>	<u>(329,682)</u>	<u>33,013</u>	<u>(4,543,516)</u>
Total Accumulated Depreciation	<u>(4,246,847)</u>	<u>(329,682)</u>	<u>33,013</u>	<u>(4,543,516)</u>
Net Capital Assets Being Depreciated	<u>6,598,582</u>	<u>(274,953)</u>	<u>(2,500)</u>	<u>6,326,129</u>
Net Sewer Capital Assets	<u><u>\$ 6,814,310</u></u>	<u><u>\$ (274,953)</u></u>	<u><u>\$ (2,500)</u></u>	<u><u>\$ 6,541,857</u></u>

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 83,637	\$ -	\$ -	\$ 83,637
Total Capital Assets Not Being Depreciated	83,637	-	-	83,637
Capital assets being depreciated				
Collecting system	253,698	-	-	253,698
Pumping	925,527	-	5,026	920,501
Water treatment	3,809	-	-	3,809
Transmission and distribution	5,163,822	-	125	5,163,697
General	154,101	773	10,338	144,536
Total Capital Assets Being Depreciated	6,500,957	773	15,489	6,486,241
Total Capital Assets	6,584,594	773	15,489	6,569,878
Less: Accumulated depreciation for				
Water	(1,274,225)	(163,118)	10,463	(1,426,880)
Total Accumulated Depreciation	(1,274,225)	(163,118)	10,463	(1,426,880)
Net Capital Assets Being Depreciated	5,226,732	(162,345)	5,026	5,059,361
Net Water Capital Assets	\$ 5,310,369	\$ (162,345)	\$ 5,026	\$ 5,142,998
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 12,124,679	\$ (437,298)	\$ 2,526	\$ 11,684,855

Depreciation expense was charged to functions as follows:

Business-type Activities

Sewer	\$ 329,976
Water	149,821
Total Business-type Activities Depreciation Expense	\$ 479,797

Depreciation/amortization expense may be different from business-type activity capital asset additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Utility	\$ 28,862
Water and Sewer Utility	General Fund	15,719
Total - Fund Financial Statements		44,581
Less: Fund eliminations		(31,438)
Total Internal Balances - Government-Wide Statement of Net Position		\$ 13,143

All amounts are due within one year.

The interfund between the general fund and the water utility is primarily related to the payment in lieu of taxes and delinquent utility charges on tax roll.

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

Advances

The water and sewer utility funds have advanced funds to TIF District No. 1. The amount advanced is determined by the amount of debt issued by the water and sewer utilities to fund TIF district projects. The water and sewer utilities are charging the TIF district interest on the advance based on the average outstanding balance during the year at a rate of 4.5% and 5% respectively. A repayment schedule has been established. Additional principal payments are allowed and will be kept in a segregated account for future debt payments.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Sewer Utility	TIF District No. 1	\$ 612,483	\$ 480,303
Water Utility	TIF District No. 1	552,477	484,216
Total		\$ 1,164,960	

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances (cont.)

The following is a detailed repayment schedule:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 200,441	\$ 55,485
2015	207,392	45,805
2016	214,597	35,792
2017	222,065	25,434
2018	141,422	14,721
2019-2020	<u>179,043</u>	<u>7,202</u>
Totals	<u>\$ 1,164,960</u>	<u>\$ 184,439</u>

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Water Utility	\$ 144,692	Utility payment in lieu of taxes
General debt service	Street construction	7,383	Debt payment
Recreation fund	Langer Park fund	<u>7,997</u>	Parks maintenance
Total - Fund Financial Statements		160,072	
Less: Fund eliminations		(15,380)	
Less: Assets contributed by governmental activities to business-type activities		<u>(51,480)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 93,212</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 4,201,373	\$ 702,739	\$ 999,973	\$ 3,904,139	\$ 427,486
(Discounts)/Premiums	<u>9,324</u>	<u>-</u>	<u>1,165</u>	<u>8,159</u>	<u>-</u>
Sub-totals	<u>4,210,697</u>	<u>702,739</u>	<u>1,001,138</u>	<u>3,912,298</u>	<u>427,486</u>
Other Liabilities					
Vested compensated absences	<u>60,531</u>	<u>77,364</u>	<u>71,908</u>	<u>65,987</u>	<u>31,669</u>
Total Other Liabilities	<u>60,531</u>	<u>77,364</u>	<u>71,908</u>	<u>65,987</u>	<u>31,669</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 4,271,228</u>	<u>\$ 780,103</u>	<u>\$ 1,073,046</u>	<u>\$ 3,978,285</u>	<u>\$ 459,155</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 525,000	\$ -	\$ 60,000	\$ 465,000	\$ 65,000
Revenue bonds	<u>3,565,861</u>	<u>437,499</u>	<u>546,741</u>	<u>3,456,619</u>	<u>578,563</u>
Sub-totals	<u>4,090,861</u>	<u>437,499</u>	<u>606,741</u>	<u>3,921,619</u>	<u>643,563</u>
Other Liabilities					
Vested compensated absences	<u>6,593</u>	<u>8,685</u>	<u>8,833</u>	<u>6,445</u>	<u>-</u>
Total Other Liabilities	<u>6,593</u>	<u>8,685</u>	<u>8,833</u>	<u>6,445</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 4,097,454</u>	<u>\$ 446,184</u>	<u>\$ 615,574</u>	<u>\$ 3,928,064</u>	<u>\$ 643,563</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2013, was \$9,542,645. Total general obligation debt outstanding at year end was \$4,369,139.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2013
2005 Refunding bonds	12/29/05	03/01/20	3.9-4.1%	\$ 1,855,000	\$ 1,390,000
2007 Promissory Note	12/27/07	03/01/17	3.4-3.75%	2,585,000	1,595,000
2009 state trust fund loan	10/28/09	3/15/19	4.5 %	300,000	216,400
2013 state trust fund loan	07/26/13	03/15/18	2.5 %	102,739	102,739
2013 state trust fund loan	09/09/13	03/15/33	3.75%	600,000	<u>600,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 3,904,139</u>

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2013
2007 General Obligation Notes	12/27/07	03/01/17	3.40-3.75%	\$ 760,000	<u>\$ 465,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 465,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2014	\$ 427,486	\$ 118,905	\$ 65,000	\$ 16,078
2015	310,087	140,205	65,000	13,714
2016	338,978	116,630	70,000	11,233
2017	1,522,030	81,428	265,000	4,969
2018	290,067	47,082	-	-
2019-2023	641,405	107,444	-	-
2024-2028	169,850	57,936	-	-
2029-2033	<u>204,236</u>	<u>23,549</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 3,904,139</u>	<u>\$ 693,179</u>	<u>\$ 465,000</u>	<u>\$ 45,994</u>

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water and sewer utilities.

The water has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 2007 and 2013. Proceeds from the bonds provided financing for the plant improvements. The bonds are payable solely from utility revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require 30% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,728,508. Principal and interest paid for the current year and total customer net revenues were \$141,430 and \$290,564, respectively.

The sewer has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 1997 and 1998. Proceeds from the bonds provided financing for the plant improvements. The bonds are payable solely from utility revenues and are payable through 2018. Annual principal and interest payments on the bonds are expected to require 78% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,153,387. Principal and interest paid for the current year and total customer net revenues were \$519,600 and \$554,464, respectively.

Revenue debt payable at December 31, 2013, consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2013</u>
<u>Water and Sewer Fund</u>					
1997 Revenue Bonds	08/27/97	05/01/17	3.096%	\$ 6,351,233	\$ 1,662,580
1998 Revenue Bonds	11/24/98	05/01/18	2.640%	1,155,695	361,540
2007 Revenue Bonds	12/21/07	11/01/22	3.55-4.10%	1,265,000	995,000
2013 Revenue Bonds	05/08/13	05/01/33	1.93%	437,499	<u>437,499</u>
Total Business-type Activities - Revenue Debt					<u><u>\$ 3,456,619</u></u>

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2014	\$ 578,563	\$ 101,132
2015	598,009	82,954
2016	617,890	64,098
2017	633,219	44,549
2018	205,704	31,419
2019-2023	583,693	77,344
2024-2028	114,066	17,649
2029-2033	<u>125,475</u>	<u>6,131</u>
Totals	<u>\$ 3,456,619</u>	<u>\$ 425,276</u>

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability, other post employment benefits obligation, and net pension obligation attributable to governmental activities will be liquidated primarily by the general fund.

A statutory mortgage lien upon the water and sewer utility's system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The water and sewer utility's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Prior-Year Defeasance of Debt

In prior years, the village defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the village's financial statements. At December 31, 2013, \$1,360,000 of bonds outstanding are considered defeased. The bonds are callable as follows:

Call Date	Amount
5/1/2014	\$ 150,000
5/1/2015	165,000
5/1/2016	180,000
5/1/2017	200,000
5/1/2018	205,000
5/1/2019	220,000
5/1/2020	240,000

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2013, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 1,368,379
Construction in progress	316,066
Stormwater detention ponds	16,867
Other capital assets, net of accumulated depreciation	8,331,759
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(2,431,708)
Less: Unamortized debt premium	(8,159)
Total Net Investment in Capital Assets	7,593,204
Restricted	
Library	253,310
TID activities	562,479
Total Restricted	815,789
Unrestricted (deficit)	(51,874)
Total Governmental Activities Net Position	\$ 8,357,119

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2013, include the following:

	General Fund	General Debt Service	TIF No. 1	Street Construction	Nonmajor Funds	Totals
Fund Balances						
Nonspendable:						
Delinquent items	\$ 4,070	\$ -	\$ -	\$ -	\$ -	\$ 4,070
Prepaid items	44,843	-	-	-	-	44,843
Restricted for:						
Debt service	-	87	-	-	-	87
TID activities	-	-	562,479	-	-	562,479
Library	-	-	-	-	253,310	253,310
Capital projects	-	-	-	124,692	-	124,692
Committed to:						
Parks and recreation	-	-	-	-	28,799	28,799
Solid waste	-	-	-	-	17,670	17,670
Assigned to:						
PILOT	144,692	-	-	-	-	144,692
Carryforwards	15,884	-	-	-	-	15,884
Squad car	13,000	-	-	-	-	13,000
Subsequent year's budget	21,209	-	-	-	-	21,209
Capital projects	-	-	-	10,066	-	10,066
Unassigned:	<u>1,069,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,069,433</u>
Total Fund Balances	<u>\$ 1,313,131</u>	<u>\$ 87</u>	<u>\$ 562,479</u>	<u>\$ 134,758</u>	<u>\$ 299,779</u>	<u>\$ 2,310,234</u>

Business-type Activities

Net Investment in Capital Assets

Land	\$ 299,365
Other capital assets, net of accumulated depreciation	11,385,490
Less: Long-term debt outstanding (excluding unspent non-capital related debt proceeds)	<u>(2,756,659)</u>
Total Net Investment in Capital Assets	<u>8,928,196</u>

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities (cont.)

Restricted	
Redemption account	\$ 354,601
Reserve account	166,028
Replacement account	569,285
Less: Current liabilities payable from restricted assets	<u>(18,060)</u>
Total Restricted	<u>1,071,854</u>
Unrestricted	<u>1,379,117</u>
Total Business-type Activities Net Position	<u>\$ 11,379,167</u>

H. COMPONENT UNIT

COMMUNITY DEVELOPMENT AUTHORITY

This report contains the Community Development Authority (CDA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the CDA's deposits was \$72,559 and is part of the village's commingled cash. See Note IV. A.

The CDA has provided loans to local businesses. The CDA records a loan receivable when the loan has been made and funds have been disbursed. Interest received from loan repayments is recognized as revenue when received in cash.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V - OTHER INFORMATION

A. EMPLOYEES' 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 change to one-half of the actuarially determined contribution rate for General category employees, and Executives and Elected Officials. Required contributions for protective employees are the same as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for December 31, 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	5.90%	6.65%
Executives and Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for village employees covered by the WRS for the year ended December 31, 2013 was \$989,580; the employer's total payroll was \$1,032,607. The total required contribution for the year ended December 31, 2013 was \$152,285 or 15.4% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending 2012 and 2011 were \$136,072 and \$131,080, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

As of December 31, 2013 there was no pension related debt for the village.

B. RISK MANAGEMENT

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

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

The village has active construction projects as of December 31, 2013. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

The village has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor:

Street construction fund	\$	80,098
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VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE V - OTHER INFORMATION (cont.)

D. JOINT VENTURES

Dane County E.M.S. District No. 14

The Village of Marshall and Townships of Medina, York and Sun Prairie jointly operate the local Ambulance District, which is called the Dane County EMS District No. 14. The communities share in the operation of the district based on population. The governing body is called the EMS Commission and is made up of citizens from each community. The Village of Marshall representatives are appointed by the Village president. The governing body has authority to adopt its own budget and control the financial affairs of the district. The overlying communities approve the annual budget. The Village made a payment to the district in 2013 of \$88,883. The Village believes that the district will continue to provide services in the future at similar rates.

Financial information of the district as of December 31, 2013 is available directly from the district's office.

The Village does not have an equity interest in the local ambulance district.

Marshall Fire Department

The Village of Marshall and Towns of York and Medina jointly participate in the local fire district, which is called the Marshall Fire Department. The governing body is made up of citizens from each community. The governing body has authority to adopt its own budget and control the financial affairs of the district. The Village made a payment totaling \$50,303 to the district for 2013. The Village believes that the district will continue to provide services in the future at similar rates.

Financial information of the district as of December 31, 2013 is available directly from the district's office.

The Village does not have an equity interest in the local fire district.

Emergency Services Building

Construction was completed in 2002 on a joint emergency services building. This building houses both fire and EMS. Ownership of the building is split 66% fire and 44% EMS, respectively. The capital costs were allocated based on the percentages outlined above for the districts.

VILLAGE OF MARSHALL

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE V - OTHER INFORMATION (cont.)

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 69, *Government Combinations and Disposals of Government Operations*
- > Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

When they become effective, application of these standards may restate portions of these financial statements.

F. SIGNIFICANT CUSTOMERS

The sewer utility has one significant customer who was responsible for 23% of operating revenues in 2013.

The water utility has one significant customer who was responsible for 10% of operating revenues in 2013.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MARSHALL

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 791,835	\$ 803,095	\$ 11,260
Intergovernmental	653,141	660,765	7,624
Licenses and permits	53,225	61,114	7,889
Fines, forfeitures and penalties	30,000	29,067	(933)
Public charges for services	3,550	4,763	1,213
Investment income	16,000	9,518	(6,482)
Other revenues	<u>13,000</u>	<u>68,615</u>	<u>55,615</u>
Total Revenues	<u>1,560,751</u>	<u>1,636,937</u>	<u>76,186</u>
EXPENDITURES			
Current:			
General government	302,002	297,545	4,457
Public safety	939,887	867,001	72,886
Public works	342,868	342,289	579
Health and human services	9,000	11,500	(2,500)
Culture, recreation and education	76,620	102,452	(25,832)
Conservation and development	1,681	646	1,035
Capital Outlay	<u>15,150</u>	<u>51,233</u>	<u>(36,083)</u>
Total Expenditures	<u>1,687,208</u>	<u>1,672,666</u>	<u>14,542</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(126,457)</u>	<u>(35,729)</u>	<u>90,728</u>
OTHER FINANCING SOURCES			
Property sales	-	11,922	11,922
Transfers in	<u>96,000</u>	<u>144,692</u>	<u>48,692</u>
Total Other Financing Sources	<u>96,000</u>	<u>156,614</u>	<u>60,614</u>
Net Change in Fund Balance	(30,457)	120,885	151,342
FUND BALANCE - Beginning of Year	<u>1,192,246</u>	<u>1,192,246</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,161,789</u>	<u>\$ 1,313,131</u>	<u>\$ 151,342</u>

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF MARSHALL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2013

BUDGETARY INFORMATION

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

The budgeted amounts presented include any amendments made. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$15,884. Budgets are adopted at the fund level of expenditure.

SUPPLEMENTARY INFORMATION

VILLAGE OF MARSHALL

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
TAXES			
General property taxes	\$ 730,435	\$ 730,436	\$ 1
Mobile home lottery credit and parking fees	61,000	69,417	8,417
Interest and penalties on taxes	<u>400</u>	<u>3,242</u>	<u>2,842</u>
Total Taxes	<u>791,835</u>	<u>803,095</u>	<u>11,260</u>
INTERGOVERNMENTAL			
State shared revenues	450,593	450,721	128
Fire insurance tax (2% fire dues)	7,000	6,889	(111)
State aid - other law enforcement	11,200	15,120	3,920
State aid - general transportation aids	173,248	173,147	(101)
State aid - recycling	10,000	10,327	327
Other state payments	<u>1,100</u>	<u>4,561</u>	<u>3,461</u>
Total Intergovernmental	<u>653,141</u>	<u>660,765</u>	<u>7,624</u>
LICENSES AND PERMITS			
Liquor and malt beverage licenses	4,400	4,420	20
Operators' license	1,850	1,680	(170)
Cigarette licenses	300	500	200
Other business and occupational licenses	50	95	45
Cable television franchise fees	34,500	38,368	3,868
Bicycle licenses	-	15	15
Dog and cat licenses	3,100	3,044	(56)
Building permits	6,500	8,365	1,865
Other permits	125	525	400
Zoning permits and fees	1,000	1,663	663
Other regulatory permits and fees	<u>1,400</u>	<u>2,439</u>	<u>1,039</u>
Total Licenses and Permits	<u>53,225</u>	<u>61,114</u>	<u>7,889</u>
FINES, FORFEITURES AND PENALTIES			
Court penalties and costs	22,000	23,915	1,915
Parking violations	<u>8,000</u>	<u>5,152</u>	<u>(2,848)</u>
Total Fines, Forfeitures and Penalties	<u>30,000</u>	<u>29,067</u>	<u>(933)</u>
PUBLIC CHARGES FOR SERVICES			
General government	800	1,286	486
Law enforcement fees	850	704	(146)
Street related facilities	300	420	120
Weed and nuisance control	<u>1,600</u>	<u>2,353</u>	<u>753</u>
Total Public Charges for Services	<u>3,550</u>	<u>4,763</u>	<u>1,213</u>
INVESTMENT INCOME			
Investment income	<u>16,000</u>	<u>9,518</u>	<u>(6,482)</u>

VILLAGE OF MARSHALL

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2013

	Original and Final	Actual	Variance with Final Budget
OTHER REVENUES			
Rent	\$ 12,000	\$ 12,000	\$ -
Insurance recoveries	-	17,116	17,116
Donations	-	15,000	15,000
Other miscellaneous	1,000	1,197	197
Refund of prior year expenditures	-	<u>23,302</u>	<u>23,302</u>
Total Other Revenues	<u>13,000</u>	<u>68,615</u>	<u>55,615</u>
OTHER FINANCING SOURCES			
Transfer in - utility tax equivalent	96,000	144,692	48,692
Property sales	-	<u>11,922</u>	<u>11,922</u>
Total Other Financing Sources	<u>96,000</u>	<u>156,614</u>	<u>60,614</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 1,656,751</u>	<u>\$ 1,793,551</u>	<u>\$ 136,800</u>

VILLAGE OF MARSHALL

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT			
Village board	\$ 7,420	\$ 5,769	\$ 1,651
Judicial	11,351	9,423	1,928
Municipal court	18,261	31,320	(13,059)
Legal counseling	10,000	7,979	2,021
President	4,413	3,710	703
Clerk	69,342	69,053	289
Legislative support	5,250	3,337	1,913
Commissions and committees	1,292	915	377
Elections	4,503	4,991	(488)
Secretarial	38,602	26,638	11,964
Deputy clerk	28,049	26,536	1,513
Assessment of property	12,075	12,049	26
Independent auditing	21,900	21,104	796
Property and liability insurance	19,800	18,115	1,685
General buildings/plant/hall	26,553	27,347	(794)
Other insurance	21,500	26,214	(4,714)
Map and plat books	50	20	30
League dues	948	2,177	(1,229)
Budget adjustment	693	848	(155)
Total General Government	<u>302,002</u>	<u>297,545</u>	<u>4,457</u>
PUBLIC SAFETY			
Police	44,058	-	44,058
Administration	103,634	99,702	3,932
Patrol	540,521	524,231	16,290
Crossing guards	47,803	47,137	666
Police secretary	57,283	45,842	11,441
Community officer	500	501	(1)
Fire protection	50,304	50,303	1
Ambulance	88,884	88,883	1
Building inspection	6,900	10,402	(3,502)
Total Public Safety	<u>939,887</u>	<u>867,001</u>	<u>72,886</u>
PUBLIC WORKS			
Machinery operation and maintenance	34,300	36,475	(2,175)
Engineering	500	-	500
Highway and street maintenance and construction	64,200	70,530	(6,330)
Garages and sheds	180,968	170,416	10,552
Street signs	2,200	2,152	48
Snow and ice control	10,000	11,518	(1,518)
Street lighting	45,500	45,765	(265)
Sidewalks	2,700	170	2,530
Storm sewer maintenance	1,000	2,500	(1,500)
Taxi service	-	1,528	(1,528)
Weed and nuisance control	1,500	1,235	265
Total Public Works	<u>342,868</u>	<u>342,289</u>	<u>579</u>

VILLAGE OF MARSHALL

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2013

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
HEALTH AND HUMAN SERVICES			
Contributions to local organizations	\$ 9,000	\$ 11,500	\$ (2,500)
CULTURE, RECREATION AND EDUCATION			
Community center	12,500	12,508	(8)
Recreation administration	62,200	62,069	131
Celebration and entertainment	1,120	741	379
Parks	300	26,505	(26,205)
Parks - Skate Park	-	17	(17)
Recreation facilities	500	612	(112)
Total Culture, Recreation and Education	<u>76,620</u>	<u>102,452</u>	<u>(25,832)</u>
CONSERVATION AND DEVELOPMENT			
Zoning	100	-	100
Planning Commission	1,581	646	935
Total Conservation and Development	<u>1,681</u>	<u>646</u>	<u>1,035</u>
CAPITAL OUTLAY			
Capital Outlay	<u>15,150</u>	<u>51,233</u>	<u>(36,083)</u>
TOTAL EXPENDITURES	<u>\$ 1,687,208</u>	<u>\$ 1,672,666</u>	<u>\$ 14,542</u>

VILLAGE OF MARSHALL

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2013

	Special Revenue				Total Nonmajor Governmental Funds
	Recreation Fund	Library Fund	Solid Waste Fund	Veterans Memorial Park Fund	
ASSETS					
Cash and investments	\$ 22,897	\$ 255,942	\$ 29,910	\$ 7,068	\$ 315,817
Receivables					
Taxes receivable	25,102	174,000	153,656	-	352,758
Accounts	-	1,477	-	-	1,477
	-	1,477	-	-	1,477
TOTAL ASSETS	\$ 47,999	\$ 431,419	\$ 183,566	\$ 7,068	\$ 670,052
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,166	\$ 4,109	\$ 12,240	\$ -	\$ 17,515
Total Liabilities	1,166	4,109	12,240	-	17,515
Deferred Inflows of Resources					
Unearned revenues	25,102	174,000	153,656	-	352,758
Total Deferred Inflows of Resources	25,102	174,000	153,656	-	352,758
Fund Balances					
Restricted	-	253,310	-	-	253,310
Committed	21,731	-	17,670	7,068	46,469
Total Fund Balances	21,731	253,310	17,670	7,068	299,779
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 47,999	\$ 431,419	\$ 183,566	\$ 7,068	\$ 670,052

VILLAGE OF MARSHALL

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2013

	Special Revenue				
	Recreation Fund	Langer Park Fund	Library Fund	Solid Waste Fund	Veterans Memorial Park Fund
REVENUES					
Taxes	\$ 21,525	\$ -	\$ 174,000	\$ 3,400	\$ -
Intergovernmental	-	-	35,117	-	-
Public charges for services	44,846	-	17,634	146,876	-
Investment income	-	-	2,873	-	-
Other revenues	<u>1,336</u>	<u>-</u>	<u>3,188</u>	<u>-</u>	<u>400</u>
Total Revenues	<u>67,707</u>	<u>-</u>	<u>232,812</u>	<u>150,276</u>	<u>400</u>
EXPENDITURES					
Current					
Public works	-	-	-	148,778	-
Culture, recreation and education	71,146	-	232,833	-	777
Capital Outlay	<u>64</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>71,210</u>	<u>-</u>	<u>232,833</u>	<u>148,778</u>	<u>777</u>
Excess (deficiency) of revenues over expenditures	<u>(3,503)</u>	<u>-</u>	<u>(21)</u>	<u>1,498</u>	<u>(377)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	7,997	-	-	-	-
Transfers out	<u>-</u>	<u>(7,997)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>7,997</u>	<u>(7,997)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	4,494	(7,997)	(21)	1,498	(377)
FUND BALANCES - Beginning of Year	<u>17,237</u>	<u>7,997</u>	<u>253,331</u>	<u>16,172</u>	<u>7,445</u>
FUND BALANCES - END OF YEAR	<u>\$ 21,731</u>	<u>\$ -</u>	<u>\$ 253,310</u>	<u>\$ 17,670</u>	<u>\$ 7,068</u>

Total
Nonmajor
Governmental
Funds

\$ 198,925
35,117
209,356
2,873
4,924
451,195

148,778

304,756

64

453,598

(2,403)

7,997

(7,997)

-

(2,403)

302,182

\$ 299,779

VILLAGE OF MARSHALL

STATEMENT OF CASH FLOWS COMPONENT UNIT For the Year Ended December 31, 2013

	Component Unit
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 7,388
Paid to suppliers for goods and services	<u>(2,145)</u>
Net Cash Flows From Operating Activities	<u>5,243</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>7,339</u>
Net Cash Flows From Investing Activities	<u>7,339</u>
Net Change in Cash and Cash Equivalents	12,582
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>59,977</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 72,559</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (1,805)
Changes in assets and liabilities	
Loans receivable	7,388
Accounts payable	<u>(340)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 5,243</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and investments - statement of net position	<u>\$ 72,559</u>
CASH AND CASH EQUIVALENTS	<u>\$ 72,559</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
None	