

**VILLAGE OF LENA**  
**Annual Financial Report**  
**December 31, 2013**

VILLAGE OF LENA

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December 31, 2013

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## INDEPENDENT AUDITORS' REPORT

## Independent Auditors' Report

Village Board  
Village of Lena  
Lena, Wisconsin

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

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Lena 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.

To the Village Board  
Village of Lena

***Other Matters***

***Required Supplementary Information***

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 opinion on the basic financial statements is not affected by this missing information.


Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 30 through 33 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.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Lena's basic financial statements. The supplementary information as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management. The schedule of operating revenues and expenses and detailed budgetary comparison, except the budget information, was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except the budgetary 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 schedule of operating revenues and expenses and detailed budgetary comparison, except the budget information, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The budgetary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

  
KerberRose SC  
Certified Public Accountants  
May 9, 2014

## **FINANCIAL STATEMENTS**

**VILLAGE OF LENA**  
Statement of Net Position  
As of December 31, 2013

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$ 499,996	\$ 182,171	\$ 682,167
Receivables:			
Taxes	126,082	-	126,082
Customer Accounts Receivable	-	63,461	63,461
Delinquent Personal Property Taxes	878	-	878
Special Assessments	11,744	8,110	19,854
Internal Balances	62,488	(62,488)	-
Prepays	12,391	813	13,204
Inventories	-	5,843	5,843
Restricted Cash	59,508	85,939	145,447
Certificate of Deposit	-	69,254	69,254
<b>Total Current Assets</b>	<u>773,087</u>	<u>353,103</u>	<u>1,126,190</u>
<b>Noncurrent Assets</b>			
Capital Assets:			
Capital Assets Not Being Depreciated	210,006	173,087	383,093
Other Capital Assets, Net of Depreciation	1,263,562	2,464,251	3,727,813
<b>Total Noncurrent Assets</b>	<u>1,473,568</u>	<u>2,637,338</u>	<u>4,110,906</u>
<b>TOTAL ASSETS</b>	<u>2,246,655</u>	<u>2,990,441</u>	<u>5,237,096</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	85,134	9,481	94,615
Accrued Liabilities	36,896	5,142	42,038
Accrued Interest Payable	8,309	10,600	18,909
Compensated Absences	9,161	16,101	25,262
Current Portion of Long-Term Obligations	49,056	37,774	86,830
<b>Total Current Liabilities</b>	<u>188,556</u>	<u>79,098</u>	<u>267,654</u>
<b>Noncurrent Liabilities</b>			
Noncurrent Portion of Long-Term Obligations	301,678	465,178	766,856
<b>TOTAL LIABILITIES</b>	<u>490,234</u>	<u>544,276</u>	<u>1,034,510</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes Levied for Subsequent Year	184,349	-	184,349
Property Tax Equivalent	26,391	-	26,391
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>210,740</u>	<u>-</u>	<u>210,740</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,131,994	2,134,386	3,266,380
Restricted	-	85,939	85,939
Unrestricted	413,687	225,840	639,527
<b>TOTAL NET POSITION</b>	<u>\$ 1,545,681</u>	<u>\$ 2,446,165</u>	<u>\$ 3,991,846</u>

See Accompanying Notes

**VILLAGE OF LENA**  
Statement of Activities  
For the Year Ended December 31, 2013

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
<b>FUNCTIONS/PROGRAMS</b>			
Governmental Activities:			
General Government	\$ 124,085	\$ 2,662	\$ -
Public Safety	164,865	91,014	20,077
Public Works	151,066	16,016	32,973
Culture and Recreation	77,449	3,680	38,238
Conservation and Development	2,500	-	-
Interest and Fiscal Charges	14,848	-	-
<b>Total Governmental Activities</b>	<b>534,813</b>	<b>113,372</b>	<b>91,288</b>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Water	123,341	144,970	-
Sewer	203,354	153,828	-
<b>Total Business-Type Activities</b>	<b>326,695</b>	<b>298,798</b>	<b>-</b>
<b>TOTAL</b>	<b>\$ 861,508</b>	<b>\$ 412,170</b>	<b>\$ 91,288</b>

**GENERAL REVENUES**

Taxes:  
Property Taxes, Levied for General Purposes  
Property Taxes, Levied for Library  
Intergovernmental Revenues not Restricted to  
Specific Programs  
Investment Income  
Rental 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**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (121,423)	\$ -	\$ (121,423)
(53,774)	-	(53,774)
(102,077)	-	(102,077)
(35,531)	-	(35,531)
(2,500)	-	(2,500)
(14,848)	-	(14,848)
<u>(330,153)</u>	<u>-</u>	<u>(330,153)</u>
-	21,629	21,629
-	(49,526)	(49,526)
-	(27,897)	(27,897)
<u>(330,153)</u>	<u>(27,897)</u>	<u>(358,050)</u>
161,851	-	161,851
22,500	-	22,500
168,722	-	168,722
970	1,470	2,440
16,087	-	16,087
8,458	-	8,458
<u>378,588</u>	<u>1,470</u>	<u>380,058</u>
<u>(87,871)</u>	<u>87,871</u>	<u>-</u>
(39,436)	61,444	22,008
<u>1,585,117</u>	<u>2,384,721</u>	<u>3,969,838</u>
<u>\$ 1,545,681</u>	<u>\$ 2,446,165</u>	<u>\$ 3,991,846</u>

See Accompanying Notes

**VILLAGE OF LENA**  
Balance Sheet  
Governmental Funds  
As of December 31, 2013

	General	Fire Department	Library Fund	Total
<b>ASSETS</b>				
Cash	\$ 295,721	\$ 96,134	\$ 108,141	\$ 499,996
Receivables:				
Taxes	126,082	-	-	126,082
Delinquent Personal Property Taxes	878	-	-	878
Special Assessments	11,744	-	-	11,744
Prepays	10,520	1,464	407	12,391
Due from Other Funds	62,488	30	-	62,518
Restricted Cash	59,508	-	-	59,508
<b>TOTAL ASSETS</b>	<u>\$ 566,941</u>	<u>\$ 97,628</u>	<u>\$ 108,548</u>	<u>\$ 773,117</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 82,801	\$ 1,783	\$ 550	\$ 85,134
Due to Other Funds	30	-	-	30
Accrued Liabilities	23,225	10,720	2,951	36,896
<b>Total Liabilities</b>	<u>106,056</u>	<u>12,503</u>	<u>3,501</u>	<u>122,060</u>
Deferred Inflows of Resources:				
Taxes Levied for Subsequent Year	184,349	-	-	184,349
Property Tax Equivalent	26,391	-	-	26,391
Unavailable Special Assessments	11,744	-	-	11,744
<b>Total Deferred Inflows of Resources</b>	<u>222,484</u>	<u>-</u>	<u>-</u>	<u>222,484</u>
Fund Balances				
Nonspendable:				
Prepays	10,520	1,464	407	12,391
Delinquent Personal Property Tax	878	-	-	878
Committed:				
Fire Suppression	-	83,661	-	83,661
Library Operations	-	-	104,640	104,640
Assigned:				
Equipment Fund	30,325	-	-	30,325
Ditch Maintenance	8,210	-	-	8,210
Building Fund	14,187	-	-	14,187
Police Equipment Fund	7,200	-	-	7,200
Street Maintenance	3,005	-	-	3,005
Unassigned	164,076	-	-	164,076
<b>Total Fund Balances</b>	<u>238,401</u>	<u>85,125</u>	<u>105,047</u>	<u>428,573</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 566,941</u>	<u>\$ 97,628</u>	<u>\$ 108,548</u>	<u>\$ 773,117</u>

See Accompanying Notes

**VILLAGE OF LENA**

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
As of December 31, 2013

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**Total Fund Balances - Governmental Funds** **\$ 428,573**

*Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:*

Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental Capital Asset	3,326,866	
Governmental Accumulated Depreciation	<u>(1,853,298)</u>	1,473,568

Other long-term assets are not available to pay current period expenditures and therefore are deferred inflows of resources in the funds. Amounts previously recognized for governmental activities in the statement of net position:

Special Assessments		11,744
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Noncurrent obligations, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Items reported in the statement of net position that are not reported in the funds balance sheet:

General Debt	(341,574)	
Accrued Interest on General Obligation Debt	(8,309)	
Vested Employee Benefits	<u>(18,321)</u>	<u>(368,204)</u>

**Total Net Position - Governmental Activities** **\$ 1,545,681**

**VILLAGE OF LENA**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2013

	General	Fire Department	Library Fund	Total
<b>REVENUES</b>				
Taxes	\$ 161,851	\$ -	\$ 22,500	\$ 184,351
Intergovernmental	202,015	74,159	32,637	308,811
Licenses and Permits	4,195	-	-	4,195
Fines and Forfeits	17,262	-	-	17,262
Public Charges for Services	16,222	2,338	3,404	21,964
Miscellaneous	23,094	15,743	7,828	46,665
<b>Total Revenues</b>	<u>424,639</u>	<u>92,240</u>	<u>66,369</u>	<u>583,248</u>
<b>EXPENDITURES</b>				
Current:				
General Government	135,403	-	-	135,403
Public Safety	88,731	61,265	-	149,996
Public Works	120,508	-	-	120,508
Culture and Recreation	1,554	-	72,485	74,039
Conservation and Development	2,500	-	-	2,500
Capital Outlay	1,717	293,908	-	295,625
Debt Service:				
Principal Retirement	12,574	144,760	-	157,334
Interest and Fiscal Charges	8,220	5,277	-	13,497
<b>Total Expenditures</b>	<u>371,207</u>	<u>505,210</u>	<u>72,485</u>	<u>948,902</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>53,432</u>	<u>(412,970)</u>	<u>(6,116)</u>	<u>(365,654)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Lease	-	293,908	-	293,908
Transfer In	26,391	-	-	26,391
Transfer Out	(114,262)	-	-	(114,262)
<b>Total Other Financing Sources (Uses)</b>	<u>(87,871)</u>	<u>293,908</u>	<u>-</u>	<u>206,037</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(34,439)</u>	<u>(119,062)</u>	<u>(6,116)</u>	<u>(159,617)</u>
<b>FUND BALANCES - BEGINNING</b>	<u>272,840</u>	<u>204,187</u>	<u>111,163</u>	<u>588,190</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 238,401</u>	<u>\$ 85,125</u>	<u>\$ 105,047</u>	<u>\$ 428,573</u>

See Accompanying Notes

**VILLAGE OF LENA**

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** \$ (159,617)

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

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense.

Capital outlay reported in governmental fund statements	323,005	
Depreciation expense reported in the statement of activities	<u>(81,172)</u>	
Amount by which depreciation is less than capital outlay in the current period.		241,833

Vested employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

Compensated absences paid in current year	26,978	
Compensated absences benefits earned in current year	<u>(10,706)</u>	
Amounts paid are more than amounts earned by		16,272

Debt incurred in the governmental funds is reported as an other financing source in the fund financial statements, but is reported as an increase in outstanding long-term debt in the statement of net position, and does not affect the statement of activities. (293,908)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year. 157,334

In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.

The amount of interest paid during the current period	13,498	
The amount of interest accrued during the current period	<u>(14,848)</u>	
Interest paid is less than interest accrued by		<u>(1,350)</u>

**Change in Net Position - Governmental Activities** \$ (39,436)

**VILLAGE OF LENA**  
Statement of Net Position  
Proprietary Fund  
As of December 31, 2013

	<b>Water and Sewer Utility</b>
<b>CURRENT ASSETS</b>	
Cash	\$ 182,171
Receivables:	
Customer Accounts Receivable	63,461
Special Assessments	8,110
Prepays	813
Inventories	5,843
Restricted Cash	85,939
Certificate of Deposit	69,254
<b>Total Current Assets</b>	<b>415,591</b>
<b>NON-CURRENT ASSETS</b>	
Capital Assets	
Water:	
Plant in Service	1,598,066
Accumulated Depreciation	(511,343)
Sewer:	
Plant in Service	3,171,869
Construction in Progress	172,324
Accumulated Depreciation	(1,793,578)
<b>Total Non-Current Assets</b>	<b>2,637,338</b>
<b>TOTAL ASSETS</b>	<b>3,052,929</b>
<b>CURRENT LIABILITIES</b>	
Accounts Payable	9,481
Due to Other Fund	62,488
Accrued Payroll Expense	5,142
Accrued Interest	10,600
Accrued Compensated Absences	16,101
Current Portion of Long-Term Obligations	37,774
<b>Total Current Liabilities</b>	<b>141,586</b>
<b>NON-CURRENT LIABILITIES</b>	
Concurrent Portion of Long-Term Obligations	465,178
<b>TOTAL LIABILITIES</b>	<b>606,764</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	2,134,386
Restricted	85,939
Unrestricted	225,840
<b>TOTAL NET POSITION</b>	<b>\$ 2,446,165</b>

See Accompanying Notes

**VILLAGE OF LENA**  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund  
For the Year Ended December 31, 2013

	<b>Water and Sewer Utility</b>
<b>OPERATING REVENUES</b>	<b>\$ 298,798</b>
<b>OPERATING EXPENSES</b>	
Operation and Maintenance	147,978
Administration and General	35,036
Depreciation	120,644
<b>Total Operating Expenses</b>	<b>303,658</b>
<b>OPERATING LOSS</b>	<b>(4,860)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment Income	1,470
Interest Expense	(23,037)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(21,567)</b>
<b>LOSS BEFORE TRANSFERS</b>	(26,427)
<b>TRANSFERS IN</b>	114,262
<b>TRANSFERS OUT</b>	(26,391)
<b>CHANGE IN NET POSITION</b>	61,444
<b>NET POSITION - BEGINNING</b>	2,384,721
<b>NET POSITION - ENDING</b>	<b>\$ 2,446,165</b>

See Accompanying Notes

**VILLAGE OF LENA**  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2013

	<b>Water and Sewer Utility</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 275,085
Cash Paid to Suppliers for Goods and Services	(101,935)
Cash Paid to Employees for Services	(75,571)
<b>Net Cash Flows From Operating Activities</b>	97,579
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Tax Equivalent Paid to Municipality	(26,391)
Transfer Received from Municipality	114,262
<b>Net Cash Flows From Noncapital Financing Activities</b>	87,871
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Income Received	1,470
Purchase of additional Certificate of Deposits	(1,923)
<b>Net Cash Flows From Investing Activities</b>	(453)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	(182,443)
Principal Payments on Long-Term Debt	(35,124)
Interest Paid	(20,465)
<b>Net Cash Flows From Capital and Related Financing Activities</b>	(238,032)
<b>NET DECREASE IN CASH</b>	(53,035)
<b>CASH - BEGINNING</b>	321,145
<b>CASH - ENDING</b>	\$ 268,110
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating Loss	\$ (4,860)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:	
Non-Cash Items:	
Depreciation	120,644
Changes in Operating Assets and Liabilities:	
Accounts Receivable	(23,713)
Prepays	(813)
Inventories	(25)
Accounts Payable	3,923
Due to Other Funds	3,458
Accrued Liabilities	94
Accrued Compensated Absences	(1,129)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$ 97,579

See Accompanying Notes



**VILLAGE OF LENA**  
Statement of Cash Flows - Continued  
Proprietary Fund  
For the Year Ended December 31, 2013

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	<u>Water and Sewer Utility</u>
<b>RECONCILIATION OF CASH PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS</b>	
Statement of Net Position Proprietary Fund:	
Cash	\$ 182,171
Restricted Cash	<u>85,939</u>
<b>CASH PER STATEMENT OF CASH FLOWS</b>	<u><u>\$ 268,110</u></u>

**VILLAGE OF LENA**  
Statement of Net Position  
Fiduciary Fund  
As of December 31, 2013

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	<u>Agency</u>
<b>ASSETS</b>	
Cash	\$ 177,846
Taxes Receivable	376,808
<b>Total Assets</b>	<u>554,654</u>
 <b>LIABILITIES</b>	
Due to Other Taxing Units	<u>\$ 554,654</u>

See Accompanying Notes

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Village of Lena (Village) is presented to assist in understanding the Village's financial statements. The financial statements and notes are representations of the Village's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform with accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

**REPORTING ENTITY**

This report includes all of the funds of the Village of Lena. The reporting entity for the Village consists of the primary government. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable or other organizations whose nature and significant relationship with the Village are such that exclusion would cause the Village's financial statements to be misleading. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Village's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Village. The Village has not identified any component units that are required to be included in the financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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) operating grants and contributions. Taxes and other items not properly included as program revenues are reported instead as general revenues.

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

**FUND FINANCIAL STATEMENTS**

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 proprietary funds are reported as separate columns in the fund financial statements.

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 utility enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND FINANCIAL STATEMENTS - Continued**

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

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

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and proprietary funds combined.
- c. In addition, any other governmental fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

**Governmental Funds**

Governmental funds are identified as either general or special revenue based upon the following guidelines.

**General Fund**

The general fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

**Business-Type Activities**

**Proprietary Funds**

**Enterprise Funds**

Enterprise funds may be used to account for activities where a fee is charged to external users for goods and services. Enterprise activities must include operations (a) that are financed with debt that is secured solely by the pledge of the net revenues of the fund, or (b) where laws or regulations require that the costs of the activity be recovered with fees and charges, or (c) where the fees and charges are priced in a way designed to recover the costs of the activity.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND FINANCIAL STATEMENTS (Continued)**

**Fiduciary Funds**

Agency Funds

Agency funds are used to account for assets held by the Village as an agent for individuals, private organizations, and/or other governmental units.

**Major Funds**

The Village reports the following major governmental funds:

The *general fund*, which accounts for the Village's primary operating activities.

The *fire department fund*, which accounts for the resources accumulated and payments made for the operation of the fire department.

The *library fund*, which accounts for the resources accumulated and payments made for the operation of the library.

The Village reports the following major proprietary fund:

The *water and sewer utility*, which operates the water distribution system and the sewage treatment plant, sewage pumping stations and collection systems.

**Fiduciary Funds**

The Village reports the following agency fund:

The *tax collection fund*, which accounts for taxes and deposits collected by the Village, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets, current deferred outflows of resources, current liabilities, and current deferred inflows of resources) or economic resources (all assets, deferred outflows of resources, liabilities, and deferred inflows of resources). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**CASH**

Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from the date of acquisition are considered to be cash equivalents.

**ACCOUNTS RECEIVABLE**

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the financial statements.

**INVENTORIES**

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

**SPECIAL ASSESSMENTS**

Special assessments consist of capital projects constructed through non-special assessment debt. In governmental fund financial statements, special assessments are recorded as receivables and deferred inflows of resources when the related capital outlays are made and are recorded as revenues when due and payable. In the government-wide financial statements and proprietary funds, special assessments are recorded as receivables and capital contributions when the capital outlays are made. All special assessments are due when billed and may be paid on an installment basis with interest. The method of enforcing collections is the same as for general Village taxes.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CAPITAL ASSETS**

Capital assets, which include property, plant and equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$1,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. General infrastructure assets acquired or constructed prior to January 1, 2004 are not reported in the financial statements. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment of the Village are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Buildings, Improvements, and Utility Plant	20 - 50	25 - 100
Machinery and Equipment	3 - 10	3 - 10
Infrastructure	30 - 50	-

**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.

Vacation leave is required to be used in the year earned, unless approved to be carried over. Carryovers of unused vacation leave are limited to a maximum of one week.

**LONG-TERM OBLIGATIONS**

The accounting treatment of long-term debt depends on whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of state trust fund loans and a capital lease.

Long-term debt for governmental funds is not reported as a liability in the governmental fund financial statements. The debt proceeds and capital leases are reported as an other financing source and payment of principal and interest reported as expenditures. The accounting in proprietary funds is the same in the fund statements as it is in the government-wide statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**INTERFUND TRANSACTIONS**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are reported as a nonspendable in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of net position and balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and balance sheet reports a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The government-wide financial statement has only two types of items that qualify for reporting in this category. Accordingly, the items, *taxes levied for subsequent year* and *property tax equivalent*, are reported in the statement of net position. The governmental funds report property taxes and special assessments on the balance sheet.

**CLAIMS AND JUDGMENTS**

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



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**EQUITY CLASSIFICATIONS**

Government-Wide Statements

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

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted component of net position – Consists of resources 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) by law through constitutional provisions or enabling legislation reduced by liabilities related to those assets.
- Unrestricted component of net position – Is the net amount that does not meet the definition of “restricted” or “net investment in capital assets.”

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

Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The Village Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance, in the general fund, represents amounts constrained by the Village Board for a specific intended purpose. The Village has not delegated that authority to others. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance, in the general fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The Village, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned:

The Village has not adopted a minimum fund balance policy.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**USE OF ESTIMATES**

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

**NOTE 2 - CASH**

The Village is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturity in three years or less.
- 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, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities guaranteed by the federal government.
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant regulations of the Village.

At December 31, 2013, the Village's bank balance of cash was \$1,078,450. The Village maintains its cash accounts at one financial institution. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village does not have a deposit policy for custodial credit risk.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and non-interest bearing demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2013, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted above.

The following represents a summary of deposits as of December 31, 2013:

Fully Insured Deposits	\$ 250,000
Collateralized with Securities held by the Pledging of Financial Institution in the Village's Name	<u>828,450</u>
Total	<u><u>\$ 1,078,450</u></u>

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

**NOTE 3 - RESTRICTED ASSETS**

Restricted assets on December 31, 2013 consisted of cash totaling \$145,447 held for the following purposes:

General Fund		
Advance Tax Collection	\$	59,508
Enterprise Fund		
Equipment Replacement		77,975
Debt Service		7,964
Total Restricted Assets	\$	145,447

**NOTE 4 - PROPERTY TAXES**

The Village bills and collects its own property taxes and also levies for the Lena School District, Oconto County, Northeast Wisconsin Technical College, and the State of Wisconsin.

Property taxes consist of taxes on real estate and personal property. They are levied during December and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31, or in two equal installments on or before January 31, and July 31. Real estate taxes not paid by July 31 are assumed by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

As part of Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

**NOTE 5 - INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS**

Interfund receivables and payables between individual funds of the Village as of December 31, 2013 are detailed below:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Water and Sewer Utility	\$ 62,488	Year End Cash Flow Timing
Fire Department Fund	General Fund	30	Year End Cash Flow Timing
		\$ 62,518	

Interfund transfers for the year ended December 31, 2013 as shown in the governmental and proprietary funds statements were as follows:

Transfer From	Transfer To	Amount	Purpose
Water and Sewer Utility	General Fund	\$ 26,391	Tax Equivalent
General Fund	Water and Sewer Utility	114,262	Fund Equipment Replacement
		\$ 140,653	

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

**NOTE 6 - CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets not being				
Depreciated:				
Land and improvements	\$ 210,006	\$ -	\$ -	\$ 210,006
<b>Other Capital Assets</b>				
Buildings and Improvements	930,271	-	-	930,271
Machinery and Equipment	1,551,921	323,005	-	1,874,926
Infrastructure	311,663	-	-	311,663
Total Capital Assets being				
Depreciated	<u>2,793,855</u>	<u>323,005</u>	<u>-</u>	<u>3,116,860</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(429,455)	(20,921)	-	(450,376)
Machinery and Equipment	(1,313,159)	(53,546)	-	(1,366,705)
Infrastructure	(29,512)	(6,705)	-	(36,217)
Total Accumulated				
Depreciation	<u>(1,772,126)</u>	<u>(81,172)</u>	<u>-</u>	<u>(1,853,298)</u>
Total Capital Assets Being				
Depreciated, Net of				
Depreciation	<u>1,021,729</u>	<u>241,833</u>	<u>-</u>	<u>1,263,562</u>
Governmental Activities Capital				
Assets, Net of Accumulated				
Depreciation	<u>\$ 1,231,735</u>	<u>\$ 241,833</u>	<u>\$ -</u>	<u>\$ 1,473,568</u>
<b>Business-Type Activities</b>				
Capital Assets not Being				
Depreciated:				
Land	\$ 763	\$ -	\$ -	\$ 763
Construction in Progress	-	172,324	-	172,324
Total Capital Assets not being				
Depreciated	<u>763</u>	<u>172,324</u>	<u>-</u>	<u>173,087</u>
Capital Assets being Depreciated				
Utility Plant	4,763,803	10,119	4,750	4,769,172
Less: Accumulated				
Depreciation	<u>(2,189,027)</u>	<u>(120,644)</u>	<u>(4,750)</u>	<u>(2,304,921)</u>
Total Capital Assets being				
Depreciated, Net of Depreciation	<u>2,574,776</u>	<u>(110,525)</u>	<u>-</u>	<u>2,464,251</u>
Business-Typ Activities Capital				
Assets, Net of Accumulated				
Depreciation	<u>\$ 2,575,539</u>	<u>\$ 61,799</u>	<u>\$ -</u>	<u>\$ 2,637,338</u>

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

**NOTE 6 - CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions of the Village as follows:

Governmental Activities:	
General Government	\$ 4,951
Public Safety	39,870
Public Works	29,992
Culture and Recreation	6,359
Total Depreciation Expense - Governmental Activities	<u>\$ 81,172</u>
Business-Type Activities:	
Water Utility	\$ 33,686
Sewer Utility	86,958
Total Depreciation Expense - Business-Type Activities	<u>\$ 120,644</u>

**NOTE 7 - LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2013:

	<u>Outstanding 1/1/13</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding 12/31/13</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Debt					
State Trust Fund Loans	\$ 205,000	\$ -	\$ 12,574	\$ 192,426	\$ 13,337
Capital Lease	-	293,908	144,760	149,148	35,719
Total General Obligation Debt	205,000	293,908	157,334	341,574	49,056
Vested Compensated Absences	34,593	10,706	26,978	18,321	9,161
Total Governmental Activities Long-Term Liabilities	<u>\$ 239,593</u>	<u>\$ 304,614</u>	<u>\$ 184,312</u>	<u>\$ 359,895</u>	<u>\$ 58,217</u>
<b>Business-Type Activities</b>					
General Obligation Debt					
State Trust Fund Loans	\$ 312,746	\$ -	\$ 22,535	\$ 290,211	\$ 24,874
Clean Water Loans	225,330	-	12,589	212,741	12,900
Total Business-Type Activities Long-Term Liabilities	<u>\$ 538,076</u>	<u>\$ -</u>	<u>\$ 35,124</u>	<u>\$ 502,952</u>	<u>\$ 37,774</u>

Total interest paid during the year on long-term debt totaled \$33,962.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

**NOTE 7 - LONG-TERM OBLIGATIONS (Continued)**

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/13</u>
<b>Governmental Activities</b>					
<b>Long-Term Obligations</b>					
2011 State Trust Loan	10/12/11	03/15/21	3.75%	\$ 73,086	\$ 66,808
2012 State Trust Loan	03/06/12	03/15/21	3.75%	21,914	19,840
2012 State Trust Loan	05/01/12	03/15/32	4.00%	110,000	105,778
Capital Lease	06/14/12	06/14/17	2.87%	293,908	149,148
Total Governmental Activities Long-Term Obligations					<u>\$ 341,574</u>
<b>Business-Type Activities</b>					
<b>Long-Term Obligations</b>					
2005 State Trust Fund Loan	10/24/05	03/15/25	5.00%	\$ 79,878	\$ 59,674
2005 State Trust Fund Loan	12/13/05	03/15/25	5.00%	120,122	89,164
2011 State Trust Fund Loan	10/12/11	03/15/21	3.75%	119,245	109,003
2012 State Trust Fund Loan	03/06/12	03/15/21	3.75%	35,754	32,370
2007 Clean Water Fund Loan	05/09/07	05/01/27	2.475%	283,857	212,741
Total Business-Type Activities Long-Term Obligations					<u>\$ 502,952</u>

Debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 49,056	\$ 11,819	\$ 37,774	\$ 17,944	\$ 86,830	\$ 29,763
2015	50,596	10,279	39,151	16,563	89,747	26,842
2016	52,173	8,703	40,562	15,149	92,735	23,852
2017	53,824	7,051	42,067	13,639	95,891	20,690
2018	15,517	5,359	43,612	12,090	59,129	17,449
2019-2023	60,521	17,837	200,180	35,810	260,701	53,647
2024-2028	30,645	9,632	99,606	5,802	130,251	15,434
2029-2032	29,242	2,982	-	-	29,242	2,982
	<u>\$ 341,574</u>	<u>\$ 73,662</u>	<u>\$ 502,952</u>	<u>\$ 116,997</u>	<u>\$ 844,526</u>	<u>\$ 190,659</u>

Estimated payments of accumulated employee benefits and other commitments are not included in the above schedule.

The 2013 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$30,212,200. The legal debt limit and margin of indebtedness as of December 31, 2013, in accordance with Wisconsin Statutes follows:

Debt Limit (5% of \$30,212,200)	\$ 1,510,610
Deduct Long-Term Debt Applicable to Debt Margin	<u>482,637</u>
Remaining Margin of Indebtedness Available	<u>\$ 1,027,973</u>

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

**NOTE 7 - LONG TERM DEBT OBLIGATIONS (Continued)**

**Utility Revenues Pledged**

The Village has pledged future revenue derived from the Sewerage System, net of specified operating expenses, to repay the Clean Water Fund Loan. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the utility. The loan is payable from Sewerage System net revenues and is payable through 2027. The total principal and interest remaining to be paid on the bonds is \$251,686. Principal and interest paid for the current year and total Sewerage System net revenues were \$18,010 and \$153,828, respectively.

**NOTE 8 - FUND EQUITY**

**GOVERNMENT-WIDE STATEMENTS**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Net Investment in Capital Assets			
Net Capital Assets	\$ 1,473,568	\$ 2,637,338	\$ 4,110,906
Less: Related Long-Term Debt Outstanding	341,574	502,952	844,526
Net Investment in Capital Assets	1,131,994	2,134,386	3,266,380
Restricted for:			
Equipment Replacement	-	77,975	77,975
Debt Service	-	7,964	7,964
Total Restricted	-	85,939	85,939
Unrestricted	413,687	225,840	639,527
Total Government-Wide Net Position	\$ 1,545,681	\$ 2,446,165	\$ 3,991,846

**NOTE 9 - DEFINED BENEFIT PENSION PLAN**

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

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

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**NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)**

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

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives & 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 the Village of Lena employees covered by the System for the year ended December 31, 2013, was \$187,464; the employer's total payroll was \$235,123. The total required contributions for the year ended December 31, 2013, was \$25,949, which consisted of \$13,483, or 7.2% of payroll from the employer, and \$12,466, or 6.6% from the employees. Total contributions for the years ended December 31, 2012 and 2011 were \$23,995 and \$23,066, respectively.

Employees who retire at or after 65 (62 elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective 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 become System eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

**NOTE 10 - 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; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the Village purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in the past three years.



**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2013

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**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

The Village previously approved an agreement with Ayres Associates for professional services for the design of the Radium Removal Treatment System and related project for \$225,025. As of December 31, 2013, \$138,346 has been spent on this project leaving a balance \$86,679 payable to the consultant.

From time to time the Village is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of Village management, these issues, and any other proceedings known to exist at December 31, 2013, are not likely to have a material adverse impact on the Village's financial position.

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

**NOTE 12 - MAJOR CUSTOMER**

Saputo Cheese USA accounted for \$90,720 of the water and sewer utility revenues during 2013.

**NOTE 13 - SUBSEQUENT EVENT**

In June of 2013, the Village entered into a Consent Order with the Wisconsin DNR to reduce the level of radionuclides in its public water system. To that end, the village engaged an engineering firm for the development and construction of a new water treatment facility. The costs of the project are estimated to be \$3.8 million. The Village anticipates funding the project with a Safe Drinking Water loan from the Wisconsin DNR for 20 years at 1.975% interest rate. The Village also anticipates a \$750,000 CDBG-PE grant and \$500,000 in loan principle forgiveness. On January 14, 2014 the Village was approved for, and did receive in March 2014, a seven month loan of \$3,400,000 at 0.75% interest for interim financing of this project.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF LENA**  
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 Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$ 184,351	\$ 161,851	\$ (22,500)
Special Assessments	3,000	-	(3,000)
Intergovernmental	202,264	202,015	(249)
Licenses and Permits	3,445	4,195	750
Fines and Forfeits	23,020	17,262	(5,758)
Public Charges for Services	16,050	16,222	172
Miscellaneous	21,113	23,094	1,981
<b>Total Revenues</b>	<u>453,243</u>	<u>424,639</u>	<u>(28,604)</u>
<b>EXPENDITURES</b>			
General Government	144,620	135,403	9,217
Public Safety	95,737	88,731	7,006
Public Works	119,112	120,508	(1,396)
Culture and Recreation	26,100	1,554	24,546
Conservation and Development	1,000	2,500	(1,500)
Capital Outlay	70,880	1,717	69,163
Debt Service	20,794	20,794	-
<b>Total Expenditures</b>	<u>478,243</u>	<u>371,207</u>	<u>107,036</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(25,000)</u>	<u>53,432</u>	<u>78,432</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	25,000	26,391	1,391
Transfers Out	-	(114,262)	(114,262)
<b>Total Other Financing Sources (Uses)</b>	<u>25,000</u>	<u>(87,871)</u>	<u>(112,871)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(34,439)	(34,439)
<b>FUND BALANCE - BEGINNING</b>	<u>272,840</u>	<u>272,840</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 272,840</u>	<u>\$ 238,401</u>	<u>\$ (34,439)</u>

**VILLAGE OF LENA**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Fire Department Fund  
For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 79,500	\$ 74,159	\$ (5,341)
Charges for Service	4,000	2,338	(1,662)
Investment Income	300	103	(197)
Donations	9,000	13,050	4,050
Miscellaneous	4,800	2,590	(2,210)
<b>Total Revenues</b>	<u>97,600</u>	<u>92,240</u>	<u>(5,360)</u>
<b>EXPENDITURES</b>			
Public Safety:			
Salaries and Wages	1,800	889	911
Employee Benefits	125	107	18
Man Hours Expense	8,500	3,757	4,743
Clothing Allowance	7,500	-	7,500
Training Expense	13,500	7,940	5,560
Utilities	5,750	5,638	112
Insurance	8,300	5,387	2,913
Vehicle and Equipment Repairs	7,850	34,476	(26,626)
Fuel Expense	2,500	812	1,688
Miscellaneous	2,350	2,259	91
Capital Outlay	-	293,908	(293,908)
Debt Services			
Principal	-	144,760	(144,760)
Interest	-	5,277	(5,277)
<b>Total Expenditures</b>	<u>58,175</u>	<u>505,210</u>	<u>(447,035)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>39,425</u>	<u>(412,970)</u>	<u>(452,395)</u>
<b>OTHER FINANCING SOURCES</b>			
Capital Lease	-	293,908	293,908
<b>NET CHANGE IN FUND BALANCE</b>	39,425	(119,062)	(158,487)
<b>FUND BALANCE - BEGINNING</b>	<u>204,187</u>	<u>204,187</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 243,612</u>	<u>\$ 85,125</u>	<u>\$ (158,487)</u>

See Accompanying Notes to Budgetary Comparison Schedules

**VILLAGE OF LENA**

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Library Fund

For the Year Ended December 31, 2013

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	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
General Property Taxes	\$ 22,500	\$ 22,500	\$ -
Intergovernmental	33,732	32,637	(1,095)
Public Charges for Services	4,000	3,404	(596)
Investment Income	250	194	(56)
Donations	600	7,634	7,034
<b>Total Revenues</b>	<u>61,082</u>	<u>66,369</u>	<u>5,287</u>
<b>EXPENDITURES</b>			
Culture and Recreation:			
Salaries and Wages	44,528	44,008	520
Employee Benefits	5,000	9,042	(4,042)
Training Expense	600	406	194
Books, Videos and Periodicals	5,500	6,109	(609)
Automation Expense	4,500	4,344	156
Utilities	4,500	3,857	643
Postage	1,000	1,807	(807)
Building Expenses	1,200	1,148	52
Miscellaneous	1,250	1,764	(514)
<b>Total Expenditures</b>	<u>68,078</u>	<u>72,485</u>	<u>(4,407)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(6,996)	(6,116)	880
<b>FUND BALANCE - BEGINNING</b>	<u>111,163</u>	<u>111,163</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 104,167</u>	<u>\$ 105,047</u>	<u>\$ 880</u>

See Accompanying Notes to Budgetary Comparison Schedules

**VILLAGE OF LENA**  
Notes to Budgetary Comparison Schedules  
For the Year Ended December 31, 2013

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**BUDGETARY PROCESS**

The Village follows these procedures in establishing the budgetary data:

- During October, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general and special revenue funds. Budget is defined as the originally approved budget plus or minus approved amendments. There were no amendments during the year. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- During the year, formal budgetary integration is employed as a management control device for the general fund and special revenue funds.
- Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

The following functions had an excess of actual expenditures over budget for the year ended December 31, 2013:

General Fund		
Public Works	\$	1,396
Conservation and Development		1,500
Fire Department Fund		
Public Safety:		
Vehicle and Equipment Repairs		26,626
Capital Outlay		293,908
Debt Service		150,037
Library Fund		
Culture and Recreation:		
Employee Benefits		4,042
Books, Videos and Periodicals		609
Postage		807
Miscellaneous		514

**SUPPLEMENTARY INFORMATION**



**VILLAGE OF LENA**  
Schedule of Operating Revenues and Expenses  
Water and Sewer Utility  
For the Year Ended December 31, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Metered Sales:			
Residential	\$ 27,197	\$ 98,168	\$ 125,365
Commercial	4,552	30,407	34,959
Industrial	71,411	8,742	80,153
Public Authorities	3,038	15,826	18,864
<b>Total Metered Sales</b>	<u>106,198</u>	<u>153,143</u>	<u>259,341</u>
Private Fire Protection	1,512	-	1,512
Public Fire Protection	35,491	-	35,491
<b>Total Sales of Water</b>	<u>143,201</u>	<u>153,143</u>	<u>296,344</u>
Other Operating Revenues:			
Customer Forfeited Discounts	-	665	665
Miscellaneous Operating Revenue	1,769	20	1,789
<b>Total Operating Revenue</b>	<u>144,970</u>	<u>153,828</u>	<u>298,798</u>
<b>OPERATING EXPENSES</b>			
Operation and Maintenance:			
Operation Labor	26,497	39,567	66,064
Power Purchased for Pumping	27,445	25,873	53,318
Chemicals for Sewage Treatment	541	-	541
Maintenance and Repairs	11,045	11,825	22,870
Operating Supplies	577	2,153	2,730
Operating Transportation Expenses	1,228	1,227	2,455
<b>Total Operation and Maintenance</b>	<u>67,333</u>	<u>80,645</u>	<u>147,978</u>
Administrative and General:			
Salaries	4,374	4,098	8,472
Office Supplies	1,110	418	1,528
Outside Services Employed	1,993	11,072	13,065
Utilities	951	458	1,409
Property Insurance	1,287	1,483	2,770
Miscellaneous	2,056	5,736	7,792
<b>Total Administrative and General Expenses</b>	<u>11,771</u>	<u>23,265</u>	<u>35,036</u>
Other Operating Expenses:			
Depreciation	33,686	86,958	120,644
<b>TOTAL OPERATING EXPENSES</b>	<u>112,790</u>	<u>190,868</u>	<u>303,658</u>
<b>OPERATING INCOME (LOSS)</b>	<u>32,180</u>	<u>(37,040)</u>	<u>(4,860)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	202	1,268	1,470
Interest Expense	(10,551)	(12,486)	(23,037)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(10,349)</u>	<u>(11,218)</u>	<u>(21,567)</u>
<b>TRANSFERS IN</b>	-	114,262	114,262
<b>TRANSFERS OUT</b>	<u>(26,023)</u>	<u>(368)</u>	<u>(26,391)</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (4,192)</u>	<u>\$ 65,636</u>	<u>\$ 61,444</u>

**VILLAGE OF LENA**

Schedule of Detailed Budgetary Revenues and Other Financing Source Comparison

General Fund

For the Year Ended December 31, 2013

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>TAXES</b>			
General Property Taxes	\$ 184,351	\$ 161,851	\$ (22,500)
<b>SPECIAL ASSESSMENTS</b>	3,000	-	(3,000)
<b>INTERGOVERNMENTAL</b>			
Shared Revenues	168,371	168,376	5
General Highway Aids	32,993	32,973	(20)
Computer Aid	300	346	46
Police Training Aid	600	320	(280)
<b>Total Intergovernmental</b>	<b>202,264</b>	<b>202,015</b>	<b>(249)</b>
<b>LICENSES AND PERMITS</b>			
Liquor and Malt Beverage Licenses	1,700	1,700	-
Operators Licenses	700	812	112
Cigarette Licenses	50	50	-
Dog and Cat Licenses	200	189	(11)
Building Permits	600	1,267	667
Other Permits	150	132	(18)
License Publication Fees	45	45	-
<b>Total Licenses and Permits</b>	<b>3,445</b>	<b>4,195</b>	<b>750</b>
<b>FINES AND FORFEITS</b>			
Court Penalties and Fines	23,000	17,222	(5,778)
Parking Violations	20	40	20
<b>Total Fines and Forfeits</b>	<b>23,020</b>	<b>17,262</b>	<b>(5,758)</b>
<b>PUBLIC CHARGES FOR SERVICES</b>			
Clerk's Revenue	100	100	-
Police Department	950	105	(845)
Garbage Bag Revenue	7,500	6,744	(756)
Garbage and Dump Revenue	150	549	399
Recycling	7,100	8,724	1,624
Snow Removal	250	-	(250)
<b>Total Public Charges for Services</b>	<b>16,050</b>	<b>16,222</b>	<b>172</b>

**VILLAGE OF LENA**

## Schedule of Detailed Budgetary Revenues and Other Financing Source Comparison

General Fund

For the Year Ended December 31, 2013

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>MISCELLANEOUS</b>			
Miscellaneous General Revenue	\$ 1,200	\$ 2,928	\$ 1,728
Interest Income	450	674	224
Rent	19,463	19,492	29
<b>Total Miscellaneous</b>	<u>21,113</u>	<u>23,094</u>	<u>1,981</u>
<b>Total Revenues</b>	453,243	424,639	(28,604)
<b>OTHER FINANCING SOURCE</b>			
Transfers In from Utility	<u>25,000</u>	<u>26,391</u>	<u>1,391</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCE</b>	<u>\$ 478,243</u>	<u>\$ 451,030</u>	<u>\$ (27,213)</u>

**VILLAGE OF LENA**  
Schedule of Detailed Budgetary Expenditures and Other Financing Use Comparison  
General Fund  
For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Village Board	\$ 7,000	\$ 9,928	\$ (2,928)
Village President	2,000	305	1,695
Municipal Court	9,000	4,939	4,061
Legal	2,500	3,304	(804)
Administrative	2,200	5,518	(3,318)
Clerk/Treasurer	30,884	29,265	1,619
Elections	1,500	1,324	176
Finance	8,200	8,775	(575)
Assessor	4,500	4,429	71
Village Hall Expenses	14,300	14,277	23
Insurance	13,500	13,126	374
Retirement	8,922	8,183	739
Social Security	10,506	9,967	539
Health Insurance	29,208	21,955	7,253
Travel Expense	400	108	292
<b>Total General Government</b>	<u>144,620</u>	<u>135,403</u>	<u>9,217</u>
<b>PUBLIC SAFETY</b>			
Police Salaries and Wages	50,569	41,379	9,190
Police Operations	16,500	14,877	1,623
Fire Protection	21,700	25,329	(3,629)
Rescue Squad	5,968	5,968	-
Building Inspection	1,000	1,178	(178)
<b>Total Public Safety</b>	<u>95,737</u>	<u>88,731</u>	<u>7,006</u>
<b>PUBLIC WORKS</b>			
Salaries and Wages	38,412	41,066	(2,654)
Clothing Allowance	500	442	58
Street Maintenance	24,400	25,390	(990)
Street Cleaning	1,000	1,244	(244)
Snow Removal	4,000	7,516	(3,516)
Street Lighting	22,000	21,227	773
Sidewalks	1,500	-	1,500
Street Signs and Markings	2,500	307	2,193
Garage and Building	-	1,150	(1,150)
Sanitation	9,500	7,950	1,550
Recycling	14,100	13,448	652
Weed Cutting	1,200	768	432
<b>Total Public Works</b>	<u>119,112</u>	<u>120,508</u>	<u>(1,396)</u>

**VILLAGE OF LENA**

Schedule of Detailed Budgetary Expenditures and Other Financing Use Comparison - Continued

General Fund

For the Year Ended December 31, 2013

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>CULTURE AND RECREATION</b>			
General Recreation	\$ 300	\$ 33	\$ 267
Celebrations and Entertainment	3,300	1,521	1,779
Library	22,500	-	22,500
<b>Total Culture and Recreation</b>	<b>26,100</b>	<b>1,554</b>	<b>24,546</b>
<b>CONSERVATION AND DEVELOPMENT</b>			
Community Development	1,000	2,500	(1,500)
<b>CAPITAL OUTLAY</b>			
General Government	56,880	-	56,880
Public Safety	5,000	-	5,000
Public Works	9,000	1,717	7,283
<b>Total Capital Outlay</b>	<b>70,880</b>	<b>1,717</b>	<b>69,163</b>
<b>DEBT SERVICE</b>			
Principal	12,574	12,574	-
Interest	8,220	8,220	-
<b>Total Debt Service</b>	<b>20,794</b>	<b>20,794</b>	<b>-</b>
<b>Total Expenditures</b>	<b>478,243</b>	<b>371,207</b>	<b>107,036</b>
<b>OTHER FINANCING USE</b>			
Transfers Out	-	114,262	(114,262)
<b>TOTAL EXPENDITURES AND OTHER FINANCING USE</b>	<b>\$ 478,243</b>	<b>\$ 485,469</b>	<b>\$ (7,226)</b>

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