

VILLAGE OF LENA
Annual Financial Report
December 31, 2018

VILLAGE OF LENA

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the 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, 2018, 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, 2018, 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

Change in Accounting Principles

As discussed in Note 1, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* as of and for the year ended December 31, 2018. Our opinion is not modified with respect to these 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.

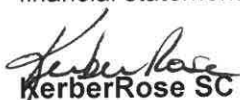
Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement Plan and the schedules of employer's proportionate share of the net OPEB liability (asset) and employer contributions on pages 40 through 45 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.

Supplementary 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 schedules 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 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, based on our audit and the procedures performed as described above, 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
April 2, 2019

FINANCIAL STATEMENTS

VILLAGE OF LENA
Statement of Net Position
As of December 31, 2018

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 718,880	\$ 282,674	\$ 1,001,554
Receivables:			
Taxes	149,242	-	149,242
Customer Accounts Receivable	27,273	41,995	69,268
Delinquent Personal Property Taxes	5,760	-	5,760
Current Portion of Long-Term Receivable	-	67,855	67,855
Special Assessments	478	1,535	2,013
Prepaid Expenses	-	1,263	1,263
Inventories	-	7,816	7,816
Restricted Cash	80,982	299,274	380,256
Certificate of Deposit	-	10,000	10,000
Total Current Assets	<u>982,615</u>	<u>712,412</u>	<u>1,695,027</u>
Noncurrent Assets			
Net Pension Asset	24,157	17,219	41,376
Long-Term Receivable	-	2,538,459	2,538,459
Capital Assets:			
Capital Assets Not Being Depreciated	225,049	763	225,812
Other Capital Assets, Net of Depreciation	1,049,598	5,455,198	6,504,796
Total Noncurrent Assets	<u>1,298,804</u>	<u>8,011,639</u>	<u>9,310,443</u>
TOTAL ASSETS	<u>2,281,419</u>	<u>8,724,051</u>	<u>11,005,470</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows of Resources Related to Pension	44,238	31,535	75,773
Deferred Outflows of Resources Related to Other			
Post-Employment Benefits	8,316	4,202	12,518
Total Deferred Outflows of Resources	<u>52,554</u>	<u>35,737</u>	<u>88,291</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	16,047	5,120	21,167
Accrued Liabilities	21,902	2,890	24,792
Accrued Interest Payable	6,021	9,004	15,025
Current Portion of Compensated Absences	16,458	5,787	22,245
Current Portion of Long-Term Obligations	24,464	170,547	195,011
Total Current Liabilities	<u>84,892</u>	<u>193,348</u>	<u>278,240</u>
Noncurrent Liabilities			
Noncurrent Portion of Long-Term Obligations	207,104	2,468,090	2,675,194
TOTAL LIABILITIES	<u>291,996</u>	<u>2,661,438</u>	<u>2,953,434</u>
DEFERRED INFLOW OF RESOURCES			
Taxes Levied for Subsequent Year	227,332	-	227,332
Deferred Inflows of Resources Related to Pension	48,364	34,474	82,838
Deferred Inflows of Resources Related to Other			
Post-Employment Benefits	285	145	430
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>275,981</u>	<u>34,619</u>	<u>310,600</u>
NET POSITION			
Net Investment in Capital Assets	1,079,822	2,833,365	3,913,187
Restricted for:			
Equipment Replacement	-	110,146	110,146
Sewer Utility Debt Service	-	8,788	8,788
Water Utility Debt Service	-	180,340	180,340
Pension Benefits	20,031	14,280	34,311
Unrestricted	666,143	2,916,812	3,582,955
TOTAL NET POSITION	<u>\$ 1,765,996</u>	<u>\$ 6,063,731</u>	<u>\$ 7,829,727</u>

See Accompanying Notes

VILLAGE OF LENA
Statement of Activities
For the Year Ended December 31, 2018

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
FUNCTIONS/PROGRAMS			
Governmental Activities:			
General Government	\$ 126,383	\$ 2,750	\$ 5,720
Public Safety	259,868	93,540	57,119
Public Works	159,370	18,823	34,141
Culture and Recreation	25,786	518	-
Conservation and Development	12,661	-	-
Interest and Fiscal Charges	7,596	-	-
Total Governmental Activities	<u>591,664</u>	<u>115,631</u>	<u>96,980</u>
BUSINESS-TYPE ACTIVITIES			
Water	428,209	329,078	-
Sewer	235,013	182,845	-
Total Business-Type Activities	<u>663,222</u>	<u>511,923</u>	<u>-</u>
TOTAL	<u>\$ 1,254,886</u>	<u>\$ 627,554</u>	<u>\$ 96,980</u>

GENERAL REVENUES

Taxes:

Property Taxes, Levied for General Purposes

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 - RESTATED

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (117,913)	\$ -	\$ (117,913)
(109,209)	-	(109,209)
(106,406)	-	(106,406)
(25,268)	-	(25,268)
(12,661)	-	(12,661)
(7,596)	-	(7,596)
(379,053)	-	(379,053)
-	(99,131)	(99,131)
-	(52,168)	(52,168)
-	(151,299)	(151,299)
(379,053)	(151,299)	(530,352)
218,818	-	218,818
166,031	-	166,031
5,158	4,973	10,131
20,077	-	20,077
57,213	-	57,213
467,297	4,973	472,270
28,767	(28,767)	-
117,011	(175,093)	(58,082)
1,648,985	6,238,824	7,887,809
\$ 1,765,996	\$ 6,063,731	\$ 7,829,727

See Accompanying Notes

VILLAGE OF LENA
Balance Sheet
Governmental Funds
As of December 31, 2018

	<u>General</u>	<u>Fire Department</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 496,629	\$ 222,251	\$ 718,880
Receivables:			
Taxes	149,242	-	149,242
Delinquent Personal Property Taxes	5,760	-	5,760
Accounts	13	27,260	27,273
Special Assessments	478	-	478
Restricted Cash	80,982	-	80,982
TOTAL ASSETS	<u>\$ 733,104</u>	<u>\$ 249,511</u>	<u>\$ 982,615</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 15,568	\$ 479	\$ 16,047
Accrued Liabilities	21,586	316	21,902
Total Liabilities	<u>37,154</u>	<u>795</u>	<u>37,949</u>
Deferred Inflows of Resources:			
Taxes Levied for Subsequent Year	227,332	-	227,332
Unavailable Special Assessments	478	-	478
Total Deferred Inflows of Resources	<u>227,810</u>	<u>-</u>	<u>227,810</u>
Fund Balances			
Nonspendable:			
Delinquent Personal Property Tax	5,760	-	5,760
Committed:			
Fire Suppression	-	248,716	248,716
Assigned:			
Equipment Fund	50,763	-	50,763
Ditch Maintenance	6,191	-	6,191
Building Fund	24,720	-	24,720
Police Equipment Fund	22,000	-	22,000
Street Maintenance	18,349	-	18,349
Promotions	11,791	-	11,791
National Night Out	5,419	-	5,419
Unassigned	323,147	-	323,147
Total Fund Balances	<u>468,140</u>	<u>248,716</u>	<u>716,856</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 733,104</u>	<u>\$ 249,511</u>	<u>\$ 982,615</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, 2018

Total Fund Balances - Governmental Funds	\$ 716,856
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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 Assets	2,765,537	
Governmental Accumulated Depreciation	<u>(1,490,890)</u>	1,274,647

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	478
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Deferred outflows and inflows of resources are a consumption or acquisition of net position that applies to future periods and will not be recognized as an outflow or inflow of resources until then. Deferred outflows and inflows are reported in the statement of net position and are not reported in the fund balance sheet

Deferred Outflows of Resources Related to Pension	44,238
Deferred Inflows of Resources Related to Pension	(48,364)
Deferred Outflows of Resources Related to Other Post-Employment Benefits	8,316
Deferred Inflows of Resources Related to Other Post-Employment Benefits	(285)

Pension Asset is not receivable in the current period therefore not reported in the fund financial statements

24,157

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	(194,825)	
Other Post-Employment Benefits	(20,285)	
Accrued Interest on General Obligation Debt	(6,021)	
Vested Employee Benefits	<u>(32,916)</u>	<u>(254,047)</u>

Total Net Position - Governmental Activities

<u>\$ 1,765,996</u>

VILLAGE OF LENA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	Fire Department	Total
REVENUES			
Taxes	\$ 218,818	\$ -	\$ 218,818
Intergovernmental	200,492	55,753	256,245
Licenses and Permits	4,190	-	4,190
Fines and Forfeits	26,316	-	26,316
Public Charges for Services	19,397	14,884	34,281
Miscellaneous	43,689	96,369	140,058
Total Revenues	<u>513,151</u>	<u>167,006</u>	<u>680,157</u>
EXPENDITURES			
Current:			
General Government	144,707	-	144,707
Public Safety	125,860	91,118	216,978
Public Works	112,806	-	112,806
Culture and Recreation	24,123	-	24,123
Conservation and Development	12,661	-	12,661
Capital Outlay	8,039	12,493	20,532
Debt Service:			
Principal Retirement	23,071	-	23,071
Interest and Fiscal Charges	8,299	-	8,299
Total Expenditures	<u>459,566</u>	<u>103,611</u>	<u>563,177</u>
EXCESS OF REVENUES OVER EXPENDITURES	53,585	63,395	116,980
OTHER FINANCING SOURCE			
Transfer In	<u>28,767</u>	<u>-</u>	<u>28,767</u>
NET CHANGE IN FUND BALANCES	82,352	63,395	145,747
FUND BALANCES - BEGINNING	<u>385,788</u>	<u>185,321</u>	<u>571,109</u>
FUND BALANCES - ENDING	<u><u>\$ 468,140</u></u>	<u><u>\$ 248,716</u></u>	<u><u>\$ 716,856</u></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, 2018

Net Change in Fund Balances - Total Governmental Funds		\$ 145,747
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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	20,532	
Depreciation expense reported in the statement of activities	<u>(58,635)</u>	
Amount by which depreciation is more than capital outlay in the current period.		(38,103)
The Village disposed of outdated equipment resulting in a reduction of capital assets and recapture of prior year depreciation expenses reported on the statement of activities as a net loss and has no effect on the governmental funds changes in fund balances.		
The value of capital assets disposed of during the year	(1,561)	
The amount of depreciation recaptured for the year	<u>624</u>	
Amount by which capital asset cost exceeded accumulated depreciation		(937)
Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.		(2,300)
Amounts related to the other post-employment benefit plan that affect the statement of activities but do not affect the fund financial statements.		(2,944)
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	24,939	
Compensated absences benefits earned in current year	<u>(32,916)</u>	
Amounts paid are less than amounts earned by		(7,977)
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.		23,071
Revenues previously recognized in the statement of activities revenues but these provide current financial resources in the governmental funds.		
Special Assessments		(249)
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	8,299	
The amount of interest accrued during the current period	<u>(7,596)</u>	
Interest paid is more than interest accrued by		<u>703</u>
Change in Net Position - Governmental Activities		\$ <u>117,011</u>

VILLAGE OF LENA
Statement of Net Position
Proprietary Funds
As of December 31, 2018

	Water Utility	Sewer Utility	Total
CURRENT ASSETS			
Cash	\$ 189,679	\$ 92,995	\$ 282,674
Receivables:			
Customer Accounts Receivable	15,547	26,448	41,995
Current Portion of Long-Term Receivable	67,855	-	67,855
Special Assessments	752	783	1,535
Due from Other Fund	-	579,074	579,074
Prepaid Expenses	-	1,263	1,263
Inventories	7,662	154	7,816
Restricted Cash	180,340	118,934	299,274
Certificate of Deposit	-	10,000	10,000
Total Current Assets	461,835	829,651	1,291,486
NON-CURRENT ASSETS			
Capital Assets			
Plant in Service	4,428,136	3,555,679	7,983,815
Accumulated Depreciation	(1,024,007)	(1,503,847)	(2,527,854)
Total Capital Assets, Net of Accumulated Depreciation	3,404,129	2,051,832	5,455,961
Long-Term Receivable	2,538,459	-	2,538,459
Net Pension Asset	10,971	6,248	17,219
Total Non-Current Assets	5,953,559	2,058,080	8,011,639
TOTAL ASSETS	6,415,394	2,887,731	9,303,125
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	20,093	11,442	31,535
Deferred Outflows of Resources Related to Other			
Post-Employment Benefits	2,199	2,003	4,202
Total Deferred Outflows of Resources	22,292	13,445	35,737
CURRENT LIABILITIES			
Accounts Payable	2,997	2,123	5,120
Due to Other Fund	579,074	-	579,074
Accrued Payroll Expense	1,640	1,250	2,890
Accrued Interest	4,294	4,710	9,004
Current Portion of Long-Term Obligations	86,979	83,568	170,547
Current Portion of Compensated Absences	2,489	3,298	5,787
Total Current Liabilities	677,473	94,949	772,422
NON-CURRENT LIABILITIES			
Other Post-Employment Benefits	5,366	4,888	10,254
Noncurrent Portion of Long-Term Obligations	2,265,439	186,610	2,452,049
Noncurrent Portion of Compensated Absences	2,488	3,299	5,787
Total Non-Current Liabilities	2,273,293	194,797	2,468,090
TOTAL LIABILITIES	2,950,766	289,746	3,240,512
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pension	21,965	12,509	34,474
Deferred Inflows of Resources Related to Other			
Post-Employment Benefits	76	69	145
Total Deferred Inflows of Resources	22,041	12,578	34,619
NET POSITION			
Net Investment in Capital Assets	1,051,711	1,781,654	2,833,365
Restricted for:			
Equipment Replacement	-	110,146	110,146
Debt Service	180,340	8,788	189,128
Pension Benefits	9,099	5,181	14,280
Unrestricted	2,223,729	693,083	2,916,812
TOTAL NET POSITION	\$ 3,464,879	\$ 2,598,852	\$ 6,063,731

See Accompanying Notes

VILLAGE OF LENA

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended December 31, 2018

	Water Utility	Sewer Utility	Total
OPERATING REVENUES	<u>\$ 329,078</u>	<u>\$ 182,845</u>	<u>\$ 511,923</u>
OPERATING EXPENSES			
Operation and Maintenance	205,295	67,967	273,262
Administration and General	39,631	69,420	109,051
Depreciation	136,495	88,116	224,611
Total Operating Expenses	<u>381,421</u>	<u>225,503</u>	<u>606,924</u>
OPERATING LOSS	<u>(52,343)</u>	<u>(42,658)</u>	<u>(95,001)</u>
NON-OPERATING REVENUE (EXPENSE)			
Investment Income	1,878	3,095	4,973
Interest Expense	(46,788)	(9,510)	(56,298)
Total Non-Operating Revenue (Expense)	<u>(44,910)</u>	<u>(6,415)</u>	<u>(51,325)</u>
LOSS BEFORE TRANSFER	<u>(97,253)</u>	<u>(49,073)</u>	<u>(146,326)</u>
TRANSFER OUT	<u>(28,467)</u>	<u>(300)</u>	<u>(28,767)</u>
CHANGE IN NET POSITION	<u>(125,720)</u>	<u>(49,373)</u>	<u>(175,093)</u>
NET POSITION - BEGINNING - RESTATED	<u>3,590,599</u>	<u>2,648,225</u>	<u>6,238,824</u>
NET POSITION - ENDING	<u>\$ 3,464,879</u>	<u>\$ 2,598,852</u>	<u>\$ 6,063,731</u>

See Accompanying Notes

VILLAGE OF LENA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 395,999	\$ 195,501	\$ 591,500
Cash Paid to Suppliers for Goods and Services	(134,451)	(106,279)	(240,730)
Cash Paid to Employees for Services	(142,124)	(43,402)	(185,526)
Net Cash Flows From Operating Activities	<u>119,424</u>	<u>45,820</u>	<u>165,244</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Tax Equivalent Paid to Municipality	(28,467)	(300)	(28,767)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income Received	1,878	3,095	4,973
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(7,397)	(1,540)	(8,937)
Principal Payments on Long-Term Debt	(132,222)	(34,274)	(166,496)
Interest Paid	(44,672)	(9,037)	(53,709)
Contributions Received on Long-Term Receivable	149,133	-	149,133
Net Cash Flows From Capital and Related Financing Activities	<u>(35,158)</u>	<u>(44,851)</u>	<u>(80,009)</u>
Financing Activities			
NET INCREASE IN CASH	57,677	3,764	61,441
CASH - BEGINNING	312,342	208,165	520,507
CASH - ENDING	<u>\$ 370,019</u>	<u>\$ 211,929</u>	<u>\$ 581,948</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Loss	\$ (52,343)	\$ (42,658)	\$ (95,001)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:			
Non-Cash Items:			
Depreciation	136,495	88,116	224,611
Changes in Operating Assets and Liabilities:			
Accounts Receivable	66,921	12,656	79,577
Prepaid Expenses	-	(1,263)	(1,263)
Inventories	394	-	394
Pension Asset	(16,627)	(9,469)	(26,096)
Deferred Outflows Related to Pension	5,600	3,190	8,790
Deferred Outflows Related to OPEB	(2,199)	(2,003)	(4,202)
Other Post-Employment Benefits	2,903	2,644	5,547
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	(32,276)	(10,397)	(42,673)
Accrued Liabilities	1,097	(409)	688
Deferred Inflows Related to Pension	9,383	5,344	14,727
Deferred Inflows Related to OPEB	76	69	145
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 119,424</u>	<u>\$ 45,820</u>	<u>\$ 165,244</u>
RECONCILIATION OF CASH PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS			
Statement of Net Position Proprietary Fund:			
Cash	\$ 189,679	\$ 92,995	\$ 282,674
Restricted Cash	180,340	118,934	299,274
CASH PER STATEMENT OF CASH FLOWS	<u>\$ 370,019</u>	<u>\$ 211,929</u>	<u>\$ 581,948</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions for Water Utility	<u>\$ 149,133</u>	<u>\$ -</u>	<u>\$ 149,133</u>

VILLAGE OF LENA
Statement of Net Position
Fiduciary Funds
As of December 31, 2018

	Agency	Library	Total
ASSETS			
Cash	\$ 197,278	\$ 93,340	\$ 290,618
Taxes Receivable	356,519	-	356,519
Net Pension Asset - Wisconsin Retirement System	-	7,823	7,823
Capital Assets	-	238,971	238,971
Accumulated Depreciation	-	(88,587)	(88,587)
Total Assets	<u>553,797</u>	<u>251,547</u>	<u>805,344</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	-	14,325	14,325
Deferred Outflows of Resources Related to Other Post-Employment Benefits	-	2,545	2,545
Total Deferred Outflows of Resources	<u>-</u>	<u>16,870</u>	<u>16,870</u>
LIABILITIES			
Accounts Payable	-	391	391
Due to Other Taxing Units	553,797	-	553,797
Accrued Liabilities	-	1,277	1,277
Other Post-Employment Benefits	-	6,211	6,211
Total Liabilities	<u>553,797</u>	<u>7,879</u>	<u>561,676</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pension	-	15,662	15,662
Deferred Inflows of Resources Related to Other Post-Employment Benefits	-	88	88
Total Deferred Inflows of Resources	<u>-</u>	<u>15,750</u>	<u>15,750</u>
NET POSITION			
Investment in Capital Assets	-	150,384	150,384
Restricted for Pension Benefits	-	6,486	6,486
Unrestricted	-	87,918	87,918
Total Net Position	<u>\$ -</u>	<u>\$ 244,788</u>	<u>\$ 244,788</u>

VILLAGE OF LENA
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2018

	<u>Library</u>
REVENUES	
Intergovernmental	\$ 66,161
Public Charges for Services	2,010
Miscellaneous	<u>26,710</u>
Total Revenues	<u>94,881</u>
 EXPENDITURES	
Culture and Recreation	<u>97,884</u>
 NET CHANGE IN NET POSITION	 (3,003)
 NET POSITION - BEGINNING - RESTATED	 <u>247,791</u>
 NET POSITION - ENDING	 <u><u>\$ 244,788</u></u>

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

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.

The Village of Lena is the fiscal agent for the Lena Public Library. The library is jointly owned by the Town of Lena and the Village. The Village reports the activity of the Lena Public Library as a fiduciary fund in the basic 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 are 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 and capital 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.

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, (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.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Village as a trustee.

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 Village reports the following major proprietary funds:

The *water utility*, which operates the water distribution system.

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

Fiduciary Funds

The Village reports the following fiduciary funds:

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.

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

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, deferred outflows of resources, current liabilities, and 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.

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

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 library fund financial statements. The agency fund has no measurement focus and utilizes the accrual basis of accounting. 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.

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 and Investments

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, 2018

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 and the library column of the fiduciary fund 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 acquisition 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 and Library are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years		
	Governmental Activities	Business-Type Activities	Fiduciary Activities
Buildings, Improvements, and Utility			
Plant	20 - 50	25 - 100	50
Machinery and Equipment	3 - 10	3 - 10	5 - 20
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, clean water loans and a safe drinking water loan.

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 benefiting 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 statements of net position report 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 Village has six items that qualify for reporting in this category. Accordingly, pension plan – differences between expected and actual experiences, pension plan – changes in actuarial assumptions, pension plan – employer contributions subsequent to the measurement date, OPEB – changes in actuarial assumptions, OPEB – Net differences between projected and actual earnings on plan investments and OPEB – Changes in proportion and differences between employer contributions and proportionate share.

In addition to liabilities, the statements of net position and balance sheet report 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 five items that qualify for reporting in this category. Accordingly, taxes levied for subsequent year, pension plan – differences between expected and actual experiences, pension plan – net differences between projected and actual earnings on pension plan investments, pension plan – changes in proportion and differences between employer contributions and proportionate share, and OPEB – differences between expected and actual experiences is reported in the statement of net position. The governmental funds report taxes levied for subsequent year and special assessments as deferred inflows of resources 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 represents amounts constrained by the Village Board for a specific intended purpose. Intent can be expressed by the Village Board or by its designee. The Board designates the Finance Committee as authorized to assign fund balance to a specific purpose. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance 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.

Note 1 – Summary of Significant Accounting Policies (Continued)

Equity Classifications (Continued)

The Village has adopted a minimum fund balance policy. The policy establishes a minimum unassigned fund balance equal to 30% (including 17% for cash flow purposes) of prior year's audited general fund expenditures (less capital and debt service costs) for cash flow purposes, unanticipated non-recurring expenditures or to meet unanticipated revenue decreases or unexpected increases in service delivery costs. In the event the balance drops below the established minimum level, the Village will replenish the deficiency by reducing recurring expenditures to eliminate the deficiency, increase revenues or funding sources, or a combination of those options within the next fiscal year if possible.

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.

Implementation of New Accounting Standard

Statement No. 75 establishes requirements for governments that provide their employees with OPEB through a trust and replaces GASB Statement No. 45 for those government employers. The most significant change is that governments will now be required to recognize their net OPEB liability, which is the difference between the total OPEB liability (the portion of the present value of projected benefit payments that is attributed to past periods) and the value of OPEB assets available to pay benefits. Additional note disclosure will be required. This requirement also applies to cost-sharing, multiple-employer plans and plans that are not administered through a trust. Unlike pension plans, which most governments have been funding for quite a while, many OPEB plans are severely underfunded, and the liability to be recorded may be significant. The statement mirrors the pension requirements of GASB 68. Most changes in the net OPEB liability will be included in current period expense. Other components, such as changes in economic assumptions, will be recognized over a closed period equal to the expected remaining service lives of all employees that are provided benefits. Differences between expected and actual investment rate of return will be recognized in expense over a five-year period.

Note 2 – Cash and Investments

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.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 2 – Cash and Investments (Continued)

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

At December 31, 2018, the Village's bank balance of cash was \$1,493,873. The Village maintains its cash accounts at two financial institutions. 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, 2018, 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 below.

The following represents a summary of deposits as of December 31, 2018:

Fully Insured Deposits	\$ 620,162
Uncollateralized	<u>873,711</u>
Total	<u><u>\$ 1,493,873</u></u>

For all deposits and investments shown, the market value at the balance sheet date is substantially the same as the carrying value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2018.

The Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchanges Commission and does not publish credit quality ratings. An investment in the Fund is not a deposit with any bank and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation, the United States Government or any state governmental agency of the Fund. Upon demand, cash can be withdrawn with interest from the Local Government Investment Pool. Investments in the Local Government Investment Pool are valued at amortized cost. The balance in the local government investment pool at December 31, 2018 was \$194,149.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 3 – Restricted Assets

Restricted assets on December 31, 2018 consisted of cash totaling \$577,534 held for the following purposes:

General Fund	
Advance Tax Collection	\$ 80,982
Agency Fund	
Advance Tax Collection	197,278
Sewer Utility Fund	
Equipment Replacement	110,146
Debt Service	8,788
Water Utility Fund	
Debt Service	<u>180,340</u>
 Total Restricted Assets	 <u><u>\$ 577,534</u></u>

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 Receivables, Payables, and Transfers

Interfund receivables and payables between individual funds of the Village as of December 31, 2018 are detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Sewer Utility	Water Utility	<u>\$ 579,074</u>	Working Capital

Interfund transfers for the year ended December 31, 2018 as shown in the governmental and proprietary funds statements were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Sewer Utility	General Fund	\$ 300	Tax Equivalent
Water Utility	General Fund	<u>28,467</u>	Tax Equivalent
		<u><u>\$ 28,767</u></u>	

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 6 – Long-Term Receivable

The Village has a long-term receivable in relation to the water treatment plant due from Saputo Cheese USA Inc. The total receivable is 87% of the full disbursement amount of the Safe Drinking Water Loan. The balance of the long-term receivable as of December 31, 2018 is \$2,606,314.

Note 7 – Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated:				
Land and Improvements	\$ 225,049	\$ -	\$ -	\$ 225,049
Construction-in-Progress	26,261	-	26,261	-
Total Capital Assets not being Depreciated	251,310	-	26,261	225,049
 Other Capital Assets				
Buildings and Improvements	605,585	-	1,561	604,024
Machinery and Equipment	1,483,834	46,793	-	1,530,627
Infrastructure	405,837	-	-	405,837
Total Capital Assets being Depreciated	2,495,256	46,793	1,561	2,540,488
 Less Accumulated Depreciation for:				
Buildings and Improvements	(357,266)	(12,753)	(624)	(369,395)
Machinery and Equipment	(1,009,904)	(37,922)	-	(1,047,826)
Infrastructure	(65,709)	(7,960)	-	(73,669)
Total Accumulated Depreciation	(1,432,879)	(58,635)	(624)	(1,490,890)
Total Capital Assets Being Depreciated, Net of Depreciation	1,062,377	(11,842)	937	1,049,598
 Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 1,313,687	\$ (11,842)	\$ 27,198	\$ 1,274,647

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 7 – Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Business-Type Activities				
Capital Assets not Being				
Depreciated:				
Land	\$ 763	\$ -	\$ -	\$ 763
Capital Assets being Depreciated				
Utility Plant	7,977,579	8,937	3,464	7,983,052
Less: Accumulated				
Depreciation	(2,306,707)	(224,611)	(3,464)	(2,527,854)
Total Capital Assets being				
Depreciated, Net of Depreciation	5,670,872	(215,674)	-	5,455,198
 Business-Type Activities Capital				
Assets, Net of Accumulated				
Depreciation	\$ 5,671,635	\$ (215,674)	\$ -	\$ 5,455,961

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

Governmental Activities:	
General Government	\$ 2,995
Public Safety	24,356
Public Works	29,621
Culture and Recreation	1,663
Total Depreciation Expense - Governmental Activities	<u>\$ 58,635</u>
 Business-Type Activities:	
Sewer Depreciation Charged to Accumulated Depreciation	\$ 88,116
Water Depreciation Charged to Accumulated Depreciation	136,495
Total Business-Type Activities Depreciation Expense	<u>\$ 224,611</u>

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 8 – Long-Term Debt Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2018:

	<u>Outstanding 1/1/18</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding 12/31/18</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Debt					
State Trust Fund Loans	\$ 217,896	\$ -	\$ 23,071	\$ 194,825	\$ 24,464
Vested Compensated					
Absences	24,939	32,916	24,939	32,916	16,458
Post-Employment Benefits	9,311	14,057	3,083	20,285	-
Total Governmental					
Activities Long-Term					
Liabilities	<u>\$ 252,146</u>	<u>\$ 32,916</u>	<u>\$ 51,093</u>	<u>\$ 248,026</u>	<u>\$ 40,922</u>
Business-Type Activities:					
General Obligation Debt					
State Trust Fund Loans	\$ 184,426	\$ -	\$ 29,307	\$ 155,119	\$ 30,639
Clean Water Loans	159,192	-	14,226	144,966	14,578
Safe Drinking Water Loan	2,445,474	-	122,963	2,322,511	125,330
Total Business-Type					
Activities Debt	2,789,092	-	166,496	2,622,596	170,547
Vested Compensated					
Absences	11,056	11,574	11,056	11,574	5,787
Post-Employment Benefits	4,707	7,106	1,559	10,254	-
Total Business-Type					
Activities Long-Term					
Liabilities	<u>\$ 2,804,855</u>	<u>\$ 18,680</u>	<u>\$ 179,111</u>	<u>\$ 2,644,424</u>	<u>\$ 176,334</u>

Total interest paid during the year on long-term debt totaled \$66,228.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 8 – Long-Term Debt Obligations (Continued)

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/18</u>
Governmental Activities					
Long-Term Obligations					
2011 State Trust Loan	10/12/11	03/15/21	3.75%	\$ 73,086	\$ 27,384
2012 State Trust Loan	03/06/12	03/15/21	3.75%	21,914	8,133
2012 State Trust Loan	05/01/12	03/15/32	4.00%	110,000	85,075
2016 State Trust Loan	12/28/16	03/15/26	3.00%	81,836	74,233
Total Governmental Activities Long-Term Obligations					<u>\$ 194,825</u>
Business-Type Activities					
Long-Term Obligations					
2005 State Trust Fund Loan	10/24/05	03/15/25	5.00%	\$ 79,878	\$ 38,960
2005 State Trust Fund Loan	12/13/05	03/15/25	5.00%	120,122	58,212
2011 State Trust Fund Loan	10/12/11	03/15/21	3.75%	119,246	44,679
2012 State Trust Fund Loan	03/06/12	03/15/21	3.75%	35,754	13,268
2007 Clean Water Fund Loan	05/09/07	05/01/27	2.475%	283,857	144,966
2014 Safe Drinking Water Loan	10/22/14	05/01/34	1.925%	2,678,650	2,322,511
Total Business-Type Activities Long-Term Obligations					<u>\$ 2,622,596</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>
2019	\$ 24,464	\$ 6,987	\$ 170,547	\$ 53,982	\$ 195,011	\$ 60,969
2020	25,322	6,130	174,616	49,886	199,938	56,016
2021	25,996	5,212	178,423	45,653	204,419	50,865
2022	14,356	4,275	162,214	41,315	176,570	45,590
2023	14,839	3,792	165,847	37,652	180,686	41,444
2024-2028	60,558	11,447	815,995	132,711	876,553	144,158
2029-2033	29,290	2,982	788,048	54,560	817,338	57,542
2034	-	-	166,906	1,606	166,906	1,606
	<u>\$ 194,825</u>	<u>\$ 40,825</u>	<u>\$ 2,622,596</u>	<u>\$ 417,365</u>	<u>\$ 2,817,421</u>	<u>\$ 458,190</u>

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

The 2018 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$32,375,300. The legal debt limit and margin of indebtedness as of December 31, 2018, in accordance with Wisconsin Statutes follows:

Debt Limit (5% of \$32,375,300)	\$ 1,618,765
Deduct Long-Term Debt Applicable to Debt Margin	<u>349,944</u>
Remaining Margin of Indebtedness Available	<u>\$ 1,268,821</u>

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 8 – 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 \$161,697. Principal and interest paid for the current year and total sewerage system net revenues were \$17,990 and \$47,472, respectively.

The Village has pledged future revenue derived from the water system, net of specified operating expenses, to repay the Safe Drinking Water Loan. Proceeds from the bond provided financing for the construction or acquisition of capital assets used within the Utility. The loan is payable from water system net revenues and is payable through 2034. The total principal and interest remaining to be paid on the bonds is \$2,698,263. Principal and interest paid for the current year and total water system net revenues were \$168,855 and \$85,957, respectively.

The balance of the long-term receivable as of December 31, 2018 was \$2,606,314, which will be used for repayment of the loan. The Village received \$149,132 of contribution to be used toward repayment of the Safe Drinking Water Loan during the year.

The Village is in compliance with the Safe Drinking Water Loan debt coverage ratio for December 31, 2018.

Note 9 – Fund Equity

Government-Wide Statements

Net position reported on the government-wide statement of net position at December 31, 2018 includes the following:

	Governmental Activities	Business-Type Activities	Total
Net Investment in Capital Assets			
Net Capital Assets	\$ 1,274,647	\$ 5,455,961	\$ 6,730,608
Less: Related Long-Term Debt Outstanding	194,825	2,622,596	2,817,421
Net Investment in Capital Assets	<u>1,079,822</u>	<u>2,833,365</u>	<u>3,913,187</u>
Restricted for:			
Equipment Replacement	-	110,146	110,146
Sewer Utility Debt Service	-	8,788	8,788
Water Utility Debt Service	-	180,340	180,340
Pension Benefits	20,031	14,280	34,311
Total Restricted	<u>20,031</u>	<u>313,554</u>	<u>333,585</u>
Unrestricted	<u>666,143</u>	<u>2,916,812</u>	<u>3,582,955</u>
Total Government-Wide Net Position	<u><u>\$ 1,765,996</u></u>	<u><u>\$ 6,063,731</u></u>	<u><u>\$ 7,829,727</u></u>

Note 10 – Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

Vesting. 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.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 10 – Defined Benefit Pension Plan (Continued)

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. 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.

During the reporting period, the WRS recognized \$15,027 in contributions from the Village and \$2,841 in contributions from the fiduciary fund.

Contribution rates as of December 31, 2018 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%

Pension Asset, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pension

At December 31, 2018, the Village reported an asset of \$41,376 and the fiduciary fund reported an asset of \$7,823 for their proportionate share of the net pension asset, respectively. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's and fiduciary funds' proportion of the net pension asset was based on the their respective share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the Village's proportion was 0.00139357%, which was an increase of 0.0000358% from its proportion of 0.00135777% measured as of December 31, 2016. At December 31, 2017, the fiduciary funds' proportion was 0.00026347%, which was an increase of 0.00000677% from its proportion of 0.00025670% measured as of December 31, 2016.

For the year ended December 31, 2018, the Village recognized pension expense of \$28,272 and the fiduciary fund recognized pension expense of \$5,345.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 10 – Defined Benefit Pension Plan (Continued)

At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Governmental Funds		Fiduciary Fund	
	Deferred Outflows of Resources	Deferred inflows of Resources	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experiences	\$ 52,571	\$ 24,591	\$ 9,939	\$ 4,649
Changes in assumptions	8,175	-	1,545	-
Net differences between projected and actual earnings on pension plan investments	-	56,869	-	10,752
Changes in proportion and differences between employer contributions and proportionate share	-	1,378	-	261
Employer contributions subsequent to the measurement date	15,027	-	2,841	-
Total	\$ 75,773	\$ 82,838	\$ 14,325	\$ 15,662

The \$15,027 and the \$2,841 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension asset (liability) in the governmental funds and fiduciary fund, respectively, in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

	Governmental Funds	Fiduciary Fund
Years ending December 31,	Deferred Outflows (Inflows) of Resources	Deferred Outflows (Inflows) of Resources
2019	\$ 4,009	\$ 758
2020	(801)	(152)
2021	(14,528)	(2,747)
2022	(10,870)	(2,055)
2023	98	18
	\$ (22,092)	\$ (4,178)

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 10 – Defined Benefit Pension Plan (Continued)

Actuarial assumptions. The total pension asset in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability at December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50.0	8.2	5.3
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8.0	6.5	3.6
Private Equity/Debt	8.0	9.4	6.5
Multi-Asset	4.0	6.5	3.6
Total Core Fund	110.0	7.3	4.4
Variable Fund Asset Class			
U.S. Equities	70.0	7.5	4.6
International Equities	30.0	7.8	4.9
Total Variable Fund	100.0	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 10 – Defined Benefit Pension Plan (Continued)

Single discount rate. A single discount rate of 7.20% was used to measure the total pension asset. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Sensitivity of the Village's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension liability (asset)	\$ 107,055	\$ (41,376)	\$ (154,190)
Fiduciary Funds' proportionate share of the net pension liability (asset)	\$ 20,240	\$ (7,823)	\$ (29,151)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payables to the Pension Plan

The Village is required to remit the monthly required contribution for both the employee and Village portions by the last day of the following month. All amounts due to WRS were paid as of December 31, 2018.

Note 11 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan

Plan Description. The State Retiree Life Insurance Fund is a cost-sharing multiple-employer defined benefit OPEB plan (Plan). Plan benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Benefits provided. The Plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 11 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2018 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	28% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2017		
<u>Attained Age</u>	<u>Basic</u>	
Under 30	\$	0.05
30-34		0.06
35-39		0.07
40-44		0.08
45-49		0.12
50-54		0.22
55-59		0.39
60-64		0.49
65-69		0.57

During the reporting period, the Plan recognized \$530 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At December 31, 2018, the Village reported a liability of \$30,539 and the fiduciary fund reported a liability of \$6,211 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the Village's proportion was 0.01015067% and the fiduciary fund's portion was 0.00206434%, which was an increase of 0.005267% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Village recognized OPEB expense of \$4,642 and the fiduciary fund recognized OPEB expense of \$944.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 11 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Governmental Funds		Fiduciary Fund	
	Deferred Outflows of Resources	Deferred inflows of Resources	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 430	\$ -	\$ 88
Changes in assumptions	2,951	-	600	-
Net differences between projected and actual earnings on plan investments	352	-	71	-
Changes in proportion and differences between employer contributions and proportionate share	9,215	-	1,874	-
Total	\$ 12,518	\$ 430	\$ 2,545	\$ 88

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Governmental Funds	Fiduciary Fund
Years ending December 31,	Deferred Outflows (Inflows) of Resources	Deferred Outflows (Inflows) of Resources
2018	\$ 1,885	\$ 383
2019	1,885	383
2020	1,885	383
2021	1,885	383
2022	1,797	365
2023	1,797	365
2024	954	195
	\$ 12,088	\$ 2,457

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 11 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

Actuarial assumptions. The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	3.63%
Salary Increases	
Inflation:	3.20%
Seniority/Merit:	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the Plan are held with Securian, the insurance carrier. Interest is calculated and credited to the Plan based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2017

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Government Bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 11 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

Sensitivity of the Village's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.63 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	<u>1% Decrease (2.63%)</u>	<u>Discount Rate (3.63%)</u>	<u>1% Increase (4.63%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 43,163	\$ 30,539	\$ 20,851
Fiduciary Funds' proportionate share of the net pension liability (asset)	8,778	6,211	4,241

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Note 12 – 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.

Note 13 – Commitments and Contingencies

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, 2018, 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.

The Village has a water tower maintenance agreement for January 1, 2017 through January 1, 2022. The balance of the agreement is approximately \$325,399.

Note 14 – Major Customer

Saputo Cheese USA accounted for approximately \$221,000 of the water and sewer utility revenues during 2018.

Note 15 – Tax Abatements

For the year ended December 31, 2018, the Village had no tax abatements.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2018

Note 16 – Upcoming Accounting Pronouncements

GASB Statement No. 84, Fiduciary Activities

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is on whether the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. If an activity meets the criteria, it should be reported in a fiduciary fund in the basic financial statements and a statement of fiduciary net position and a statement of changes in fiduciary net position should be presented. Four fiduciary funds that should be reported, if applicable, include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. If an event occurs that compels a government to disburse fiduciary resources, a liability must be recognized to the beneficiaries. The pronouncement will be effective for the year ending December 31, 2020.

GASB Statement No. 87, Leases

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The pronouncement will be effective for years ending December 31, 2021.

The Village is evaluating the impact these standards will have on the financial statements when adopted.

Note 17 – Restatement of Beginning Net Position

The restatement of net position in the government-wide financial statements was the result of the Village's implementation of Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

Net Position - Governmental Funds - December 31, 2017 (as previously reported)	\$ 1,658,296
Other Post-Employment Benefits Liability	<u>(9,311)</u>
Net Position – As Restated December 31, 2017	<u>\$ 1,648,985</u>
 Net Position - Water Fund - December 31, 2017 (as previously reported)	 \$ 3,593,062
Other Post-Employment Benefits Liability	<u>(2,463)</u>
Net Position – As Restated December 31, 2017	<u>\$ 3,590,599</u>
 Net Position - Sewer Fund - December 31, 2017 (as previously reported)	 \$ 2,650,469
Other Post-Employment Benefits Liability	<u>(2,244)</u>
Net Position – As Restated December 31, 2017	<u>\$ 2,648,225</u>
 Net Position - Library Fund - December 31, 2017 (as previously reported)	 \$ 250,642
Other Post-Employment Benefits Liability	<u>(2,851)</u>
Net Position – As Restated December 31, 2017	<u>\$ 247,791</u>

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REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF LENA

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)

Wisconsin Retirement System

For the Year Ended December 31, 2018

WRS Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net Pension Asset/Liability	Village's Proportionate Share of the Net Pension (Asset)/Liability	Village's Covered Payroll	Village's Proportionate Share of the Net Pension Asset/Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<u>Governmental Funds</u>					
12/31/2017	0.00139357%	\$ (41,376)	\$ 186,300	-22.21%	102.93%
12/31/2016	0.00135777%	11,191	185,487	6.03%	99.12%
12/31/2015	0.00131267%	21,331	181,801	11.73%	98.20%
12/31/2014	0.00128485%	(31,559)	167,098	-18.89%	102.74%
<u>Fiduciary Fund</u>					
12/31/2017	0.00026347%	\$ (7,823)	\$ 35,222	-22.21%	102.93%
12/31/2016	0.00025670%	2,116	35,068	6.03%	99.12%
12/31/2015	0.00024818%	4,033	34,372	11.73%	98.20%
12/31/2014	0.00024291%	(5,967)	31,592	-18.89%	102.74%

Schedule of Employer Contributions
Wisconsin Retirement System
For the Year Ended December 31, 2018

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
<u>Governmental Funds</u>					
12/31/2018	\$ 15,027	\$ 15,027	\$ -	\$ 197,980	7.59%
12/31/2017	14,183	14,183	-	186,301	7.61%
12/31/2016	13,300	13,300	-	185,487	7.17%
12/31/2015	13,348	13,348	-	181,801	7.34%
<u>Fiduciary Fund</u>					
12/31/2018	\$ 2,841	\$ 2,841	\$ -	\$ 37,430	7.59%
12/31/2017	2,682	2,682	-	35,222	7.61%
12/31/2016	2,514	2,514	-	35,068	7.17%
12/31/2015	2,524	2,524	-	34,372	7.34%

VILLAGE OF LENA

Schedule of Employer's Proportionate Share of the Net OPEB Liability (Asset) Other Post-Employment Benefits - Cost-Sharing Plan

WRS Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net Pension Asset/Liability	Village's Proportionate Share of the Net Pension (Asset)/Liability	Village's Covered Payroll	Village's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Governmental Funds					
12/31/2017	0.01015067%	\$ 30,539	\$ 426,865	7.15%	44.81%
Fiduciary Fund					
12/31/2017	0.00206434%	\$ 6,211	\$ 86,811	7.15%	44.81%

Schedule of Employer Contributions Other Post-Employment Benefits - Cost-Sharing Plan

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Governmental Funds					
12/31/2018	\$ 897	\$ (897)	\$ -	\$ 117,580	0.76%
Fiduciary Fund					
12/31/2018	\$ 183	\$ (183)	\$ -	\$ 23,912	0.76%

*Ten years of data will be accumulated beginning with 2018.

VILLAGE OF LENA

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

General Fund

For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 218,243	\$ 218,818	\$ 575
Intergovernmental	200,726	200,492	(234)
Licenses and Permits	3,395	4,190	795
Fines and Forfeits	22,300	26,316	4,016
Public Charges for Services	22,785	19,397	(3,388)
Miscellaneous	23,240	43,689	20,449
Total Revenues	<u>490,689</u>	<u>513,151</u>	<u>22,462</u>
EXPENDITURES			
General Government	165,564	144,707	20,857
Public Safety	112,532	125,860	(13,328)
Public Works	139,440	112,806	26,634
Culture and Recreation	24,575	24,123	452
Conservation and Development	5,925	12,661	(6,736)
Capital Outlay	39,750	8,039	31,711
Debt Service	31,370	31,370	-
Total Expenditures	<u>519,156</u>	<u>459,566</u>	<u>59,590</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(28,467)	53,585	82,052
OTHER FINANCING SOURCES			
Transfers In	<u>28,467</u>	<u>28,767</u>	<u>300</u>
NET CHANGE IN FUND BALANCE	-	82,352	82,352
FUND BALANCE - BEGINNING	<u>385,788</u>	<u>385,788</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 385,788</u>	<u>\$ 468,140</u>	<u>\$ 82,352</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, 2018

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental Revenues	\$ 46,500	\$ 55,753	\$ 9,253
Charges for Service	4,500	14,884	10,384
Investment Income	200	1,181	981
Donations	-	43,022	43,022
Miscellaneous	49,448	52,166	2,718
Total Revenues	<u>100,648</u>	<u>167,006</u>	<u>66,358</u>
EXPENDITURES			
Public Safety:			
Employee Benefits	5,200	5,163	37
Man Hours Expense	6,500	13,331	(6,831)
Clothing Allowance	6,500	-	6,500
Training Expense	13,000	5,466	7,534
Utilities	5,216	6,007	(791)
Insurance	5,500	5,628	(128)
Vehicle and Equipment Repairs	14,500	9,403	5,097
Fuel Expense	2,500	2,156	344
Miscellaneous	21,732	43,964	(22,232)
Capital Outlay	20,000	12,493	7,507
Total Expenditures	<u>100,648</u>	<u>103,611</u>	<u>(2,963)</u>
NET CHANGE IN FUND BALANCE	-	63,395	63,395
FUND BALANCE - BEGINNING	<u>185,321</u>	<u>185,321</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 185,321</u>	<u>\$ 248,716</u>	<u>\$ 63,395</u>

VILLAGE OF LENA
Notes to Required Supplementary Information
For the Year Ended December 31, 2018

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, 2018:

General Fund	
Public Safety	\$ 13,328
Conservation and Development	6,736
Fire Department Fund	
Public Safety:	
Man Hours Expense	6,831
Utilities	791
Insurance	128
Miscellaneous	22,232

VILLAGE OF LENA
Notes to Required Supplementary Information
For the Year Ended December 31, 2018

Defined Benefit Pension Plan

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. The change in assumption is as follows:

	Fiscal Year-Ended	
	<u>12/31/2018</u>	<u>12/31/2017</u>
Long-Term Bond Rate	3.31%	3.56%

Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. There were no changes in the assumptions.

SUPPLEMENTARY INFORMATION

VILLAGE OF LENA
Schedule of Operating Revenues and Expenses
Water and Sewer Utility
For the Year Ended December 31, 2018

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Metered Sales:			
Residential	\$ 44,598	\$ 124,014	\$ 168,612
Commercial	7,421	25,382	32,803
Industrial	204,020	14,797	218,817
Public Authorities	6,623	17,150	23,773
Total Metered Sales	<u>262,662</u>	<u>181,343</u>	<u>444,005</u>
Public Fire Protection	62,958	-	62,958
Total Sales of Water	<u>325,620</u>	<u>181,343</u>	<u>506,963</u>
Other Operating Revenues:			
Customer Forfeited Discounts	230	348	578
Miscellaneous Operating Revenue	3,228	1,154	4,382
Total Operating Revenue	<u>329,078</u>	<u>182,845</u>	<u>511,923</u>
OPERATING EXPENSES			
Operation and Maintenance:			
Operation Labor	135,966	36,815	172,781
Power Purchased for Pumping	36,340	25,247	61,587
Chemicals	18,429	-	18,429
Maintenance and Repairs	11,212	809	12,021
Operating Supplies	2,546	1,974	4,520
Operating Transportation Expenses	802	3,122	3,924
Total Operation and Maintenance	<u>205,295</u>	<u>67,967</u>	<u>273,262</u>
Administrative and General:			
Salaries	6,391	5,953	12,344
Office Supplies	5,584	1,046	6,630
Outside Services Employed	8,283	45,231	53,514
Utilities	10,139	3,675	13,814
Property Insurance	4,430	1,511	5,941
Miscellaneous	4,804	12,004	16,808
Total Administrative and General Expenses	<u>39,631</u>	<u>69,420</u>	<u>109,051</u>
Other Operating Expenses:			
Depreciation	136,495	88,116	224,611
TOTAL OPERATING EXPENSES	<u>381,421</u>	<u>225,503</u>	<u>606,924</u>
OPERATING LOSS	<u>(52,343)</u>	<u>(42,658)</u>	<u>(95,001)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	1,878	3,095	4,973
Interest Expense	(46,788)	(9,510)	(56,298)
Total Non-Operating Revenues (Expenses)	<u>(44,910)</u>	<u>(6,415)</u>	<u>(51,325)</u>
TRANSFERS OUT	<u>(28,467)</u>	<u>(300)</u>	<u>(28,767)</u>
CHANGE IN NET POSITION	<u>\$ (125,720)</u>	<u>\$ (49,373)</u>	<u>\$ (175,093)</u>

VILLAGE OF LENA

Schedule of Detailed Budgetary Revenues and Other Financing Source Comparison

General Fund

For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
TAXES			
General Property Taxes	\$ 218,243	\$ 218,818	\$ 575
SPECIAL ASSESSMENTS	-	249	249
INTERGOVERNMENTAL			
Shared Revenues	165,747	165,748	1
General Highway Aids	34,169	34,141	(28)
Computer Aid	330	283	(47)
Police Training Aid	480	320	(160)
Total Intergovernmental	200,726	200,492	(234)
LICENSES AND PERMITS			
Liquor and Malt Beverage Licenses	1,400	1,665	265
Operators Licenses	700	925	225
Cigarette Licenses	50	25	(25)
Dog and Cat Licenses	500	283	(217)
Building Permits	600	1,057	457
Other Permits	100	235	135
License Publication Fees	45	-	(45)
Total Licenses and Permits	3,395	4,190	795
FINES AND FORFEITS			
Court Penalties and Fines	22,000	26,236	4,236
Parking Violations	300	80	(220)
Total Fines and Forfeits	22,300	26,316	4,016
PUBLIC CHARGES FOR SERVICES			
Clerk's Revenue	100	135	35
Police Department	750	5	(745)
Garbage Bag Revenue	10,000	8,975	(1,025)
Garbage and Dump Revenue	150	-	(150)
Recycling	11,785	9,849	(1,936)
Snow Removal	-	433	433
Total Public Charges for Services	22,785	19,397	(3,388)

VILLAGE OF LENA
Schedule of Detailed Budgetary Expenditures Comparison
General Fund
For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
GENERAL GOVERNMENT			
Village Board	\$ 14,000	\$ 11,274	\$ 2,726
Village President	2,585	1,615	970
Municipal Court	8,585	9,206	(621)
Legal	6,200	3,405	2,795
Administrative	900	450	450
Clerk/Treasurer	47,550	47,471	79
Elections	4,000	2,807	1,193
Finance	5,400	8,645	(3,245)
Assessor	4,320	4,320	-
Village Hall Expenses	15,990	16,132	(142)
Insurance	18,593	14,206	4,387
Social Security	21,201	22,397	(1,196)
Health Insurance	-	290	(290)
Travel Expense	1,000	877	123
Computer Expense	3,000	1,330	1,670
Web Page Expense	1,500	282	1,218
Contingency	10,740	-	10,740
Total General Government	165,564	144,707	20,857
PUBLIC SAFETY			
Police Salaries and Wages	46,488	47,383	(895)
Police Operations	31,092	37,405	(6,313)
Fire Protection	25,700	31,053	(5,353)
Rescue Squad	6,252	6,564	(312)
Building Inspection	3,000	3,455	(455)
Total Public Safety	112,532	125,860	(13,328)
PUBLIC WORKS			
Salaries and Wages	39,950	47,110	(7,160)
Clothing Allowance	1,000	586	414
Street Maintenance	24,150	13,982	10,168
Street Cleaning	1,250	544	706
Snow Removal	1,000	1,427	(427)
Street Lighting	26,000	21,823	4,177
Sidewalks	5,000	880	4,120
Street Signs and Markings	3,500	307	3,193
Garage and Building	-	521	(521)
Bridges and Culverts	5,500	-	5,500
Sanitation	10,500	9,430	1,070
Recycling	20,690	15,466	5,224
Weed Cutting	900	730	170
Total Public Works	139,440	112,806	26,634

VILLAGE OF LENA

Schedule of Detailed Budgetary Expenditures Comparison - Continued

General Fund

For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
CULTURE AND RECREATION			
General Recreation	\$ 2,075	\$ 1,623	\$ 452
Library	22,500	22,500	-
Total Culture and Recreation	<u>24,575</u>	<u>24,123</u>	<u>452</u>
CONSERVATION AND DEVELOPMENT			
Community Development	2,425	6,521	(4,096)
Tourism	3,500	6,140	(2,640)
Total Conservation and Development	<u>5,925</u>	<u>12,661</u>	<u>(6,736)</u>
CAPITAL OUTLAY			
General Government	16,750	-	16,750
Public Safety	5,000	-	5,000
Public Works	16,000	8,039	7,961
Conservation and Development	2,000	-	2,000
Total Capital Outlay	<u>39,750</u>	<u>8,039</u>	<u>31,711</u>
DEBT SERVICE			
Principal	23,071	23,071	-
Interest	8,299	8,299	-
Total Debt Service	<u>31,370</u>	<u>31,370</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 519,156</u>	<u>\$ 459,566</u>	<u>\$ 59,590</u>

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