

**VILLAGE OF CALEDONIA, WISCONSIN**  
Caledonia, Wisconsin

**FINANCIAL STATEMENTS**  
December 31, 2015

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT</b> .....	1
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Statement of Net Position .....	4
Statement of Activities .....	5
Fund Financial Statements	
Balance Sheet - Governmental Funds .....	6
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position.....	7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	9
Statement of Net Position - Proprietary Funds .....	10
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds.....	11
Statement of Cash Flows - Proprietary Funds.....	12
Statement of Fiduciary Net Position - Fiduciary Fund.....	14
Notes to Financial Statements .....	15
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	55
Schedule of OPEB Funding Progress .....	56
Schedule of Village's Proportionate Share of the Net Pension Liability (Asset).....	56
Schedule of the Village's Contributions.....	56
Note to Required Supplementary Information .....	57
<b>SUPPLEMENTARY INFORMATION</b>	
Combining Balance Sheet - Nonmajor Governmental Funds .....	58
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	60

## INDEPENDENT AUDITORS' REPORT

Village Board  
Village of Caledonia, Wisconsin  
Caledonia, Wisconsin

### **Report on the Financial Statements**

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 Caledonia, Wisconsin, as of and for the year ended December 31, 2015, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 Caledonia, Wisconsin as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis-of-Matter**

As discussed in Note 5 to the financial statements, in 2015, Village of Caledonia, Wisconsin adopted new accounting guidance, GASB Statement No. 68 Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, and GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68. As a result of the implementation, Village of Caledonia, Wisconsin reported a restatement for the change in accounting principal. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

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

### *Other Information*

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2016, on our consideration of the Village of Caledonia, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Caledonia, Wisconsin's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

Milwaukee, Wisconsin  
May 16, 2016

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Statement of Net Position**  
**December 31, 2015**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 18,895,556	\$ 6,698,292	\$ 25,593,848
Receivables (net)	22,211,880	4,689,441	26,901,321
Internal balances	15,709	(15,709)	-
Prepaid items	290	-	290
Restricted assets			
Cash and cash equivalents	-	1,272,568	1,272,568
Net pension asset	1,709,897	103,766	1,813,663
Capital assets			
Land	950,414	57,223	1,007,637
Construction in process	1,680,770	2,088,201	3,768,971
Other capital assets	127,065,667	107,368,431	234,434,098
Intangible assets	5,000,000	-	5,000,000
Less: accumulated depreciation	<u>(52,198,175)</u>	<u>(26,520,498)</u>	<u>(78,718,673)</u>
Total assets	<u>125,332,008</u>	<u>95,741,715</u>	<u>221,073,723</u>
<b>Deferred outflows of resources</b>			
Unamortized treatment facility	-	5,459,747	5,459,747
Deferred amounts related to pension	1,791,666	100,622	1,892,288
Loss on refunding	<u>33,197</u>	<u>225,868</u>	<u>259,065</u>
Total deferred outflows	<u>1,824,863</u>	<u>5,786,237</u>	<u>7,611,100</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	1,765,956	1,286,574	3,052,530
Accrued interest payable	273,786	101,211	374,997
Deposits	266,037	-	266,037
Unearned grant revenues	55,095	-	55,095
Liabilities payable from restricted assets			
Current portion of revenue bonds	-	511,231	511,231
Accrued interest	-	59,699	59,699
Noncurrent liabilities			
Due within one year	2,194,111	1,798,532	3,992,643
Due in more than one year	<u>39,502,243</u>	<u>28,873,800</u>	<u>68,376,043</u>
Total liabilities	<u>44,057,228</u>	<u>32,631,047</u>	<u>76,688,275</u>
<b>Deferred inflows of resources</b>			
Subsequent year tax levy	<u>12,449,493</u>	<u>1,200,341</u>	<u>13,649,834</u>
<b>Net Position</b>			
Net investment in capital assets	57,908,600	58,793,230	116,701,830
Restricted for			
Equipment replacement	-	358,684	358,684
Debt service	501,944	353,041	854,985
Donations	92,476	-	92,476
Development	224,469	-	224,469
Pension	1,709,897	103,766	1,813,663
Unrestricted	<u>10,212,764</u>	<u>8,087,843</u>	<u>18,300,607</u>
<b>TOTAL NET POSITION</b>	<u>\$ 70,650,150</u>	<u>\$ 67,696,564</u>	<u>\$ 138,346,714</u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Statement of Activities**  
**Year Ended December 31, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 2,141,028	\$ 781,583	\$ 20,619	\$ -	\$ (1,338,826)	\$ -	\$ (1,338,826)
Public safety	8,909,966	1,209,913	153,386	-	(7,546,667)	-	(7,546,667)
Public works	5,978,046	2,532,792	1,642,869	89,999	(1,712,386)	-	(1,712,386)
Health and human services	2,128,148	900,710	893,605	-	(333,833)	-	(333,833)
Culture, education and recreation	208,069	114,185	-	-	(93,884)	-	(93,884)
Interest and fiscal charges	860,243	-	-	-	(860,243)	-	(860,243)
Total governmental activities	<u>20,225,500</u>	<u>5,539,183</u>	<u>2,710,479</u>	<u>89,999</u>	<u>(11,885,839)</u>	<u>-</u>	<u>(11,885,839)</u>
Business-type activities							
Sewer Utility	5,347,535	5,884,408	-	18,569	-	555,442	555,442
Water Utility	3,813,131	3,546,410	-	285,093	-	18,372	18,372
Total business-type activities	<u>9,160,666</u>	<u>9,430,818</u>	<u>-</u>	<u>303,662</u>	<u>-</u>	<u>573,814</u>	<u>573,814</u>
<b>TOTAL</b>	<u>\$ 29,386,166</u>	<u>\$ 14,970,001</u>	<u>\$ 2,710,479</u>	<u>\$ 393,661</u>	<u>(11,885,839)</u>	<u>573,814</u>	<u>(11,312,025)</u>
General revenues							
Taxes							
Property taxes, levied for general purposes					10,498,793	1,382,709	11,881,502
Property taxes, levied for debt services					1,406,737	-	1,406,737
Property taxes, levied for tax increment districts					107,709	-	107,709
Intergovernmental revenues not restricted to specific programs					906,013	-	906,013
Investment income					386,443	32,561	419,004
Settlement proceeds					-	189,033	189,033
Loss on the sale of capital assets					-	-	-
Miscellaneous					36,561	4,160	40,721
Total general revenues					<u>13,342,256</u>	<u>1,608,463</u>	<u>14,950,719</u>
Transfers					(304,981)	304,981	-
Change in net position					1,151,436	2,487,258	3,638,694
Net position - beginning of year (restated)					69,498,714	65,209,306	134,708,020
Net position - end of year					<u>\$ 70,650,150</u>	<u>\$ 67,696,564</u>	<u>\$ 138,346,714</u>

The accompanying notes are an integral part of this statement.



**VILLAGE OF CALEDONIA, WISCONSIN**  
**Balance Sheet - Governmental Funds**  
**December 31, 2015**

	General Fund	Four Mile Capital Projects Fund	Tax Increment Districts	Nonmajor Governmental Funds	Total
<b>Assets</b>					
Cash and investments	\$ 3,808,004	\$ 162,189	\$ 12,425,867	\$ 2,499,496	\$ 18,895,556
Receivables					
Tax roll receivable					
Tax levy	9,410,827	-	155,010	2,883,656	12,449,493
Special assessments on tax roll	-	-	-	29,425	29,425
Other charges on tax roll	49,250	-	-	2,396,521	2,445,771
Accounts	266,608	6,063,060	-	143,769	6,473,437
Special assessments	14,253	-	-	740,727	754,980
Delinquent personal property taxes	58,774	-	-	-	58,774
Due from other funds	2,307,819	-	234,941	746,039	3,288,799
Prepaid items	-	-	-	290	290
<b>TOTAL ASSETS</b>	<b>\$ 15,915,535</b>	<b>\$ 6,225,249</b>	<b>\$ 12,815,818</b>	<b>\$ 9,439,923</b>	<b>\$ 44,396,525</b>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,003,317	\$ -	\$ 117,558	\$ 126,682	\$ 1,247,557
Accrued payroll	286,209	-	-	51,736	337,945
Accrued liabilities	180,454	-	-	-	180,454
Due to other funds	980,980	-	834,243	1,457,867	3,273,090
Unearned grant revenues	-	-	-	55,095	55,095
Deposits	263,921	-	-	2,116	266,037
Total liabilities	<u>2,714,881</u>	<u>-</u>	<u>951,801</u>	<u>1,693,496</u>	<u>5,360,178</u>
<b>Deferred Inflows of Resources</b>					
Subsequent year tax levy	9,410,827	-	155,010	2,883,656	12,449,493
Special assessments	14,253	-	-	770,152	784,405
Long-term receivables	-	6,063,060	-	-	6,063,060
Other receivables	41,065	-	-	-	41,065
Total deferred inflows	<u>9,466,145</u>	<u>6,063,060</u>	<u>155,010</u>	<u>3,653,808</u>	<u>19,338,023</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	290	290
Restricted	-	-	11,709,007	322,523	12,031,530
Committed	24,509	162,189	-	3,520,797	3,707,495
Assigned	-	-	-	322,836	322,836
Unassigned	3,710,000	-	-	(73,827)	3,636,173
Total fund balances (deficit)	<u>3,734,509</u>	<u>162,189</u>	<u>11,709,007</u>	<u>4,092,619</u>	<u>19,698,324</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$15,915,535</b>	<b>\$ 6,225,249</b>	<b>\$12,815,818</b>	<b>\$ 9,439,923</b>	<b>\$ 44,396,525</b>

The accompanying notes are an integral part of this statement.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Reconciliation of the Balance Sheet of the Governmental Funds**  
**to the Statement of Net Position**  
**December 31, 2015**

Total fund balances - governmental funds \$ 19,698,324

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

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

Land	950,414
Construction in progress	1,680,770
Other capital assets	127,065,667
Intangible assets	5,000,000
Less: accumulated depreciation	(52,198,175)

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

Special assessments receivable	784,405
Long-term receivables	6,063,060
Other receivables	41,065

Long-term assets and deferred outflows are not related to the current period and, therefore, are not reported in the funds.

Net pension asset	1,709,897
Deferred amounts related to pension	1,791,666

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	(34,966,769)
Premium on long-term debt	(687,280)
Unamortized loss on refunding	33,197
Mount Pleasant Agreement	(3,750,000)
Compensated absences	(231,362)
Accrued interest	(273,786)
Net OPEB obligation	<u>(2,060,943)</u>

**NET POSITION OF GOVERNMENT ACTIVITIES \$ 70,650,150**

The accompanying notes are an integral part of this statement.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Governmental Funds**  
**Year Ended December 31, 2015**

	<u>General Fund</u>	<u>Four Mile Capital Projects Fund</u>	<u>Tax Increment Districts</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Taxes	\$ 9,171,422	\$ -	\$ 107,709	\$ 2,734,108	\$ 12,013,239
Special assessments	-	-	-	299,131	299,131
Intergovernmental	2,130,639	-	20,619	1,013,387	3,164,645
Licenses and permits	923,589	-	-	213,840	1,137,429
Fines, forfeitures and penalties	339,333	-	-	-	339,333
Public charges for services	649,513	-	-	2,452,543	3,102,056
Intergovernmental charges for services	242,297	-	-	671,119	913,416
Capital grants	-	258,671	-	-	258,671
Investment and interest income	35,058	341,329	8,397	1,631	386,415
Miscellaneous	7,574	-	-	555,836	563,410
Total revenues	<u>13,499,425</u>	<u>600,000</u>	<u>136,725</u>	<u>7,941,595</u>	<u>22,177,745</u>
<b>Expenditures</b>					
Current					
General government	1,988,330	-	-	-	1,988,330
Public safety	8,438,653	-	-	6,311	8,444,964
Public works	2,203,065	-	5,000,000	1,721,869	8,924,934
Health and human services	30,690	-	-	1,933,506	1,964,196
Parks and recreation	-	-	-	195,255	195,255
Capital outlay	-	2,670	4,616,160	1,429,259	6,048,089
Debt service					
Principal	-	400,000	1,250,000	1,491,906	3,141,906
Interest and fiscal charges	-	196,056	150,000	291,212	637,268
Debt issuance costs	-	-	126,874	-	126,874
Total expenditures	<u>12,660,738</u>	<u>598,726</u>	<u>11,143,034</u>	<u>7,069,318</u>	<u>31,471,816</u>
Excess (deficiency) of revenues over expenditures	<u>838,687</u>	<u>1,274</u>	<u>(11,006,309)</u>	<u>872,277</u>	<u>(9,294,071)</u>
<b>Other financing sources (uses)</b>					
Long-term debt issued	-	-	14,525,000	-	14,525,000
Premium on long-term debt issued	-	-	502,045	-	502,045
Proceeds from the sale of capital assets	-	-	-	4,405	4,405
Transfer in	-	-	-	195,770	195,770
Transfer out	(195,770)	-	-	-	(195,770)
Total other financing sources (uses)	<u>(195,770)</u>	<u>-</u>	<u>15,027,045</u>	<u>200,175</u>	<u>15,031,450</u>
Net change in fund balances	642,917	1,274	4,020,736	1,072,452	5,737,379
Fund balances - beginning of year	<u>3,091,592</u>	<u>160,915</u>	<u>7,688,271</u>	<u>3,020,167</u>	<u>13,960,945</u>
Fund balances - end of year	<u>\$ 3,734,509</u>	<u>\$ 162,189</u>	<u>\$ 11,709,007</u>	<u>\$ 4,092,619</u>	<u>\$ 19,698,324</u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2014**

Net change in fund balances-total governmental funds \$ 5,737,379

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. current period.

Capital outlays	6,048,089
Capital assets transferred to water and sewer utility	(304,981)
Capital asset purchases reported in functional expenses	575,389
Intangible asset purchase	5,000,000
Capital assets disposed	(8,850)
Depreciation and amortization	(3,261,862)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Special Assessments	(264,022)
Long-term receivable	(258,672)
Other receivable	26,866

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Repayment of debt principal	3,141,906
Long-term debt issued	(14,525,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Compensated absences	26,897
Accrued interest on debt	(108,506)
Net OPEB obligation	(202,283)
Pension activity	18,726

Governmental funds report debt premiums, discounts, and refunding losses as other financing sources or uses. However in the statement of net position these are reported as adjustments to long-term debt. They are amortized over the period the debt is outstanding and the amortization is reported as interest expense.

Premium received from debt issuance	(502,045)
Amortization of loss on refunding	(5,242)
Amortization of debt premium and discount	17,647

**Change in net position of governmental activities \$ 1,151,436**

The accompanying notes are an integral part of this statement.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2015**

	<b>Business-type Activities - Enterprise</b>		
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Totals</b>
<b>ASSETS</b>			
Current			
Cash and investments	\$ 6,251,775	\$ 446,517	\$ 6,698,292
Accounts receivable	1,533,730	881,808	2,415,538
Tax roll receivable			
Tax levy	556,995	643,346	1,200,341
Special assessments on tax roll	-	47,203	47,203
Delinquent receivables on tax roll	591,358	381,052	972,410
Due from other funds	-	25,884	25,884
Total current assets	<u>8,933,858</u>	<u>2,425,810</u>	<u>11,359,668</u>
Noncurrent assets			
Restricted assets - cash and investments	671,108	601,460	1,272,568
Restricted assets - net pension asset	51,883	51,883	103,766
Capital assets			
Land	34,764	22,459	57,223
Construction in progress	1,056,011	1,032,190	2,088,201
Other capital assets	63,574,583	43,793,848	107,368,431
Less: accumulated depreciation	(15,869,487)	(10,651,011)	(26,520,498)
Other assets			
Special assessments	41,075	12,874	53,949
Total noncurrent assets	<u>49,559,937</u>	<u>34,863,703</u>	<u>84,423,640</u>
Total assets	<u>58,493,795</u>	<u>37,289,513</u>	<u>95,783,308</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized treatment facility	5,459,747	-	5,459,747
Deferred amounts related to pension	50,311	50,311	100,622
Loss on refunding	91,536	134,332	225,868
Total deferred outflows	<u>5,601,594</u>	<u>184,643</u>	<u>5,786,237</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	577,591	695,710	1,273,301
Accrued payroll	6,607	6,666	13,273
Accrued interest	72,595	28,616	101,211
Due to other funds	33,595	7,998	41,593
Current portion of general obligation debt	395,458	530,000	925,458
Current portion of Racine Clean Water Fund Loans	873,074	-	873,074
Liabilities payable from restricted assets			
Current portion of revenue bonds	411,231	100,000	511,231
Accrued interest	26,247	33,452	59,699
Total current liabilities	<u>2,396,398</u>	<u>1,402,442</u>	<u>3,798,840</u>
Noncurrent liabilities			
Long-term debt			
General obligation	5,939,309	3,375,542	9,314,851
Revenue bonds	8,259,455	5,415,000	13,674,455
Racine Clean Water Fund Loans	5,746,411	-	5,746,411
Net OPEB obligation	75,664	62,419	138,083
Total noncurrent liabilities	<u>20,020,839</u>	<u>8,852,961</u>	<u>28,873,800</u>
Total liabilities	<u>22,417,237</u>	<u>10,255,403</u>	<u>32,672,640</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Subsequent years tax levy	556,995	643,346	1,200,341
<b>NET POSITION</b>			
Net investment in capital assets	33,881,954	24,911,276	58,793,230
Restricted	696,744	118,747	815,491
Unrestricted	6,542,459	1,545,384	8,087,843
<b>TOTAL NET POSITION</b>	<u>\$ 41,121,157</u>	<u>\$ 26,575,407</u>	<u>\$ 67,696,564</u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended December 31, 2015**

	<b>Business-type Activities - Enterprise</b>		
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Public charges for services	\$ 5,884,408	\$ 3,546,410	\$ 9,430,818
<b>OPERATING EXPENSES</b>			
Operation and maintenance	2,704,758	2,634,576	5,339,334
Depreciation	1,205,028	824,707	2,029,735
Amortization expense	804,420	-	804,420
Taxes	17,845	20,763	38,608
Total operating expenses	<u>4,732,051</u>	<u>3,480,046</u>	<u>8,212,097</u>
Operating income	<u>1,152,357</u>	<u>66,364</u>	<u>1,218,721</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Property taxes levied	562,436	820,273	1,382,709
Interest income	27,070	5,491	32,561
Interest expense	(615,484)	(333,085)	(948,569)
Gain\Loss on disposal of assets	-	-	-
Settlement proceeds	189,033	-	189,033
Miscellaneous	3,881	279	4,160
Total nonoperating revenues (expenses)	<u>166,936</u>	<u>492,958</u>	<u>659,894</u>
Income before contributions and transfers	<u>1,319,293</u>	<u>559,322</u>	<u>1,878,615</u>
<b>TRANSFERS IN</b>	191,742	-	191,742
<b>TRANSFERS OUT</b>	-	(191,742)	(191,742)
<b>CAPITAL CONTRIBUTIONS</b>			
Contributed capital	222,855	82,126	304,981
Special assessments	18,569	80,493	99,062
Impact fees	-	204,600	204,600
Total capital contributions	<u>241,424</u>	<u>367,219</u>	<u>608,643</u>
Change in net position	1,752,459	734,799	2,487,258
Net position - beginning of year (restated)	<u>39,368,698</u>	<u>25,840,608</u>	<u>65,209,306</u>
Net position - end of year	<u>\$ 41,121,157</u>	<u>\$ 26,575,407</u>	<u>\$ 67,696,564</u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2015**

	<b>Business-type Activities - Enterprise</b>		
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 5,974,294	\$ 3,655,263	\$ 9,629,557
Paid to suppliers for goods and services	(2,481,402)	(2,461,143)	(4,942,545)
Paid to employees for services	(243,802)	(243,897)	(487,699)
Received from other funds	<u>35,562</u>	<u>381</u>	<u>35,943</u>
Net cash provided by operating activities	<u>3,284,652</u>	<u>950,604</u>	<u>4,235,256</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Taxes	562,436	820,273	1,382,709
Miscellaneous	<u>3,881</u>	<u>279</u>	<u>4,160</u>
Net cash provided by noncapital financing activities	<u>566,317</u>	<u>820,552</u>	<u>1,386,869</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(50,275)	(1,312,903)	(1,363,178)
Debt issued	362,425	-	362,425
Debt retired	(1,638,509)	(695,000)	(2,333,509)
Interest and other fiscal charges paid	(609,234)	(326,336)	(935,570)
Impact fees	-	80,493	80,493
Special assessments received	<u>18,569</u>	<u>196,332</u>	<u>214,901</u>
Net cash provided by (used in) capital and related financing activities	<u>(1,917,024)</u>	<u>(2,057,414)</u>	<u>(3,974,438)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>27,070</u>	<u>5,491</u>	<u>32,561</u>
Net increase (decrease) in cash and cash equivalents	1,961,015	(280,767)	1,680,248
Cash and cash equivalents - beginning of year	<u>4,961,868</u>	<u>1,328,744</u>	<u>6,290,612</u>
Cash and cash equivalents - end of year	<u>\$ 6,922,883</u>	<u>\$ 1,047,977</u>	<u>\$ 7,970,860</u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**Year Ended December 31, 2015**

	<b>Business-type Activities - Enterprise</b>		
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Totals</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 1,152,357	\$ 66,364	\$ 1,218,721
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	1,205,028	824,707	2,029,735
Amortization	804,420	-	804,420
Changes in assets and liabilities			
Accounts receivable	89,886	108,853	198,739
Accounts payable	(16,411)	(63,533)	(79,944)
Net OPEB obligation	11,349	11,353	22,702
Pension activity	610	610	1,220
Due from other funds	35,562	381	35,943
Accrued expenses	1,851	1,869	3,720
Net cash provided by operating activities	<b>\$ 3,284,652</b>	<b>\$ 950,604</b>	<b>\$ 4,235,256</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>			
Cash and investments	\$ 6,251,775	\$ 446,517	\$ 6,698,292
Restricted cash and cash equivalents	671,108	601,460	1,272,568
<b>CASH AND CASH EQUIVALENTS</b>	<b>\$ 6,922,883</b>	<b>\$ 1,047,977</b>	<b>\$ 7,970,860</b>

The accompanying notes are an integral part of this statement.



**VILLAGE OF CALEDONIA, WISCONSIN**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund**  
**December 31, 2015**

	<u><b>Tax Collection Agency Fund</b></u>
<b>ASSETS</b>	
Cash and investments	\$ 19,974,782
Taxes receivable	<u>23,921,199</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 43,895,981</u></u>
<b>LIABILITIES</b>	
Due to other taxing units	<u><u>\$ 43,895,981</u></u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

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

The Village adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement Number 27* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* as of January 1, 2015. The standard revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. As result of the implementation of these standards, the Village reported a restatement for the change in accounting principle see Note 5.

**A. Reporting Entity**

This report includes all of the funds of the Village of Caledonia, Wisconsin. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

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

*Government-Wide Financial Statements*

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

*Fund Financial Statements*

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, net position/fund balance, revenues, and expenditures or expenses.

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. Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial 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 and deferred outflows, liabilities, and deferred outflows, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**B. Government-Wide and Fund Financial Statements** (continued)

*Fund Financial Statements* (continued)

The Village reports the following major governmental funds:

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

Four Mile Capital Projects Fund - accounts for the construction activities associated with the bridge replacement on Four Mile Road.

Tax Increment Districts – accounts for the economic development activities associated with the active tax increment districts of the Village of Caledonia.

The Village reports the following major enterprise funds:

Sewer Utility - accounts for operations of the sewer system.

Water Utility - accounts for operations of the water system.

The Village reports the following nonmajor governmental funds:

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

Refuse	Joint Parks
Recycling	Joint Health
Memorial Park Cemetery	Equipment Replacement
Caledonia Storm Sewer District	Donations
Parks and Recreation	Impact Fees

Debt Service Fund - used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Agency funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Village reports a Tax Collection Agency Fund.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

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

*Government-Wide Financial Statements*

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

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

*Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, pension expenditures, and other postemployment benefits, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

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

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

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

*Fund Financial Statements* (continued)

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows.

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

The Village reports deferred inflows on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred inflows arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the unearned revenue or deferred inflow is removed from the balance sheet and revenue is recognized.

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Utilities are charges to customers for sales and services and taxes levied specifically for public fire protection. Special assessments are recorded as receivables when levied and as contribution revenue when property owner connects to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

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

All Financial Statements

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 could differ from those estimates.

**D. Assets, Liabilities, and Net Position or Fund Balances**

Deposits and Investments

For purposes of the statements of net position and cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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

- Time deposits in any credit union, bank, savings bank or trust company authorized to transact business in the state, maturing 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, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority, and the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- 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.

The Village has adopted an investment policy. That policy which identifies restrictions on allowable investments as noted below.

- Certificates of deposit must be collateralized by either U.S. government or agency securities with a maturity of under seven years or limited to \$500,000 per financial institution.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**D. Assets, Liabilities, and Net Position or Fund Balances** (continued)

Deposits and Investments (continued)

- U.S. Treasury bonds or notes.
- The State of Wisconsin Local Government Investment Pool or the Wisconsin Investment Trust.
- Any investment pools, savings or similar accounts offered by banks located within the State of Wisconsin and such deposit must be collateralized by U.S. government backed securities or agency securities or limited to \$500,000 per financial institution.
- Direct investment in mortgage backed securities, commercial paper, commercial paper derivatives, bankers acceptance and mutual funds are not permitted.
- No more than 50% of the Village's total investment portfolio will be invested in a single security type or with a single financial institution, unless fully collateralized.

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

Receivables

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



**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**D. Assets, Liabilities, and Net Position or Fund Balances** (continued)

Receivables (continued)

Property tax calendar - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax deed - 2015 delinquent real estate taxes	October 2018

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Water and Sewer Utilities because they have the right by law to place delinquent bills on the tax roll.

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

Prepaid Items

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

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets, if generated from earnings, is shown as restricted net position.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**D. Assets, Liabilities, and Net Position or Fund Balances** (continued)

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 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.

Capital Assets

*Government-Wide Statements*

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

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

Buildings	15-75 Years
Machinery and Equipment	4-20 Years
Utility System	7-100 Years
Infrastructure	40-70 Years

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**D. Assets, Liabilities, and Net Position or Fund Balances** (continued)

*Fund Financial Statements*

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

Deferred Outflows of Resources

In the government-wide and proprietary fund type financial statements, deferred outflows include project costs incurred in connection with the Village's cost sharing arrangement with the City of Racine, Wisconsin for sewer plant expansion and upgrades. These costs have been recorded as a deferred outflow due to the benefit which will result from the inclusion of these costs in future rate structures. These costs are deferred and amortized over the term of the related debt issues.

Compensated Absences

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

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

Long-Term Obligations/Conduit Debt

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

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

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

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**D. Assets, Liabilities, and Net Position or Fund Balances** (continued)

Long-Term Obligations/Conduit Debt (continued)

The Village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$3,000,000, made up of one issue.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. The liability for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

Net Position and Fund Balance Classifications

*Government-Wide Statements*

Net Position is classified in three components:

- a. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or deferred inflows or if the liability will be liquidated with the restricted assets reported.
- c. The *unrestricted* component of net position is the amount of the assets and deferred outflows, net of the liabilities and deferred inflows that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**D. Assets, Liabilities, and Net Position or Fund Balances** (continued)

Net Position and Fund Balance Classifications (continued)

*Fund Statements*

In the governmental fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either:

- a. not in spendable form; or
- b. legally or contractually required to be maintained intact.

Restricted fund balance is reported when constraints placed on the use of resources are either:

- a. externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. imposed by law through constitutional provisions or enabling legislation.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village board.

Assigned fund balance is reported for amounts that are constrained by the Village management's intent to be used for specific purposes, but is neither restricted nor committed.

Unassigned fund balance is the residual classification for the General Fund and deficits in other funds.

When restricted, committed, assigned, and unassigned amounts are available for use, it is the government's policy to use restricted resources first, then committed, then assigned resources, then unassigned resources as they are needed.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1. C.

A budget has been adopted for the General, Special Revenue (except those noted in the following sentence), Debt Service and Capital Projects Fund (except those noted in the following sentence). Budgets have not been formally adopted for the Equipment Replacement Special Revenue Fund, Impact Fees Special Revenue Fund, and Donations Special Revenue Fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

**VILLAGE OF CALEDONIA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY** (continued)

**A. Budgetary Information** (continued)

The budgeted amounts presented include any amendments made. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the fund level of expenditure for all funds other than the General Fund, which is adopted at the function level of expenditure.

The Village did not exceed budget in any of the functional expenditure categories during the year ending December 31, 2015.

**B. Deficit Balances**

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. As of December 31, 2015, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Revenue Funds		
Recycling	\$ 30,043	Long-term deficit due to expenditures exceeding revenues
Memorial Park Cemetary	1,791	Expenditures exceeded revenues in current year
Parks and Recreation	3,495	Expenditures exceeded revenues in current year
Joint Parks	<u>38,208</u>	Long-term deficit due to expenditures exceeding revenues
Total deficit fund balance	<u>\$ 73,537</u>	

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

	<u>Carrying Value</u>	<u>Financial Institution Balances</u>
Governmental and Fiduciary Activities		
Petty cash	\$ <u>3,582</u>	\$ <u>-</u>
Deposits		
Demand deposits	25,740,393	25,826,778
Certificates of deposit	<u>13,920,338</u>	<u>13,922,000</u>
Total deposits	<u>39,660,731</u>	<u>39,748,778</u>
Investments		
Local Government Investment Pool (LGIP)	5,953,007	5,953,007
US Agency Securities	<u>1,223,878</u>	<u>1,223,878</u>
Total investments	<u>7,176,885</u>	<u>7,176,885</u>
Total deposits and investments	<u>\$ 46,841,198</u>	<u>\$ 46,925,663</u>
Reconciliation to financial statements		
Per statement of net position		
Unrestricted cash and investments	\$ 25,593,848	
Restricted cash and investments	1,272,568	
Per statement of fiduciary net assets - Agency Fund	<u>19,974,782</u>	
Total deposits and investments	<u>\$ 46,841,198</u>	

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS** (continued)

**A. Deposits and Investments** (continued)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposits and \$250,000 for time and savings deposits. Certificates of deposit held in the LGIP are covered by FDIC insurance, which applies to the proportionate public unit share of 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 and the LGIP above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2015, 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 is abolished. This coverage has not been considered in computing custodial credit risk.

***Custodial Credit Risk***

Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village. The following table illustrates the Village's deposit balances exposed to custodial credit risk as uninsured and uncollateralized:

	<b>Financial Institution Balances</b>	<b>Uninsured Uncollateralized Balances</b>
Statement of net position		
Governmental Activities	\$ 13,674,447	\$ 2,645,000
Business Type Activities	6,099,549	2,264,549
Statement of fiduciary assets		
Agency fund	19,974,782	4,180,302
Total Village Balances	\$ 39,748,778	\$ 9,089,851

Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2015, none of the Village's investment balance of \$7,176,885 was exposed to custodial credit risk as uninsured and uncollateralized.



**VILLAGE OF CALEDONIA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS** (continued)

**A. Deposits and Investments** (continued)

***Interest Rate Risk and Credit Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of December 31, 2015, the Village's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Months)</u>	<u>S&amp;P Rating</u>
Local Government Investment Pool	\$ 5,953,007	1.63	Unrated
US Agency Securities	<u>1,223,878</u>	37.84	AA+
Total investments	<u>\$ 7,176,885</u>		

**B. Receivables**

Receivables as of year end for the Village's individual major funds, nonmajor funds and fiduciary funds in the aggregate, including \$84,557 of allowances for uncollectible accounts, are detailed on the governmental funds balance sheet, proprietary funds statement of net position and the fiduciary funds statement of fiduciary net position. All amounts reported in the governmental funds are expected to be collected within one year except for \$6,063,060 of accounts receivable, and \$784,405 of special assessment receivables. All amounts reported in the proprietary funds are expected to be collected within one year except for \$53,949 of special assessment receivables.

**C. Deferred Inflows**

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

	<u>Unavailable</u>	<u>Tax Levy</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ -	\$ 12,449,493	\$ 12,449,493
Special assessments	784,405	-	784,405
Receivable for construction	6,063,060	-	6,063,060
Other receivables	<u>41,065</u>	<u>-</u>	<u>41,065</u>
<b>Total deferred inflows</b>	<u>\$ 6,888,530</u>	<u>\$ 12,449,493</u>	<u>\$ 19,338,023</u>

**VILLAGE OF CALEDONIA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)**

**D. Restricted Assets**

The Caledonia Utilities have established the following restricted assets as required by the Wisconsin Department of Natural Resources and the revenue bond resolutions:

	<b><u>Sewer Utility</u></b>	<b><u>Water Utility</u></b>	<b><u>Totals</u></b>
Equipment replacement fund	\$ 358,684	\$ -	\$ 358,684
Revenue bond reserve fund	-	501,144	501,144
Revenue bond debt service fund	<u>312,424</u>	<u>100,316</u>	<u>412,740</u>
<b>Total restricted assets</b>	<b><u>\$ 671,108</u></b>	<b><u>\$ 601,460</u></b>	<b><u>\$ 1,272,568</u></b>

**VILLAGE OF CALEDONIA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)**

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 754,648	\$ 195,766	\$ -	\$ 950,414
Construction in progress	73,966	1,680,770	73,966	1,680,770
Total capital assets, not being depreciated	<u>828,614</u>	<u>1,876,536</u>	<u>73,966</u>	<u>2,631,184</u>
Capital assets being depreciated				
Buildings	3,203,403	149,514	-	3,352,917
Machinery and equipment	9,924,609	437,168	239,198	10,122,579
Roads	92,453,837	3,929,245	-	96,383,082
Storm sewers	15,866,150	-	-	15,866,150
Bridges	1,340,939	-	-	1,340,939
Intangible assets	-	5,000,000	-	5,000,000
Total capital assets being depreciated	<u>122,788,938</u>	<u>9,515,927</u>	<u>239,198</u>	<u>132,065,667</u>
Accumulated depreciation				
Buildings	1,068,253	103,993	-	1,172,246
Machinery and equipment	6,345,644	667,317	230,348	6,782,613
Roads	35,593,502	1,986,321	-	37,579,823
Storm sewers	5,853,247	420,648	-	6,273,895
Bridges	306,015	21,083	-	327,098
Intangible assets	-	62,500	-	62,500
Total accumulated depreciation	<u>49,166,661</u>	<u>3,261,862</u>	<u>230,348</u>	<u>52,198,175</u>
Net capital assets being depreciated	<u>73,622,277</u>	<u>6,254,065</u>	<u>8,850</u>	<u>79,867,492</u>
Total Governmental Activities capital assets, net of accumulated depreciation	<u>\$ 74,450,891</u>	<u>\$ 8,130,601</u>	<u>\$ 82,816</u>	<u>\$ 82,498,676</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 139,031
Public safety	426,310
Public works, which includes depreciation of infrastructure	2,601,447
Health and human services	79,585
Park and recreation	<u>15,489</u>
Total Governmental Activities	<u>\$ 3,261,862</u>

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)**

**E. Capital Assets (continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 57,223	\$ -	\$ -	\$ 57,223
Construction in progress	2,094,876	1,637,244	1,643,919	2,088,201
Total capital assets not being depreciated	<u>2,152,099</u>	<u>1,637,244</u>	<u>1,643,919</u>	<u>2,145,424</u>
Capital assets being depreciated				
Water treatment plant	463,890	325,910	-	789,800
Transmission and distribution plant	41,479,115	833,030	-	42,312,145
Water general plant	508,733	194,953	11,782	691,904
Collection system plant	61,154,567	297,053	-	61,451,620
Collection system pumping plant	1,336,367	-	-	1,336,367
Sewer general plant	779,566	7,029	-	786,595
Total capital assets being depreciated	<u>105,722,238</u>	<u>1,657,975</u>	<u>11,782</u>	<u>107,368,431</u>
Accumulated depreciation				
Water treatment plant	304,183	27,193	-	331,376
Transmission and distribution plant	9,149,404	759,626	-	9,909,030
Water general plant	384,499	37,887	11,782	410,604
Collection system plant	13,371,534	1,164,759	-	14,536,293
Collection system pumping plant	937,382	25,606	-	962,988
Sewer general plant	355,543	14,664	-	370,207
Total accumulated depreciation	<u>24,502,545</u>	<u>2,029,735</u>	<u>11,782</u>	<u>26,520,498</u>
Net capital assets being depreciated	<u>81,219,693</u>	<u>(371,760)</u>	<u>-</u>	<u>80,847,933</u>
Total Business-type Activities capital assets, net of accumulated depreciation	<u>\$ 83,371,792</u>	<u>\$ 1,265,484</u>	<u>\$ 1,643,919</u>	<u>\$ 82,993,357</u>

Depreciation expense was charged to functions as follows:

**Business-Type Activities**

Sewer	\$ 1,205,028
Water	<u>824,707</u>
Total Business-type Activities	<u>\$ 2,029,735</u>

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS** (continued)

**F. Interfund Receivables/Payables, Advances and Transfers**

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

Receivable Fund	Payable Fund	Amount
<b>Governmental Funds</b>		
General Fund	Refuse Fund	\$ 849,179
General Fund	Recycling Fund	441,959
General Fund	Memorial Park Cemetery	2,632
General Fund	Parks and Recreation	3,520
General Fund	Joint Parks	38,498
General Fund	Joint Health	122,079
General Fund	Tax Increment Districts	834,243
		2,292,110
Capital Projects	General fund	658,215
Donations Fund	General fund	82,246
Debt Service	General fund	5,578
Tax Increment Districts	General fund	234,941
Total governmental funds		3,273,090
<b>Governmental and Business Type Funds</b>		
General Fund	Water	7,998
General Fund	Sewer	7,711
Total Governmental and Business		15,709
Total governmental and business type funds		\$ 3,288,799
<b>Business Type Funds</b>		
Water	Sewer	\$ 25,884
Total business type interfund receivables		\$ 25,884

All amounts are due within one year.

**VILLAGE OF CALEDONIA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS** (continued)

**F. Interfund Receivables/Payables, Advances and Transfers** (continued)

The principal purpose of these balances is the collection of amounts on the tax roll and the allocation of commingled cash and investment balances. In addition, certain balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, and payments between funds are made.

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

The following is a schedule of interfund transfers:

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
<b><i>Governmental Activities</i></b>		
General Fund	Capital Projects	\$ 195,770
<b><i>Business-type Activities</i></b>		
Water Utility	Sewer Utility	191,742

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

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

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)**

**G. Long-Term Obligations**

Long-term obligations activity for the year ended December 31, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
General obligation debt					
Bonds and notes payable	\$ 27,333,675	\$ 9,525,000	\$ 1,891,906	\$ 34,966,769	\$ 1,920,339
Debt premium (discount)	<u>202,882</u>	<u>502,045</u>	<u>17,647</u>	<u>687,280</u>	<u>42,410</u>
Total general obligation debt	<u>27,536,557</u>	<u>10,027,045</u>	<u>1,909,553</u>	<u>35,654,049</u>	<u>1,962,749</u>
Other Liabilities					
Mount Pleasant Note Payable	-	5,000,000	1,250,000	3,750,000	-
Accumulated sick leave	90,260	155,826	147,182	98,904	98,904
Accumulated vacation	56,091	511,344	539,134	28,301	28,301
Accumulated compensatory time	111,908	174,731	182,482	104,157	104,157
Net OPEB obligation	<u>1,858,660</u>	<u>342,870</u>	<u>140,587</u>	<u>2,060,943</u>	<u>-</u>
Total other liabilities	<u>2,116,919</u>	<u>6,184,771</u>	<u>2,259,385</u>	<u>6,042,305</u>	<u>231,362</u>
Total Governmental Activities long-term liabilities	<u>\$ 29,653,476</u>	<u>\$ 16,211,816</u>	<u>\$ 4,168,938</u>	<u>\$ 41,696,354</u>	<u>\$ 2,194,111</u>
<b>Business-Type Activities</b>					
Long-term debt					
General obligation debt	\$ 11,214,873	\$ -	\$ 1,083,889	\$ 10,130,984	\$ 925,458
Revenue bonds	<u>14,223,973</u>	<u>362,425</u>	<u>400,712</u>	<u>14,185,686</u>	<u>511,231</u>
Subtotal	<u>25,438,846</u>	<u>362,425</u>	<u>1,484,601</u>	<u>24,316,670</u>	<u>1,436,689</u>
Bond premium (discount)	<u>119,669</u>	<u>-</u>	<u>10,344</u>	<u>109,325</u>	<u>-</u>
Total long-term debt	<u>25,558,515</u>	<u>362,425</u>	<u>1,494,945</u>	<u>24,425,995</u>	<u>1,436,689</u>
Other liabilities					
Racine Clean Water Fund Loans	7,468,393	-	848,908	6,619,485	873,074
Net OPEB obligation	<u>115,381</u>	<u>22,702</u>	<u>-</u>	<u>138,083</u>	<u>-</u>
Total other liabilities	<u>7,583,774</u>	<u>22,702</u>	<u>848,908</u>	<u>6,757,568</u>	<u>873,074</u>
Total Business-type Activities long-term liabilities	<u>\$ 33,142,289</u>	<u>\$ 385,127</u>	<u>\$ 2,343,853</u>	<u>\$ 31,183,563</u>	<u>\$ 2,309,763</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2015, was \$98,327,970. Total general obligation debt outstanding at year end was \$45,097,753.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)**

**G. Long-Term Obligations (continued)**

***General Obligation Debt***

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

<u>Governmental Activities</u> <u>General Obligation Debt</u>	<u>Date of</u> <u>Issue</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rates</u>	<u>Original</u> <u>Indebtedness</u>	<u>Balance</u> <u>12/31/2015</u>
General debt service					
Promissory notes	10/4/2007	4/1/2017	3.55-3.75%	\$ 1,300,000	\$ 500,000
Promissory notes	7/9/2008	4/1/2018	3.00 - 4.25%	2,100,000	780,000
Promissory notes	7/7/2009	4/1/2019	2.50 - 3.90%	1,000,000	700,000
Promissory notes	8/12/2010	4/1/2020	2.00 - 3.00%	700,000	385,000
Promissory notes	6/28/2011	4/1/2021	0.80 - 2.60%	1,485,000	760,000
Taxable general obligation bonds	10/11/2011	4/1/2024	1.00 - 3.40%	4,175,000	3,300,000
General obligation bonds	10/11/2011	4/1/2030	3.00 - 3.20%	3,600,000	3,600,000
Promissory notes	7/12/2012	5/1/2022	0.50 - 2.15%	2,235,000	1,335,000
Promissory notes	10/2/2013	4/1/2023	2.00-3.00%	3,020,000	2,760,000
General obligation water bonds	10/2/2013	4/1/2023	2.90-4.00%	1,180,000	1,180,000
Promissory notes	4/3/2014	4/1/2025	0.75-3.30%	1,735,000	1,735,000
Promissory notes	12/4/2014	4/1/2034	2.00-3.25%	8,250,000	8,250,000
State Trust Fund loan	10/22/2013	3/15/2018	3.00%	203,675	156,769
State Trust Fund loan	3/17/2013	3/15/2024	3.25%	150,000	150,000
Promissory notes	12/3/2015	4/1/2035	3.00-4.00%	9,375,000	9,375,000
Total Governmental Activities - general obligation debt					<u>\$ 34,966,769</u>

<u>Business-type Activities</u>	<u>Date of</u> <u>Issue</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rates</u>	<u>Original</u> <u>Indebtedness</u>	<u>Balance</u> <u>12/31/2015</u>
Water Utility					
General obligation debt					
Refunding bonds	8/12/2010	4/1/2029	2.00 - 4.00%	\$ 4,285,000	\$ 3,050,000
Promissory notes	7/12/2012	5/1/2022	0.50 - 2.15%	1,075,000	755,000
Subtotal - general obligation debt					<u>3,805,000</u>
Water and Sewer System revenue bonds	10/2/2013	5/1/2022	3.00-4.38%	5,515,000	5,515,000
					<u>9,320,000</u>
Sewer Utility					
General obligation debt					
Promissory notes	7/9/2008	4/1/2018	3.00 - 4.25%	770,000	245,000
General obligation bonds	7/12/2012	5/1/2032	2.00 - 3.00%	4,230,000	4,230,000
Subtotal					<u>4,475,000</u>
Clean Water Fund Loan	11/14/2001	5/1/2021	2.75%	238,169	85,517
Clean Water Fund Loan	2/26/2003	5/1/2022	2.75%	4,175,357	1,765,467
Subtotal - general obligation debt					<u>6,325,984</u>
Water and Sewer System revenue bonds					
Clean Water Fund Loan	11/14/2012	5/1/2032	2.63%	4,718,102	8,670,686
					<u>14,996,670</u>
Total Business-type Activities debt					<u>\$ 24,316,670</u>



**VILLAGE OF CALEDONIA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)**

**G. Long-Term Obligations (continued)**

**General Obligation Debt (continued)**

Debt service requirements to maturity are as follows:

Year Ending <u>December 31,</u>	Governmental Activities General Obligation Debt			Business-Type Activities General Obligation Debt		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,920,339	\$ 949,925	\$ 2,870,264	\$ 925,458	\$ 274,882	\$ 1,200,340
2017	1,862,335	957,474	2,819,809	647,209	256,341	903,550
2018	1,744,394	910,423	2,654,817	659,144	239,278	898,422
2019	1,541,087	868,765	2,409,852	681,271	222,332	903,603
2020	1,316,602	833,512	2,150,114	708,593	205,240	913,833
2021-2025	7,522,012	3,609,257	11,131,269	3,164,309	748,731	3,913,040
2026-2030	10,640,000	2,207,019	12,847,019	2,650,000	307,228	2,957,228
2031-2035	8,420,000	622,806	9,042,806	695,000	20,925	715,925
Total	<u>\$ 34,966,769</u>	<u>\$ 10,959,181</u>	<u>\$ 45,925,950</u>	<u>\$ 10,130,984</u>	<u>\$ 2,274,957</u>	<u>\$ 12,405,941</u>

Year Ending <u>December 31,</u>	Business-Type Activities - Revenue Bond Debt					
	Sewer Utility			Water Utility		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 411,231	\$ 223,561	\$ 634,792	\$ 100,000	\$ 199,214	\$ 299,214
2017	422,026	213,330	635,356	245,000	194,039	439,039
2018	433,104	202,831	635,935	250,000	186,614	436,614
2019	444,473	192,056	636,529	260,000	178,964	438,964
2020	456,140	180,998	637,138	265,000	171,089	436,089
2021-2025	2,466,718	728,687	3,195,405	1,450,000	726,382	2,176,382
2026-2030	2,807,924	405,303	3,213,227	1,725,000	445,086	2,170,086
2031-2035	1,229,070	69,597	1,298,667	1,220,000	81,593	1,301,593
Total	<u>\$ 8,670,686</u>	<u>\$ 2,216,363</u>	<u>\$ 10,887,049</u>	<u>\$ 5,515,000</u>	<u>\$ 2,182,981</u>	<u>\$ 7,697,981</u>

**VILLAGE OF CALEDONIA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)**

**G. Long-Term Obligations (continued)**

***Racine Clean Water Fund Loans***

Racine Clean Water Fund Loans are payable from revenues derived from the operation of the Sewer Utility. Racine Clean Water Fund Loans at December 31, 2015 consist of the following:

<b>Business-type Activities Racine Clean Water Fund Loans</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance 12/31/2014</b>
Clean Water Fund Loans	4/10/2002	5/1/2021	2.75%	\$ 557,254	\$ 209,151
Clean Water Fund Loans	7/24/2002	5/1/2022	2.86%	3,153,607	1,366,187
Clean Water Fund Loans	11/27/2002	5/1/2022	2.867%	10,785,114	4,872,274
Racine Advance	8/25/2008	5/1/2021	5.00%	399,300	<u>171,873</u>
Total Business-type Activities Racine Clean Water Fund Loans					<u>\$ 6,619,485</u>

Debt service requirements to maturity are as follows:

<b>Year Ending</b>	<b>Business-type Activities Racine Clean Water Fund Loans</b>					
	<b>December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>		
2016	\$	873,074	\$	205,486	\$	1,078,560
2017		897,915		180,388		1,078,303
2018		923,452		154,532		1,077,984
2019		949,705		127,966		1,077,671
2020		976,694		100,650		1,077,344
2021-2025		<u>1,998,645</u>		<u>130,759</u>		<u>2,129,404</u>
Total	\$	<u>6,619,485</u>	\$	<u>899,781</u>	\$	<u>7,519,266</u>

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS** (continued)

**G. Long-Term Obligations** (continued)

***Mount Pleasant Interceptor Agreement***

In September of 2008, the Village entered into an agreement with the Village of Mount Pleasant, regarding use of and connection to the Mount Pleasant Interceptor System and the KR Force Main, owned by the Village of Mount Pleasant. The Village agreed to pay Mount Pleasant \$5,000,000. No payment is required until connection is made to the Mount Pleasant Interceptor System. Upon connection to the Mount Pleasant Interceptor System and prior to discharging wastewater the Village shall pay \$1,250,000 of the total cost plus accrued interest on the entire balance. Payment for the balance requires \$1,250,000 plus accrued interest on the entire balance no later than 36 months following connection, an additional \$1,250,000 plus accrued interest on the entire balance no later than 72 months following connection, and the final \$1,250,000 plus accrued interest on the entire balance no later than 108 months following connection. In addition, the agreement also provides for additional cost-sharing between the Village and the Village of Mount Pleasant for future expansion of the sewer system as needed.

In August of 2014, the Village amended the agreement with the Village of Mount Pleasant to establish additional terms for connection. The amendment established that the interest accruing on the unpaid balance of the \$5,000,000 shall be calculated at a rate equal to the interest rate equal to the interest rate from the most current general obligation borrowing by the Village of Mount Pleasant, which will reset annually on January 15<sup>th</sup> until the balance is paid in full.

The final terms of the agreement and amendment were met in 2015 and the Village of Caledonia made the initial payment in March of 2015. As of December 31, 2015, the Village owed \$3,750,000 in principal relating to the agreement.

***Other Debt Information***

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The Village believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS** (continued)

**H. Net Position/Fund Balances (Deficits)**

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

***Governmental Activities***

Net investment in capital assets	
Land	\$ 950,414
Construction in progress	1,680,770
Other capital assets, net of accumulated depreciation	<u>79,867,492</u>
	82,498,676
Less: related long-term debt outstanding	(36,332,280)
Add: Loss on refunding	33,197
Add: Unspent bond proceeds	<u>11,709,007</u>
Total net investment in capital assets	<u>57,908,600</u>
Restricted	
Debt service	501,944
Donations	92,476
Development	224,469
Pension	<u>1,709,897</u>
Total restricted	<u>2,528,786</u>
Unrestricted	<u>10,212,764</u>
Total Governmental Activities net position	<u><u>\$ 70,650,150</u></u>

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)**

**H. Net Position/Fund Balances (Deficits) (continued)**

***Business-type Activities***

Net investment in capital assets	
Land	\$ 57,223
Construction in progress	2,088,201
Other capital assets, net of accumulated depreciation	<u>80,847,933</u>
	<u>82,993,357</u>
Less: related long-term debt outstanding	(24,425,995)
Add: Loss on refunding	225,868
Add: Unspent bond proceeds	-
Total net investment in capital assets	<u>58,793,230</u>
Restricted	
Equipment replacement	358,684
Debt service	353,041
Pension	103,766
Unrestricted	<u>8,087,843</u>
 Total Business-type Activities net position	 <u>\$ 67,696,564</u>

***Governmental Funds***

Governmental fund balances reported on the fund financial statements at December 31, 2015, include the following:

Nonspendable	
Joint Parks - prepaid expenditures	\$ 290
Restricted	
Tax Increment Districts	\$ 11,709,007
Donations Fund	92,476
Impact Fee Fund	224,469
Debt Service Fund	<u>5,578</u>
Total restricted	<u>\$ 12,031,530</u>

**VILLAGE OF CALEDONIA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS** (continued)

**H. Net Position/Fund Balances (Deficits)** (continued)

**Governmental Funds** (continued)

Committed	
General Fund - health insurance	\$ 24,509
Four Mile Capital Projects Fund	162,189
Caledonia Storm Sewer District	2,568,099
Refuse	53,424
Equipment Replacement Fund - capital acquisitions	259,619
Capital Projects	639,655
Total committed	<u>\$ 3,707,495</u>
Assigned	
Joint Health	\$ 322,836
Unassigned	
General Fund	\$ 3,710,000
Recycling	(30,043)
Memorial Park Cemetery	(1,791)
Parks and Recreation	(3,495)
Joint Parks	(38,498)
Total unassigned	<u>\$ 3,636,173</u>
Total governmental fund balance	<u>\$19,698,324</u>

**NOTE 4 - OTHER INFORMATION**

**A. Employee Retirement Plans**

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, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 4 - OTHER INFORMATION** (continued)

**A. Employee Retirement Plans** (continued)

General Information about the Pension Plan (continued)

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 occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees

**VILLAGE OF CALEDONIA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 4 - OTHER INFORMATION** (continued)

**A. Employee Retirement Plans** (continued)

General Information about the 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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7.0%
2006	0.8	3.0
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0

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, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$710,670 in contributions from the employer.



**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 4 - OTHER INFORMATION** (continued)

**A. Employee Retirement Plans** (continued)

General Information about the Pension Plan (continued)

Contribution rates as of December 31, 2015 are

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executive & Elected officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the Village reported an asset of \$1,813,663 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. 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 pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the Village's proportion was 0.07383797%, which was a decrease of 0.0016922% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the Village recognized pension expense of \$722,103.

At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 262,925	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	878,263	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	45,549	-
Employer contributions subsequent to the measurement date	705,551	-
Total	<u>\$ 1,892,288</u>	<u>\$ -</u>

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 4 - OTHER INFORMATION** (continued)

**A. Employee Retirement Plans** (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The \$705,551 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2016	232,924	-
2017	232,924	-
2018	232,924	-
2019	232,924	-
2020	232,924	-
Thereafter	22,117	-

Actuarial Assumption - The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset):	December 31, 2014
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% - 5.8%
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.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 4 - OTHER INFORMATION** (continued)

**A. Employee Retirement Plans** (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 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.

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>	<u>Target Allocation</u>
US Equities	5.3%	21.0%
International Equities	5.7	23.0
Fixed Income	1.7	3.0
Inflation Sensitive Assets	2.3	20.0
Real Estate	5.2	7.0
Private Equity/Debt	0.9	7.0
Multi-Asset	3.9	6.0
Cash	0.9	(20.0)

Single Discount Rate - A single discount rate of 7.20% was used to measure the total pension liability. 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 3.56%. 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.

**VILLAGE OF CALEDONIA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 4 - OTHER INFORMATION** (continued)

**A. Employee Retirement Plans** (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) - 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 porportionate share of the net pension liability (asset)	\$ 5,116,654	\$ (1,813,663)	\$ (7,286,947)

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

Payables to the Pension Plan

The Village reported payables to WRS of \$177,170 and \$173,822, for the Village's share.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 4 - OTHER INFORMATION** (continued)

**B. Risk Management**

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

The Village has purchased commercial insurance for health insurance claims. The deductibles for a single plan, employee plus spouse plan, and family plan are \$1,000, \$2,000 and \$3,000, respectively, for a policy year. The Village reimburses employees for actual amounts of deductibles incurred. All funds of the Village participate in the risk management program. Committed fund balance at year end of \$24,509 is included in the General Fund. Effective December 31, 2012 this plan has been discontinued. Employees may continue to submit claims for deductibles incurred until all of the related fund balance has been depleted.

**C. Commitments and Contingencies**

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

The Village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

In addition to the \$5.0 million Mount Pleasant Interceptor System Agreement, signed in August 2014, the Village of Caledonia is required to reimburse the Village of Mount Pleasant 70% of the construction costs of a gravity main, not to exceed \$2,100,000. Amounts are due with 60 days of receipt of proof of payment from Mount Pleasant to the contractor. Additionally, the Village of Caledonia agrees to construct a force main to connect the Caledonia Conveyance System to the gravity main.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 4 - OTHER INFORMATION** (continued)

**D. Other Postemployment Benefits**

The Village administers a single-employer defined benefit healthcare plan. The plan provides health insurance coverage for eligible retirees and their spouses through the Village's plan. Benefit provisions are established through collective bargaining agreements and provide eligible retirees and their spouse's healthcare insurance at established contribution rates. The plan does not issue a publicly available financial report.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the Village and the union. The Village makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. For fiscal year 2015, the Village contributed \$140,587 to the plan. Plan members receiving benefits contribute 50% of their premium costs if certain longevity requirements are met or 100% of their premium costs otherwise. For fiscal year 2015, there were no member contributions. Administrative costs of the plan are financed through investment earnings.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 4 - OTHER INFORMATION** (continued)

The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the Village's net OPEB obligation.

Annual required contribution	\$ 424,795
Interest on net OPEB obligation	78,963
Adjustment to annual required contribution	<u>(138,186)</u>
Annual OPEB cost	365,572
Contributions made	<u>(140,587)</u>
Increase in net OPEB obligation (asset)	224,985
 Net OPEB Obligation - Beginning of Year	 <u>1,974,041</u>
 Net OPEB Obligation - End of Year	 <u><u>\$ 2,199,026</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding two years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2015	\$ 365,572	38.46%	\$ 2,199,026
12/31/2014	370,040	34.43%	1,974,041
12/31/2013	445,834	49.02%	1,731,421

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 4 - OTHER INFORMATION** (continued)

**D. Other Postemployment Benefits** (continued)

The funded status of the plan as of January 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 3,545,911
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 3,545,911</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 8,304,811
UAAL as a percentage of covered payroll	42.70%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 8.5% initially, reduced by decrements to an ultimate rate of 5.5% after 13 years. Both rates include a 3% inflation assumption. The actuarial value of Retiree Health plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis.



**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 5 - RESTATEMENT**

The Village adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* as of January 1, 2015. The standard revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. As a result, the Village's beginning of the year net position has been restated as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position, December 31, 2014, as previously reported	\$ 66,015,877	\$ 65,003,698
Adjustment to recognize the beginning balance of Net Pension Asset and Deferred Outflow of Resources	<u>3,482,837</u>	<u>205,608</u>
Net position, January 1, 2015, as restated	<u>\$ 69,498,714</u>	<u>\$ 65,209,306</u>
	<u>Sewer Utility</u>	<u>Water Utility</u>
Net position, December 31, 2014, as previously reported	\$ 39,265,894	\$ 25,737,804
Adjustment to recognize the beginning balance of Net Pension Asset and Deferred Outflow of Resources	<u>102,804</u>	<u>102,804</u>
Net position, January 1, 2015, as restated	<u>\$ 39,368,698</u>	<u>\$ 25,840,608</u>

This information is an integral part of the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with</b>
	<u>Original Budget</u>	<u>Final Budget</u>		<b>Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 9,171,422	\$ 9,171,422	\$ 9,171,422	\$ -
Intergovernmental	2,150,258	2,150,258	2,130,639	(19,619)
Licenses and permits	724,295	724,295	923,589	199,294
Fines, forfeitures and penalties	310,000	310,000	339,333	29,333
Public charges for services	490,400	490,400	649,513	159,113
Intergovernmental charges for services	182,500	182,500	242,297	59,797
Investment and interest income	10,000	10,000	35,058	25,058
Miscellaneous	7,600	7,600	7,574	(26)
Total revenues	<u>13,046,475</u>	<u>13,046,475</u>	<u>13,499,425</u>	<u>452,950</u>
<b>EXPENDITURES</b>				
General government	2,089,733	2,191,218	1,988,330	202,888
Public safety	8,533,717	8,535,402	8,438,653	96,749
Public works	2,392,335	2,289,165	2,203,065	86,100
Health and human services	30,690	30,690	30,690	-
Total expenditures	<u>13,046,475</u>	<u>13,046,475</u>	<u>12,660,738</u>	<u>385,737</u>
Excess (deficiency) of revenues over expenditures	-	-	838,687	838,687
<b>Other financing sources (uses)</b>				
Transfer out	-	-	(195,770)	(195,770)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(195,770)</u>	<u>(195,770)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	642,917	<u>\$ 642,917</u>
Fund balance - beginning of year			<u>3,091,592</u>	
Fund balance - end of year			<u>\$ 3,734,509</u>	

The accompanying note is an integral part of this schedule.

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Schedule of OPEB Funding Progress**  
**December 31, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll {(b-a)/c}
1/1/2008	\$ -	\$ 3,143,536	\$ 3,143,536	-	\$ 7,902,000	39.78 %
1/1/2011	-	4,294,720	4,294,720	-	7,832,569	54.83
1/1/2014	-	3,545,911	3,545,911	-	8,304,811	42.70

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Schedule of the Village's Proportionate Share of the Net Pension Liability (Asset)**  
**Wisconsin Retirement System**  
**December 31, 2015**

	<u>2015</u>
Village's proportion of the net pension liability (asset)	0.07383797%
Village's proportionate share of the net pension liability (asset)	\$ (1,813,663)
Village's covered - employee payroll	\$ 8,007,763
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Schedule of the Village's Contributions**  
**Wisconsin Retirement System**  
**December 31, 2015**

	<u>2015</u>
Contractually required contributions	\$ 710,670
Contributions in relation to the contractually required contributions	\$ 710,670
Contribution deficiency (excess)	\$ -
District's covered - employee payroll	\$ 8,007,763
Contributions as a percentage of covered - employee payroll	8.87%

**VILLAGE OF CALEDONIA, WISCONSIN**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2015**

**BUDGETARY INFORMATION**

Budgetary information is derived from the annual operating budget and is presented using accounting principles generally accepted in the United States of America and the modified accrual basis of accounting.

A budget has been adopted for the General, Special Revenue (except those noted in the following sentence), Debt Service and Capital Projects Fund (except those noted in the following sentence). Budgets have not been formally adopted for the Equipment Replacement Special Revenue Fund, Impact Fees Special Revenue Fund, and Donations Special Revenue Fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

The budgeted amounts presented include any amendments made. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the fund level of expenditure.

The Village did not exceed budget in any of the functional expenditure categories during the year ending December 31, 2015.

**WISCONSIN RETIREMENT SYSTEM**

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 CALEDONIA, WISCONSIN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2015**

	<b>Special Revenue Funds</b>						
	<b>Refuse</b>	<b>Recycling</b>	<b>Memorial Park Cemetery</b>	<b>Caledonia Storm Sewer District</b>	<b>Parks and Recreation</b>	<b>Joint Parks</b>	<b>Joint Health</b>
<b>ASSETS</b>							
Cash and investments	\$ -	\$ -	\$ 841	\$ 1,497,586	\$ -	\$ -	\$ 506,751
Tax roll receivable							
Tax levy	-	-	10,000	-	63,000	58,659	175,357
Special assessments on tax roll	-	-	-	2,369	-	-	-
Other charges on tax roll	902,649	411,940	-	1,081,932	-	-	-
Other receivables	-	-	-	570	25	-	143,174
Special assessments receivable	-	-	-	547,043	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid items and other assets	-	-	-	-	-	290	-
<b>TOTAL ASSETS</b>	<b>\$ 902,649</b>	<b>\$ 411,940</b>	<b>\$ 10,841</b>	<b>\$ 3,129,500</b>	<b>\$ 63,025</b>	<b>\$ 58,949</b>	<b>\$ 825,282</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>							
Liabilities							
Accounts payable	\$ 46	\$ 24	\$ -	\$ 9,873	\$ -	\$ -	\$ 98,179
Due to other funds	849,179	441,959	2,632	-	3,520	38,498	122,079
Unearned grant revenues	-	-	-	-	-	-	55,095
Deposits	-	-	-	2,116	-	-	-
Total liabilities	<u>849,225</u>	<u>441,983</u>	<u>2,632</u>	<u>11,989</u>	<u>3,520</u>	<u>38,498</u>	<u>327,089</u>
Deferred Inflows of Resources							
Subsequent year tax levy	-	-	10,000	-	63,000	58,659	175,357
Special assessments	-	-	-	549,412	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>549,412</u>	<u>63,000</u>	<u>58,659</u>	<u>175,357</u>
Fund Balances (Deficit)							
Nonspendable	-	-	-	-	-	290	-
Restricted	-	-	-	-	-	-	-
Committed	53,424	-	-	2,568,099	-	-	-
Assigned	-	-	-	-	-	-	322,836
Unassigned	-	(30,043)	(1,791)	-	(3,495)	(38,498)	-
Total fund balances (deficit)	<u>53,424</u>	<u>(30,043)</u>	<u>(1,791)</u>	<u>2,568,099</u>	<u>(3,495)</u>	<u>(38,208)</u>	<u>322,836</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 902,649</b>	<b>\$ 411,940</b>	<b>\$ 10,841</b>	<b>\$ 3,129,500</b>	<b>\$ 63,025</b>	<b>\$ 58,949</b>	<b>\$ 825,282</b>

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**December 31, 2015**

	<u>Special Revenue Funds</u>					<b>Total Nonmajor Governmental Funds</b>
	<b>Equipment Replacement</b>	<b>Donations</b>	<b>Impact Fees</b>	<b>Debt Service Fund</b>	<b>Capital Projects</b>	
<b>ASSETS</b>						
Cash and investments	\$ 259,619	\$ 10,230	\$ 224,469	\$ -	\$ -	\$ 2,499,496
Tax roll receivable						
Tax levy	-	-	-	1,416,000	1,160,640	2,883,656
Special assessments on tax roll	-	-	-	27,056	-	29,425
Other charges on tax roll	-	-	-	-	-	2,396,521
Other receivables	-	-	-	-	-	143,769
Special assessments receivable	-	-	-	193,684	-	740,727
Due from other funds	-	82,246	-	5,578	658,215	746,039
Prepaid items and other assets	-	-	-	-	-	290
<b>TOTAL ASSETS</b>	<b>\$ 259,619</b>	<b>\$ 92,476</b>	<b>\$ 224,469</b>	<b>\$ 1,642,318</b>	<b>\$ 1,818,855</b>	<b>\$ 9,439,923</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 18,560	\$ 126,682
Due to other funds	-	-	-	-	-	1,457,867
Unearned grant revenues	-	-	-	-	-	55,095
Deposits	-	-	-	-	-	2,116
Total liabilities	-	-	-	-	18,560	1,693,496
Deferred Inflows of Resources						
Subsequent year tax levy	-	-	-	1,416,000	1,160,640	2,883,656
Special assessments	-	-	-	220,740	-	770,152
Total deferred inflows	-	-	-	1,636,740	1,160,640	3,653,808
Fund Balances (Deficit)						
Nonspendable	-	-	-	-	-	290
Restricted	-	92,476	224,469	5,578	-	322,523
Committed	259,619	-	-	-	639,655	3,520,797
Assigned	-	-	-	-	-	322,836
Unassigned	-	-	-	-	-	(73,827)
Total fund balances (deficit)	259,619	92,476	224,469	5,578	639,655	4,092,619
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 259,619</b>	<b>\$ 92,476</b>	<b>\$ 224,469</b>	<b>\$ 1,642,318</b>	<b>\$ 1,818,855</b>	<b>\$ 9,439,923</b>



**VILLAGE OF CALEDONIA, WISCONSIN**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2015**

	<b>Special Revenue Funds</b>						
	<b>Refuse</b>	<b>Recycling</b>	<b>Memorial Park Cemetery</b>	<b>Caledonia Storm Sewer District</b>	<b>Parks and Recreation</b>	<b>Joint Parks</b>	<b>Joint Health</b>
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ 8,000	\$ -	\$ 50,000	\$ 58,659	\$ 173,662
Special assessments	-	-	-	261,147	-	-	-
Intergovernmental	-	61,128	-	-	-	-	893,406
Licenses and permits	-	-	-	-	-	-	213,840
Public charges for services	902,451	411,850	300	1,008,306	8,258	-	74,110
Intergovernmental charges for services	-	-	-	-	-	58,659	612,460
Investment and interest income	-	-	27	1,266	-	-	-
Miscellaneous	-	2,056	-	-	-	12,453	14,506
Total revenues	<u>902,451</u>	<u>475,034</u>	<u>8,327</u>	<u>1,270,719</u>	<u>58,258</u>	<u>129,771</u>	<u>1,981,984</u>
<b>EXPENDITURES</b>							
Current							
Public safety	-	-	-	-	-	-	-
Public works	910,933	475,283	-	335,653	-	-	-
Health and human services	-	-	12,026	-	-	-	1,921,480
Culture, recreation and education	-	-	-	-	65,475	129,780	-
Capital outlay	-	-	-	82,768	-	21,154	-
Debt service							
Principal	-	-	-	260,000	-	-	-
Interest and fiscal charges	-	-	-	55,600	-	-	-
Debt issuance costs	-	-	-	-	-	-	-
Total expenditures	<u>910,933</u>	<u>475,283</u>	<u>12,026</u>	<u>734,021</u>	<u>65,475</u>	<u>150,934</u>	<u>1,921,480</u>
Excess (deficiency) of revenues over expenditures	<u>(8,482)</u>	<u>(249)</u>	<u>(3,699)</u>	<u>536,698</u>	<u>(7,217)</u>	<u>(21,163)</u>	<u>60,504</u>
<b>OTHER FINANCING SOURCES</b>							
Proceeds from the sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(8,482)	(249)	(3,699)	536,698	(7,217)	(21,163)	60,504
Fund balances (deficit) - beginning of year	<u>61,906</u>	<u>(29,794)</u>	<u>1,908</u>	<u>2,031,401</u>	<u>3,722</u>	<u>(17,045)</u>	<u>262,332</u>
Fund balances (deficit) - end of year	<u>\$ 53,424</u>	<u>\$ (30,043)</u>	<u>\$ (1,791)</u>	<u>\$ 2,568,099</u>	<u>\$ (3,495)</u>	<u>\$ (38,208)</u>	<u>\$ 322,836</u>

**VILLAGE OF CALEDONIA, WISCONSIN**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**Year Ended December 31, 2015**

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Equipment Replacement</u>	<u>Donations</u>	<u>Impact Fees</u>			
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ 1,406,737	\$ 1,037,050	\$ 2,734,108
Special assessments	-	-	-	37,984	-	299,131
Intergovernmental	-	-	-	-	58,853	1,013,387
Licenses and permits	-	-	-	-	-	213,840
Public charges for services	-	-	47,268	-	-	2,452,543
Intergovernmental charges for services	-	-	-	-	-	671,119
Investment and interest income	338	-	-	-	-	1,631
Miscellaneous	-	3,509	-	-	523,312	555,836
Total revenues	<u>338</u>	<u>3,509</u>	<u>47,268</u>	<u>1,444,721</u>	<u>1,619,215</u>	<u>7,941,595</u>
<b>EXPENDITURES</b>						
Current						
Public safety	-	6,311	-	-	-	6,311
Public works	-	-	-	-	-	1,721,869
Health and human services	-	-	-	-	-	1,933,506
Culture, recreation and education	-	-	-	-	-	195,255
Capital outlay	-	-	-	-	1,325,337	1,429,259
Debt service						
Principal	-	-	-	1,231,906	-	1,491,906
Interest and fiscal charges	-	-	-	235,612	-	291,212
Debt issuance costs	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>6,311</u>	<u>-</u>	<u>1,467,518</u>	<u>1,325,337</u>	<u>7,069,318</u>
Excess (deficiency) of revenues over expenditures	<u>338</u>	<u>(2,802)</u>	<u>47,268</u>	<u>(22,797)</u>	<u>293,878</u>	<u>872,277</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from the sale of capital assets	4,405	-	-	-	-	4,405
Transfers in	-	-	-	-	195,770	195,770
Total other financing sources (uses)	<u>4,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,770</u>	<u>200,175</u>
Net change in fund balances	4,743	(2,802)	47,268	(22,797)	489,648	1,072,452
Fund balances (deficit) - beginning of year	<u>254,876</u>	<u>95,278</u>	<u>177,201</u>	<u>28,375</u>	<u>150,007</u>	<u>3,020,167</u>
Fund balances (deficit) - end of year	<u>\$ 259,619</u>	<u>\$ 92,476</u>	<u>\$ 224,469</u>	<u>\$ 5,578</u>	<u>\$ 639,655</u>	<u>\$ 4,092,619</u>