

VILLAGE OF CALEDONIA, WISCONSIN
Caledonia, Wisconsin

FINANCIAL STATEMENTS
December 31, 2014

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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, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and post employment benefit schedule of funding progress, 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.

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
May 21, 2015

BASIC FINANCIAL STATEMENTS

VILLAGE OF CALEDONIA, WISCONSIN
Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 12,415,753	\$ 5,017,360	\$ 17,433,113
Receivables (net)	22,053,911	5,062,280	27,116,191
Internal balances	(247,444)	247,444	-
Prepaid items	187,541	-	187,541
Restricted assets			
Cash and cash equivalents	-	1,273,252	1,273,252
Capital assets			
Land	754,648	57,223	811,871
Construction in process	73,966	2,094,876	2,168,842
Other capital assets	122,788,938	105,722,238	228,511,176
Less: accumulated depreciation	(49,166,661)	(24,502,545)	(73,669,206)
Total assets	108,860,652	94,972,128	203,832,780
Deferred outflows of resources			
Unamortized treatment facility	-	6,264,167	6,264,167
Loss on refunding	38,439	258,821	297,260
Total deferred outflows	38,439	6,522,988	6,561,427
Liabilities			
Accounts payable and accrued expenses	763,011	1,795,900	2,558,911
Accrued interest payable	165,280	110,821	276,101
Deposits	279,523	-	279,523
Unearned grant revenues	8,686	-	8,686
Liabilities payable from restricted assets			
Current portion of revenue bonds	-	384,703	384,703
Accrued interest	-	59,699	59,699
Noncurrent liabilities			
Due within one year	2,166,616	1,932,797	4,099,413
Due in more than one year	27,486,860	30,824,789	58,311,649
Total liabilities	30,869,976	35,108,709	65,978,685
Deferred inflows of resources			
Subsequent year tax levy	12,013,238	1,382,709	13,395,947
Net Position			
Net investment in capital assets	58,295,801	58,259,247	116,555,048
Restricted for			
Equipment replacement	-	284,433	284,433
Debt service	897,269	483,150	1,380,419
Donations	95,278	-	95,278
Development	8,128,150	-	8,128,150
Unrestricted	(1,400,621)	5,976,868	4,576,247
TOTAL NET POSITION	\$ 66,015,877	\$ 65,003,698	\$ 131,019,575

The accompanying notes are an integral part of this statement.

VILLAGE OF CALEDONIA, WISCONSIN
Statement of Activities
Year Ended December 31, 2014

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	\$ 1,973,124	\$ 713,287	\$ 22,130	\$ -	\$ (1,237,707)	\$ -	\$ (1,237,707)
Public safety	8,863,643	1,031,075	136,196	-	(7,696,372)	-	(7,696,372)
Public works	7,449,781	3,149,627	935,451	8,954	(3,355,749)	-	(3,355,749)
Health and human services	1,516,066	520,208	709,323	-	(286,535)	-	(286,535)
Culture, education and recreation	188,968	102,130	-	-	(86,838)	-	(86,838)
Interest and fiscal charges	653,553	-	-	-	(653,553)	-	(653,553)
Total governmental activities	<u>20,645,135</u>	<u>5,516,327</u>	<u>1,803,100</u>	<u>8,954</u>	<u>(13,316,754)</u>	<u>-</u>	<u>(13,316,754)</u>
Business-type activities							
Sewer Utility	6,101,659	5,660,188	-	7,638	-	(433,833)	(433,833)
Water Utility	4,480,202	3,425,919	-	110,741	-	(943,542)	(943,542)
Total business-type activities	<u>10,581,861</u>	<u>9,086,107</u>	<u>-</u>	<u>118,379</u>	<u>-</u>	<u>(1,377,375)</u>	<u>(1,377,375)</u>
TOTAL	\$ 31,226,996	\$ 14,602,434	\$ 1,803,100	\$ 127,333	(13,316,754)	(1,377,375)	(14,694,129)
General revenues							
Taxes							
Property taxes, levied for general purposes					10,426,638	1,480,290	11,906,928
Property taxes, levied for debt services					1,385,172	-	1,385,172
Property taxes, levied for tax increment districts					78,396	-	78,396
Intergovernmental revenues not restricted to specific programs					877,727	-	877,727
Investment income					469,805	18,145	487,950
Gain on the sale of capital assets					-	37,375	37,375
Miscellaneous					786,084	13,355	799,439
Total general revenues					<u>14,023,822</u>	<u>1,549,165</u>	<u>15,572,987</u>
Transfers					(262,678)	262,678	-
Change in net position					444,390	434,468	878,858
Net position - beginning of year					<u>65,571,487</u>	<u>64,569,230</u>	<u>130,140,717</u>
Net position - end of year					<u>\$ 66,015,877</u>	<u>\$ 65,003,698</u>	<u>\$ 131,019,575</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF CALEDONIA, WISCONSIN
Balance Sheet - Governmental Funds
December 31, 2014

	General Fund	Four Mile Capital Projects Fund	Tax Increment Districts	Nonmajor Governmental Funds	Total
Assets					
Cash and investments	\$ 2,555,858	\$ 216,351	\$ 7,951,919	\$ 1,691,625	\$ 12,415,753
Receivables					
Tax roll receivable					
Tax levy	9,171,422	-	107,708	2,734,108	12,013,238
Special assessments on tax roll	-	-	-	123,090	123,090
Other charges on tax roll	51,418	-	-	2,229,725	2,281,143
Accounts	236,168	6,321,732	-	114,778	6,672,678
Special assessments	14,253	-	-	911,084	925,337
Delinquent personal property taxes	38,425	-	-	-	38,425
Due from other funds	1,255,539	-	4,699	311,370	1,571,608
Prepaid items	186,861	-	-	680	187,541
TOTAL ASSETS	\$ 13,509,944	\$ 6,538,083	\$ 8,064,326	\$ 8,116,460	\$ 36,228,813
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities					
Accounts payable	\$ 177,555	\$ 55,436	\$ -	\$ 51,001	\$ 283,992
Accrued payroll	264,549	-	-	31,572	296,121
Accrued liabilities	182,898	-	-	-	182,898
Due to other funds	316,069	-	268,347	1,234,636	1,819,052
Unearned grant revenues	-	-	-	8,686	8,686
Deposits	277,407	-	-	2,116	279,523
Total liabilities	<u>1,218,478</u>	<u>55,436</u>	<u>268,347</u>	<u>1,328,011</u>	<u>2,870,272</u>
Deferred Inflows of Resources					
Subsequent year tax levy	9,171,422	-	107,708	2,734,108	12,013,238
Special assessments	14,253	-	-	1,034,174	1,048,427
Long-term receivables	-	6,321,732	-	-	6,321,732
Other receivables	14,199	-	-	-	14,199
Total deferred inflows	<u>9,199,874</u>	<u>6,321,732</u>	<u>107,708</u>	<u>3,768,282</u>	<u>19,397,596</u>
Fund Balances (Deficit)					
Nonspendable	186,861	-	-	680	187,541
Restricted	-	-	7,688,271	300,854	7,989,125
Committed	57,494	160,915	-	2,503,820	2,722,229
Assigned	195,657	-	-	262,332	457,989
Unassigned	2,651,580	-	-	(47,519)	2,604,061
Total fund balances (deficit)	<u>3,091,592</u>	<u>160,915</u>	<u>7,688,271</u>	<u>3,020,167</u>	<u>13,960,945</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$13,509,944	\$ 6,538,083	\$ 8,064,326	\$ 8,116,460	\$ 36,228,813

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, 2014

Total fund balances - governmental funds \$ 13,960,945

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	754,648
Construction in progress	73,966
Other capital assets	122,788,938
Less: accumulated depreciation	(49,166,661)

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	1,048,427
Long-term receivables	6,321,732
Other receivables	14,199

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	(27,333,675)
Premium on long-term debt	(202,882)
Unamortized loss on refunding	38,439
Compensated absences	(258,259)
Accrued interest	(165,280)
Net OPEB obligation	<u>(1,858,660)</u>

NET POSITION OF GOVERNMENT ACTIVITIES \$ 66,015,877

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, 2014

	General Fund	Four Mile Capital Projects Fund	Tax Increment Districts	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 9,155,856	\$ -	\$ 78,396	\$ 2,655,954	\$ 11,890,206
Special assessments	-	-	-	226,745	226,745
Intergovernmental	1,959,526	-	22,130	770,552	2,752,208
Licenses and permits	784,885	-	-	113,070	897,955
Fines, forfeitures and penalties	321,015	-	-	-	321,015
Public charges for services	553,900	-	-	2,381,558	2,935,458
Intergovernmental charges for services	187,854	-	-	364,973	552,827
Capital grants	-	245,420	-	-	245,420
Investment and interest income	80,038	381,127	-	8,562	469,727
Miscellaneous	3,093	226,542	-	559,827	789,462
Total revenues	<u>13,046,167</u>	<u>853,089</u>	<u>100,526</u>	<u>7,081,241</u>	<u>21,081,023</u>
Expenditures					
Current					
General government	1,827,958	-	-	-	1,827,958
Public safety	8,404,744	-	-	2,176	8,406,920
Public works	2,286,469	-	-	1,654,466	3,940,935
Health and human services	21,908	-	-	1,384,756	1,406,664
Parks and recreation	-	-	-	176,570	176,570
Capital outlay	-	616,650	452,768	1,296,561	2,365,979
Debt service					
Principal	-	375,000	-	1,195,000	1,570,000
Interest and fiscal charges	-	200,431	-	291,031	491,462
Debt issuance costs	-	-	79,820	41,097	120,917
Total expenditures	<u>12,541,079</u>	<u>1,192,081</u>	<u>532,588</u>	<u>6,041,657</u>	<u>20,307,405</u>
Excess (deficiency) of revenues over expenditures	<u>505,088</u>	<u>(338,992)</u>	<u>(432,062)</u>	<u>1,039,584</u>	<u>773,618</u>
Other financing sources (uses)					
Long-term debt issued	-	-	8,250,000	1,735,000	9,985,000
Premium on long-term debt issued	-	-	112,110	-	112,110
Transfer in	-	-	-	417,536	417,536
Transfer out	(417,536)	-	-	-	(417,536)
Total other financing sources (uses)	<u>(417,536)</u>	<u>-</u>	<u>8,362,110</u>	<u>2,152,536</u>	<u>10,097,110</u>
Net change in fund balances	87,552	(338,992)	7,930,048	3,192,120	10,870,728
Fund balances - beginning of year	<u>3,004,040</u>	<u>499,907</u>	<u>(241,777)</u>	<u>(171,953)</u>	<u>3,090,217</u>
Fund balances - end 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>

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 \$ 10,870,728

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	1,089,892
Depreciation	(3,009,382)

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

Special Assessments	583,447
Long-term receivable	(326,466)
Other receivable	14,199

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	1,570,000
Long-term debt issued	(9,985,000)

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	7,807
Accrued interest on debt	(48,035)
Net OPEB obligation	(217,551)

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	(112,110)
Amortization of loss on refunding	(5,242)
Amortization of debt premium and discount	<u>12,103</u>

Change in net position of governmental activities \$ 444,390

The accompanying notes are an integral part of this statement.

VILLAGE OF CALEDONIA, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2014

	Business-type Activities - Enterprise		
	Sewer Utility	Water Utility	Totals
ASSETS			
Current			
Cash and investments	4,268,439	748,921	\$ 5,017,360
Accounts receivable	1,617,423	1,000,787	2,618,210
Other accounts receivable	1,181	-	1,181
Tax roll receivable			
Tax levy	562,436	820,273	1,382,709
Special assessments on tax roll	-	27,699	27,699
Delinquent receivables on tax roll	596,370	370,926	967,296
Due from other funds	35,468	253,094	288,562
Total current assets	<u>7,081,317</u>	<u>3,221,700</u>	<u>10,303,017</u>
Noncurrent assets			
Restricted assets - cash and investments	693,429	579,823	1,273,252
Capital assets			
Land	34,764	22,459	57,223
Construction in progress	1,026,542	1,068,334	2,094,876
Other capital assets	63,270,499	42,451,739	105,722,238
Less: accumulated depreciation	(14,664,459)	(9,838,086)	(24,502,545)
Other assets			
Special assessments	41,075	24,110	65,185
Total noncurrent assets	<u>50,401,850</u>	<u>34,308,379</u>	<u>84,710,229</u>
Total assets	<u>57,483,167</u>	<u>37,530,079</u>	<u>95,013,246</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized treatment facility	6,264,167	-	6,264,167
Loss on refunding	104,613	154,208	258,821
Total deferred outflows	<u>6,368,780</u>	<u>154,208</u>	<u>6,522,988</u>
LIABILITIES			
Current liabilities			
Accounts payable	914,354	871,993	1,786,347
Accrued payroll	4,756	4,797	9,553
Accrued interest	79,256	31,565	110,821
Due to other funds	33,501	7,617	41,118
Current portion of general obligation debt	388,889	695,000	1,083,889
Current portion of Racine Clean Water Fund Loans	848,908	-	848,908
Liabilities payable from restricted assets			
Current portion of revenue bonds	384,703	-	384,703
Accrued interest	26,247	33,452	59,699
Total current liabilities	<u>2,680,614</u>	<u>1,644,424</u>	<u>4,325,038</u>
Noncurrent liabilities			
Long-term debt			
General obligation	6,334,933	3,915,720	10,250,653
Revenue bonds	8,324,270	5,515,000	13,839,270
Racine Clean Water Fund Loans	6,619,485	-	6,619,485
Net OPEB obligation	64,315	51,066	115,381
Total noncurrent liabilities	<u>21,343,003</u>	<u>9,481,786</u>	<u>30,824,789</u>
Total liabilities	<u>24,023,617</u>	<u>11,126,210</u>	<u>35,149,827</u>
DEFERRED INFLOWS OF RESOURCES			
Subsequent years tax levy	562,436	820,273	1,382,709
NET POSITION			
Invested in capital assets, net of related debt	34,234,551	24,024,696	58,259,247
Restricted	667,182	100,401	767,583
Unrestricted	4,364,161	1,612,707	5,976,868
TOTAL NET POSITION	<u>\$ 39,265,894</u>	<u>\$ 25,737,804</u>	<u>\$ 65,003,698</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, 2014

	Business-type Activities - Enterprise		
	Sewer Utility	Water Utility	Totals
OPERATING REVENUES			
Public charges for services	\$ 5,660,188	\$ 3,425,919	\$ 9,086,107
OPERATING EXPENSES			
Operation and maintenance	3,423,467	2,929,088	6,352,555
Depreciation	1,196,603	800,950	1,997,553
Amortization expense	804,420	-	804,420
Taxes	18,788	33,517	52,305
Total operating expenses	<u>5,443,278</u>	<u>3,763,555</u>	<u>9,206,833</u>
Operating income	<u>216,910</u>	<u>(337,636)</u>	<u>(120,726)</u>
NONOPERATING REVENUES (EXPENSES)			
Property taxes levied	567,285	913,005	1,480,290
Interest income	13,763	4,382	18,145
Interest expense	(658,381)	(344,864)	(1,003,245)
Gain\Loss) on disposal of assets	37,375	(371,783)	(334,408)
Miscellaneous	12,976	379	13,355
Total nonoperating revenues (expenses)	<u>(26,982)</u>	<u>201,119</u>	<u>174,137</u>
Income before contributions and transfers	<u>189,928</u>	<u>(136,517)</u>	<u>53,411</u>
CAPITAL CONTRIBUTIONS			
Village Tax Increment District	35,468	227,210	262,678
Special assessments	7,638	65,791	73,429
Impact fees	-	44,950	44,950
Total capital contributions	<u>43,106</u>	<u>337,951</u>	<u>381,057</u>
Change in net position	233,034	201,434	434,468
Net position - beginning of year	<u>39,032,860</u>	<u>25,536,370</u>	<u>64,569,230</u>
Net position - end of year	<u>\$ 39,265,894</u>	<u>\$ 25,737,804</u>	<u>\$ 65,003,698</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, 2014

	Business-type Activities - Enterprise		
	Sewer Utility	Water Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 5,507,716	\$ 3,295,853	\$ 8,803,569
Paid to suppliers for goods and services	(3,110,168)	(2,813,938)	(5,924,106)
Paid to employees for services	(241,780)	(241,436)	(483,216)
Paid to other funds	<u>(24,016)</u>	<u>(19,298)</u>	<u>(43,314)</u>
Net cash provided by operating activities	<u>2,131,752</u>	<u>221,181</u>	<u>2,352,933</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Taxes	567,285	913,005	1,480,290
Miscellaneous	<u>12,976</u>	<u>379</u>	<u>13,355</u>
Net cash provided by noncapital financing activities	<u>580,261</u>	<u>913,384</u>	<u>1,493,645</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,149,015)	(948,596)	(2,097,611)
Proceeds from the sale of capital assets	37,375	14,123	51,498
Debt issued	40,897	-	40,897
Debt retired	(1,577,760)	(955,000)	(2,532,760)
Interest and other fiscal charges paid	(648,855)	(361,738)	(1,010,593)
Impact fees	-	65,791	65,791
Special assessments received	<u>8,698</u>	<u>57,067</u>	<u>65,765</u>
Net cash provided by (used in) capital and related financing activities	<u>(3,288,660)</u>	<u>(2,128,353)</u>	<u>(5,417,013)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>13,763</u>	<u>4,382</u>	<u>18,145</u>
Net increase (decrease) in cash and cash equivalents	(562,884)	(989,406)	(1,552,290)
Cash and cash equivalents - beginning of year	<u>5,524,752</u>	<u>2,318,150</u>	<u>7,842,902</u>
Cash and cash equivalents - end of year	<u>\$ 4,961,868</u>	<u>\$ 1,328,744</u>	<u>\$ 6,290,612</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, 2014

	Business-type Activities - Enterprise		
	Sewer Utility	Water Utility	Totals
RECONCILIATION OF OPERATING INCOME			
TO NET CASH FLOWS FROM			
OPERATING ACTIVITIES			
Operating income	\$ 216,910	\$ (337,636)	\$ (120,726)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	1,196,603	800,950	1,997,553
Amortization	804,420	-	804,420
Changes in assets and liabilities			
Accounts receivable	(152,472)	(130,066)	(282,538)
Accounts payable	80,919	(102,183)	(21,264)
Net OPEB obligation	12,542	12,527	25,069
Due to other funds	(24,016)	(19,298)	(43,314)
Accrued expenses	(3,154)	(3,113)	(6,267)
Net cash provided by operating activities	\$ 2,131,752	\$ 221,181	\$ 2,352,933
RECONCILIATION OF CASH AND CASH			
EQUIVALENTS TO THE STATEMENT OF			
NET POSITION - PROPRIETARY FUNDS			
Cash and investments	\$ 4,268,439	\$ 748,921	\$ 5,017,360
Restricted cash and cash equivalents	693,429	579,823	1,273,252
CASH AND CASH EQUIVALENTS	\$ 4,961,868	\$ 1,328,744	\$ 6,290,612

The accompanying notes are an integral part of this statement.

VILLAGE OF CALEDONIA, WISCONSIN
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2014

	<u>Tax Collection Agency Fund</u>
ASSETS	
Cash and investments	\$ 21,103,771
Taxes receivable	<u>20,861,335</u>
TOTAL ASSETS	<u><u>\$ 41,965,106</u></u>
LIABILITIES	
Due to other taxing units	<u><u>\$ 41,965,106</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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).

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.

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.

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Government-Wide Financial Statements (continued)

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.

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.

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

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.

Capital Projects
Tax Increment Districts

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, 2014

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, 2014

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, 2014

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, 2014

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, 2014, 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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Receivables (continued)

Property tax calendar - 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax deed - 2014 delinquent real estate taxes	October 2017

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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Fund Financial Statements

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

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net position.

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.

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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, 2014

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 Project Fund. Budgets have not been formally adopted for the Four Mile, Tax Increment District Capital Projects Fund, Equipment Replacement, Impact Fees, and Donations Special Revenue Funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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, 2014.

B. Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. As of December 31, 2014, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Revenue Funds		
Recycling	\$ 29,794	Expenditures exceeded revenues in current year
Joint Parks	<u>17,045</u>	Long-term deficit due to expenditures exceeding revenues
Total deficit fund balance	<u><u>46,839</u></u>	

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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	\$ 3,582	\$ -
Deposits		
Demand deposits	24,907,006	23,067,706
Certificates of deposit	<u>8,539,365</u>	<u>8,534,000</u>
Total deposits	<u>33,446,371</u>	<u>31,601,706</u>
Investments		
Local Government Investment Pool (LGIP)	5,144,591	5,144,594
US Agency Securities	<u>1,215,592</u>	<u>1,215,592</u>
Total investments	<u>6,360,183</u>	<u>6,360,186</u>
Total deposits and investments	<u>\$ 39,810,136</u>	<u>\$ 37,961,892</u>
Reconciliation to financial statements		
Per statement of net position		
Unrestricted cash and investments	\$ 17,433,113	
Restricted cash and investments	1,273,252	
Per statement of fiduciary net assets -		
Agency Fund	<u>21,103,771</u>	
Total deposits and investments	<u>\$ 39,810,136</u>	

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014, 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:

	Financial Institution Balances	Uninsured Uncollateralized Balances
Statement of net position		
Governmental Activities	\$ 8,131,696	\$ -
Business Type Activities	4,800,015	943,869
Statement of fiduciary assets		
Agency fund	18,669,995	391,903
Total Village Balances	\$ 31,601,706	\$ 1,335,772

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, 2014, none of the Village's investment balance of \$6,360,186 was exposed to custodial credit risk as uninsured and uncollateralized.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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, 2014, the Village's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Months)</u>	<u>S&P Rating</u>
Local Government Investment Pool	\$ 5,144,591	3.90	Unrated
US Agency Securities	<u>1,215,592</u>	49.83	AA+
Total investments	<u>\$ 6,360,183</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 \$6,321,732 of accounts receivable, and \$1,048,427 of special assessment receivables. All amounts reported in the proprietary funds are expected to be collected within one year except for \$65,185 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	\$ -	\$ 12,013,238	\$ 12,013,238
Special assessments	1,048,427	-	1,048,427
Receivable for construction	6,321,732	-	6,321,732
Other receivables	<u>14,199</u>	<u>-</u>	<u>14,199</u>
Total deferred inflows	<u>\$ 7,384,358</u>	<u>\$ 12,013,238</u>	<u>\$ 19,397,596</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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:

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Totals</u>
Equipment replacement fund	\$ 284,433	\$ -	\$ 284,433
Revenue bond reserve fund	-	445,970	445,970
Revenue bond debt service fund	<u>408,996</u>	<u>133,853</u>	<u>542,849</u>
Total restricted assets	<u>\$ 693,429</u>	<u>\$ 579,823</u>	<u>\$ 1,273,252</u>

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

E. Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 754,648	\$ -	\$ -	\$ 754,648
Construction in progress	12,046,851	706,815	12,679,700	73,966
Total capital assets, not being depreciated	<u>12,801,499</u>	<u>706,815</u>	<u>12,679,700</u>	<u>828,614</u>
Capital assets being depreciated				
Buildings	2,594,473	608,930	-	3,203,403
Machinery and equipment	9,561,330	385,975	22,696	9,924,609
Roads	83,270,224	9,183,613	-	92,453,837
Storm sewers	12,981,891	2,884,259	-	15,866,150
Bridges	1,340,939	-	-	1,340,939
Total capital assets being depreciated	<u>109,748,857</u>	<u>13,062,777</u>	<u>22,696</u>	<u>122,788,938</u>
Accumulated depreciation				
Buildings	971,271	96,982	-	1,068,253
Machinery and equipment	5,743,253	625,087	22,696	6,345,644
Roads	33,736,438	1,857,064	-	35,593,502
Storm sewers	5,444,081	409,166	-	5,853,247
Bridges	284,932	21,083	-	306,015
Total accumulated depreciation	<u>46,179,975</u>	<u>3,009,382</u>	<u>22,696</u>	<u>49,166,661</u>
Net capital assets being depreciated	<u>63,568,882</u>	<u>10,053,395</u>	<u>-</u>	<u>73,622,277</u>
Total Governmental Activities capital assets, net of accumulated depreciation	<u>\$ 76,370,381</u>	<u>\$ 10,760,210</u>	<u>\$ 12,679,700</u>	<u>\$ 74,450,891</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 132,802
Public safety	313,537
Public works, which includes depreciation of infrastructure	2,464,809
Health and human services	85,836
Park and recreation	<u>12,398</u>
Total Governmental Activities	<u>\$ 3,009,382</u>

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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>
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 57,223	\$ -	\$ -	\$ 57,223
Construction in progress	<u>1,774,043</u>	<u>813,990</u>	<u>493,157</u>	<u>2,094,876</u>
Total capital assets not being depreciated	1,831,266	813,990	493,157	2,152,099
Capital assets being depreciated				
Water treatment plant	463,890	-	-	463,890
Transmission and distribution plant	41,244,844	234,271	-	41,479,115
Water general plant	464,200	58,658	14,125	508,733
Collection system plant	60,872,476	282,091	-	61,154,567
Collection system pumping plant	1,336,367	-	-	1,336,367
Sewer general plant	<u>478,823</u>	<u>338,118</u>	<u>37,375</u>	<u>779,566</u>
Total capital assets being depreciated	<u>104,860,600</u>	<u>913,138</u>	<u>51,500</u>	<u>105,722,238</u>
Accumulated depreciation				
Source of supply plant	-	-	-	-
Water treatment plant	284,160	20,023	-	304,183
Transmission and distribution plant	8,401,633	747,771	-	9,149,404
Water general plant	365,468	33,156	14,125	384,499
Collection system plant	12,212,278	1,159,256	-	13,371,534
Collection system pumping plant	911,776	25,606	-	937,382
Sewer general plant	<u>381,177</u>	<u>11,741</u>	<u>37,375</u>	<u>355,543</u>
Total accumulated depreciation	<u>22,556,492</u>	<u>1,997,553</u>	<u>51,500</u>	<u>24,502,545</u>
Net capital assets being depreciated	<u>82,304,108</u>	<u>(1,084,415)</u>	<u>-</u>	<u>81,219,693</u>
Total Business-type Activities capital assets, net of accumulated depreciation	<u>\$ 84,135,374</u>	<u>\$ (270,425)</u>	<u>\$ 493,157</u>	<u>\$ 83,371,792</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Sewer	\$ 1,196,603
Water	<u>800,950</u>
 Total Business-type Activities	 <u>\$ 1,997,553</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Refuse Fund	\$ 800,838
General Fund	Recycling Fund	390,590
General Fund	Tax Increment Districts	5,669
General Fund	Cemetery	25,483
General Fund	Joint Parks	17,725
		<u>1,240,305</u>
Capital Projects	General fund	191,927
Donations Fund	General fund	85,247
Debt Service	General fund	28,375
Caledonia Storm Sewerage District	General fund	5,821
Tax Increment Districts	General fund	4,699
Total governmental funds		<u>1,556,374</u>
Governmental and Business Type Funds		
General Fund	Water	7,617
General Fund	Sewer	7,617
Sewer	Tax Increment Districts	35,468
Water	Tax Increment Districts	227,210
Total Governmental and Business		<u>277,912</u>
Total governmental and business type funds		<u>\$ 1,834,286</u>
Business Type Funds		
Water	Sewer	<u>\$ 25,884</u>
Total business type interfund receivables		<u>\$ 25,884</u>

All amounts are due within one year.

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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>
General Fund	Racine Cap Projects	\$ 380,373
General Fund	Debt Service	18,171
General Fund	Capital Projects	11,502
General Fund	Parks and Recreation	4,585
General Fund	Joint Parks	2,905
Total governmental fund transfers		<u>\$ 417,536</u>

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

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

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

G. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
General obligation debt					
Bonds and notes payable	\$ 18,918,675	\$ 9,985,000	\$ 1,570,000	\$ 27,333,675	\$ 1,891,906
Debt premium (discount)	<u>102,875</u>	<u>112,110</u>	<u>12,103</u>	<u>202,882</u>	<u>16,451</u>
Total general obligation debt	<u>19,021,550</u>	<u>10,097,110</u>	<u>1,582,103</u>	<u>27,536,557</u>	<u>1,908,357</u>
Other Liabilities					
Accumulated sick leave	86,053	244,002	239,795	90,260	90,260
Accumulated vacation	49,978	544,079	537,966	56,091	56,091
Accumulated compensatory time	130,035	344,230	362,357	111,908	111,908
Net OPEB obligation	<u>1,641,109</u>	<u>344,971</u>	<u>127,420</u>	<u>1,858,660</u>	<u>-</u>
Total other liabilities	<u>1,907,175</u>	<u>1,477,282</u>	<u>1,267,538</u>	<u>2,116,919</u>	<u>258,259</u>
Total Governmental Activities long-term liabilities	<u>\$ 20,928,725</u>	<u>\$ 11,574,392</u>	<u>\$ 2,849,641</u>	<u>\$ 29,653,476</u>	<u>\$ 2,166,616</u>
Business-Type Activities					
Long-term debt					
General obligation debt	\$ 12,547,368	\$ -	\$ 1,332,495	\$ 11,214,873	\$ 1,083,889
Revenue bonds	<u>14,557,939</u>	<u>40,897</u>	<u>374,863</u>	<u>14,223,973</u>	<u>384,703</u>
Subtotal	27,105,307	40,897	1,707,358	25,438,846	1,468,592
Bond premium (discount)	<u>129,427</u>	<u>-</u>	<u>9,758</u>	<u>119,669</u>	<u>-</u>
Total long-term debt	<u>27,234,734</u>	<u>40,897</u>	<u>1,717,116</u>	<u>25,558,515</u>	<u>1,468,592</u>
Other liabilities					
Racine Clean Water Fund Loans	8,293,795	-	825,402	7,468,393	848,908
Net OPEB obligation	<u>90,312</u>	<u>25,069</u>	<u>-</u>	<u>115,381</u>	<u>-</u>
Total other liabilities	<u>8,384,107</u>	<u>25,069</u>	<u>825,402</u>	<u>7,583,774</u>	<u>848,908</u>
Total Business-type Activities long-term liabilities	<u>\$ 35,618,841</u>	<u>\$ 65,966</u>	<u>\$ 2,542,518</u>	<u>\$ 33,142,289</u>	<u>\$ 2,317,500</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, 2014, was \$98,172,565. Total general obligation debt outstanding at year end was \$52,772,521.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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 General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/2014</u>
General debt service					
Refunding bonds	4/1/2005	5/1/2015	3.50-4.30%	\$ 715,000	\$ 95,000
Promissory notes	10/4/2007	4/1/2017	3.55-3.75%	1,300,000	700,000
Promissory notes	7/9/2008	4/1/2018	3.00 - 4.25%	2,100,000	930,000
Promissory notes	7/7/2009	4/1/2019	2.50 - 3.90%	1,000,000	800,000
Promissory notes	8/12/2010	4/1/2020	2.00 - 3.00%	700,000	450,000
Promissory notes	6/28/2011	4/1/2021	0.80 - 2.60%	1,485,000	880,000
Taxable general obligation bonds	10/11/2011	4/1/2024	1.00 - 3.40%	4,175,000	3,700,000
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	1,790,000
Promissory notes	10/2/2013	4/1/2023	2.00-3.00%	3,020,000	3,020,000
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	203,675

Total Governmental Activities - general obligation debt \$ 27,333,675

<u>Business-type Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/2014</u>
Water Utility					
General obligation debt					
Refunding bonds	4/1/2005	5/1/2024	3.50 - 4.30%	\$ 2,785,000	\$ 200,000
Promissory notes	7/9/2008	4/1/2018	3.00 - 4.25%	1,185,000	-
Refunding bonds	8/12/2010	4/1/2029	2.00 - 4.00%	4,285,000	3,330,000
Promissory notes	6/28/2011	4/1/2021	0.80-2.60%	560,000	-
Promissory notes	7/12/2012	5/1/2022	0.50 - 2.15%	1,075,000	970,000
Subtotal - general obligation debt					4,500,000
Water and Sewer System revenue bonds	10/2/2013	5/1/2022	3.00-4.38%	5,515,000	5,515,000
					<u>10,015,000</u>
Sewer Utility					
General obligation debt					
Refunding bonds	4/1/2005	4/1/2022	3.50-4.30%	1,500,000	70,000
Promissory notes	7/9/2008	4/1/2018	3.00 - 4.25%	770,000	325,000
General obligation bonds	7/12/2012	5/1/2032	2.00 - 3.00%	4,230,000	4,230,000
Subtotal					4,625,000
Clean Water Fund Loan	11/14/2001	5/1/2021	2.75%	238,169	98,465
Clean Water Fund Loan	2/26/2003	5/1/2022	2.75%	4,175,357	1,991,408
Subtotal - general obligation debt					6,714,873
Water and Sewer System revenue bonds					
Clean Water Fund Loan	11/14/2012	5/1/2032	2.63%	4,718,102	8,708,973
					<u>15,423,846</u>
Total Business-type Activities debt					<u>\$ 25,438,846</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 1,891,906	\$ 690,990	\$ 2,582,896	\$ 1,083,889	\$ 298,820	\$ 1,382,709
2016	1,905,711	693,129	2,598,840	925,458	274,882	1,200,340
2017	1,847,245	648,725	2,495,970	647,209	256,341	903,550
2018	1,728,813	602,164	2,330,977	659,144	239,278	898,422
2019	1,525,000	561,012	2,086,012	681,271	222,332	903,603
2020-2024	6,665,000	2,288,492	8,953,492	3,352,902	838,724	4,191,626
2025-2029	7,105,000	1,326,300	8,431,300	2,835,000	396,768	3,231,768
2030-2034	4,665,000	323,694	4,988,694	1,030,000	46,633	1,076,633
Total	<u>\$ 27,333,675</u>	<u>\$ 7,134,506</u>	<u>\$ 34,468,181</u>	<u>\$ 11,214,873</u>	<u>\$ 2,573,778</u>	<u>\$ 13,788,651</u>

Year Ending <u>December 31,</u>	Business-Type Activities - Revenue Bond Debt					
	Sewer Utility			Water Utility		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 384,703	\$ 223,561	\$ 608,264	\$ -	\$ 200,714	\$ 200,714
2016	394,801	213,330	608,131	100,000	199,214	299,214
2017	405,165	202,831	607,996	245,000	194,039	439,039
2018	415,800	192,056	607,856	250,000	186,614	436,614
2019	426,715	180,998	607,713	260,000	178,964	438,964
2020-2024	2,307,592	728,687	3,036,279	1,410,000	771,235	2,181,235
2025-2029	2,626,788	405,303	3,032,091	1,655,000	510,213	2,165,213
2030-2034	1,747,409	69,597	1,817,006	1,595,000	142,702	1,737,702
Total	<u>\$ 8,708,973</u>	<u>\$ 2,216,363</u>	<u>\$ 10,925,336</u>	<u>\$ 5,515,000</u>	<u>\$ 2,383,695</u>	<u>\$ 7,898,695</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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, 2014 consist of the following:

Business-type Activities					
Racine Clean Water Fund Loans	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2014
Clean Water Fund Loans	4/10/2002	5/1/2021	2.75%	\$ 557,254	\$ 240,818
Clean Water Fund Loans	7/24/2002	5/1/2022	2.86%	3,153,607	1,540,260
Clean Water Fund Loans	11/27/2002	5/1/2022	2.867%	10,785,114	5,492,909
Racine Advance	8/25/2008	5/1/2021	5.00%	399,300	<u>194,406</u>
Total Business-type Activities Racine Clean Water Fund Loans					<u>\$ 7,468,393</u>

Debt service requirements to maturity are as follows:

Year Ending	Business-type Activities		
	Racine Clean Water Fund Loans		
December 31,	Principal	Interest	Total
2015	\$ 848,908	\$ 205,486	\$ 1,054,394
2016	873,074	180,388	1,053,462
2017	897,915	154,532	1,052,447
2018	923,452	127,966	1,051,418
2019	949,705	100,650	1,050,355
2020-2024	<u>2,975,339</u>	<u>130,759</u>	<u>3,106,098</u>
Total	<u>\$ 7,468,393</u>	<u>\$ 899,781</u>	<u>\$ 8,368,174</u>

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, 2014**

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, 2014, includes the following:

Governmental Activities

Net investment in capital assets	
Land	\$ 754,648
Construction in progress	73,966
Other capital assets, net of accumulated depreciation	<u>73,622,277</u>
	74,450,891
Less: related long-term debt outstanding (net of unspent proceeds of debt)	<u>(16,155,090)</u>
Total net investment in capital assets	<u>58,295,801</u>
Restricted	
Debt service	897,269
Donations	95,278
Development	<u>7,865,472</u>
Total restricted	8,858,019
Unrestricted	<u>(1,137,943)</u>
Total Governmental Activities net position	<u>\$ 66,015,877</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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	2,094,876
Other capital assets, net of accumulated depreciation	<u>81,219,693</u>
	83,371,792
Less: related long-term debt outstanding (net of unspent proceeds of debt)	<u>(25,112,545)</u>
Total net investment in capital assets	<u>58,259,247</u>
Restricted	
Equipment replacement	284,433
Debt service	483,150
Unrestricted	<u>5,976,868</u>
Total Business-type Activities net position	<u><u>\$ 65,003,698</u></u>

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2014, include the following:

Nonspendable	
General Fund - prepaid expenditures	\$ 186,861
Joint Parks - prepaid expenditures	<u>680</u>
Total unspendable	<u><u>\$ 187,541</u></u>
Restricted	
Tax Increment Districts	\$ 7,688,271
Donations Fund	95,278
Impact Fee Fund	177,201
Debt Service Fund	<u>28,375</u>
Total restricted	<u><u>\$ 7,989,125</u></u>

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

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

Governmental Funds (continued)

Committed	
General Fund - health insurance	\$ 57,494
Four Mile Capital Projects Fund	160,915
Caledonia Storm Sewer District	2,031,401
Parks and Recreation	3,722
Refuse	61,906
Memorial Park Cemetery	1,908
Equipment Replacement Fund - capital acquisitions	254,876
Capital Projects	<u>150,007</u>
Total committed	<u>\$ 2,722,229</u>
Assigned	
Land purchase	\$ 195,657
Joint Health	<u>262,332</u>
Total assigned	<u>\$ 457,989</u>
Unassigned	
General Fund	\$ 2,651,580
Recycling	(29,794)
Joint Parks	<u>(17,725)</u>
Total unassigned	<u>\$ 2,604,061</u>
 Total governmental fund balance	 <u>\$13,960,945</u>

NOTE 4 - OTHER INFORMATION

A. Employees' Retirement System

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

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

NOTE 4 - OTHER INFORMATION (continued)

A. Employees' Retirement System (continued)

Covered employees are required to contribute one-half of the actuarially determined contribution rate for general category employees, and executives and elected officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2014 are:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	12.81%
Protective without Social Security	7.00%	16.41%

The payroll for Village employees covered by the System for the year ended December 31, 2014 was \$7,504,504; the employer's total payroll was \$8,155,827. The total required contribution for the year ended December 31, 2014 was \$1,332,101. This amount consisted of \$806,098 or 10.74% of payroll from the employer and \$526,013, or 7.01% of payroll from employees. Total contributions for the years ended December 31, 2013 and 2012 were \$1,418,955 and \$1,364,072, respectively, equal to the required contribution for each year.

Employees who retire at or after age 65, (62 for elected officials, 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service), are entitled to receive a retirement benefit. Employees may retire at age 55, (50 for protective occupation employees), and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. The final average earnings are the average of the employee's three highest year's earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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 through June 30, 2011 are immediately vested. For participants employed after July 1, 2011, five years of creditable service is required for eligibility.

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

As of December 31, 2014, there was no pension related debt for the Village.

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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 \$57,494 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 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.

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 4 - OTHER INFORMATION (continued)

C. Commitments and Contingencies (continued)

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 15th until the balance is paid in full. The amendment also requires the Village of Caledonia 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.

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.

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 2014, the Village contributed \$127,420 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 2014, 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, 2014

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	\$ 418,883
Interest on net OPEB obligation	69,257
Adjustment to annual required contribution	<u>(118,100)</u>
Annual OPEB cost	370,040
Contributions made	<u>(127,420)</u>
Increase in net OPEB obligation (asset)	242,620
 Net OPEB Obligation - Beginning of Year	 <u>1,731,421</u>
 Net OPEB Obligation - End of Year	 <u><u>\$ 1,974,041</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 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>
12/31/2014	\$ 370,040	34.43%	\$ 1,974,041
12/31/2013	445,834	49.02%	1,731,421
12/31/2012	441,752	44.39%	1,504,156

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

NOTE 4 - OTHER INFORMATION (continued)

D. Other Postemployment Benefits (continued)

The funded status of the plan as of January 1, 2011, 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.

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 9,155,856	\$ 9,155,856	\$ 9,155,856	\$ -
Intergovernmental	1,983,542	1,983,542	1,959,526	(24,016)
Licenses and permits	718,895	718,895	784,885	65,990
Fines, forfeitures and penalties	310,000	310,000	321,015	11,015
Public charges for services	477,900	477,900	553,900	76,000
Intergovernmental charges for services	152,500	152,500	187,854	35,354
Investment and interest income	20,000	20,000	80,038	60,038
Miscellaneous	7,600	7,600	3,093	(4,507)
Total revenues	<u>12,826,293</u>	<u>12,826,293</u>	<u>13,046,167</u>	<u>219,874</u>
EXPENDITURES				
General government	2,005,895	1,986,903	1,827,958	158,945
Public safety	8,498,298	8,498,298	8,404,744	93,554
Public works	2,300,100	2,300,100	2,286,469	13,631
Health and human services	22,000	22,000	21,908	92
Total expenditures	<u>12,826,293</u>	<u>12,807,301</u>	<u>12,541,079</u>	<u>266,222</u>
Excess (deficiency) of revenues over expenditures	-	18,992	505,088	486,096
Other financing sources (uses)				
Transfer out	-	(18,992)	(417,536)	(398,544)
Total other financing sources (uses)	<u>-</u>	<u>(18,992)</u>	<u>(417,536)</u>	<u>(398,544)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	87,552	<u>\$ 87,552</u>
Fund balance - beginning of year			<u>3,004,040</u>	
Fund balance - end of year			<u>\$ 3,091,592</u>	

The accompanying note is an integral part of this schedule.

VILLAGE OF CALEDONIA, WISCONSIN
Schedule of OPEB Funding Progress
December 31, 2014

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	-		8304811	42.70

VILLAGE OF CALEDONIA, WISCONSIN
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014

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, Donations Special Revenue Fund, and the Racine Water Capital Projects 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, 2014.

SUPPLEMENTARY INFORMATION

VILLAGE OF CALEDONIA, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
Year Ended December 31, 2014

	Special Revenue Funds						
	Refuse	Recycling	Memorial Park Cemetery	Caledonia Storm Sewer District	Parks and Recreation	Joint Parks	Joint Health
ASSETS							
Cash and investments	\$ -	\$ -	\$ 27,391	\$ 1,027,816	\$ 3,697	\$ -	\$ 190,613
Tax roll receivable							
Tax levy	-	-	8,000	-	50,000	58,659	173,662
Special assessments on tax roll	-	-	-	95,140	-	-	-
Other charges on tax roll	862,790	358,020	-	1,008,915	-	-	-
Other receivables	-	2,776	-	-	25	-	111,977
Special assessments receivable	-	-	-	692,709	-	-	-
Due from other funds	-	-	-	5,821	-	-	-
Prepaid items and other assets	-	-	-	-	-	680	-
TOTAL ASSETS	\$ 862,790	\$ 360,796	\$ 35,391	\$ 2,830,401	\$ 53,722	\$ 59,339	\$ 476,252
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 46	\$ -	\$ -	\$ 9,035	\$ -	\$ -	\$ -
Due to other funds	800,838	390,590	25,483	-	-	17,725	-
Unearned grant revenues	-	-	-	-	-	-	8,686
Deposits	-	-	-	2,116	-	-	-
Total liabilities	<u>800,884</u>	<u>390,590</u>	<u>25,483</u>	<u>11,151</u>	<u>-</u>	<u>17,725</u>	<u>40,258</u>
Deferred Inflows of Resources							
Subsequent year tax levy	-	-	8,000	-	50,000	58,659	173,662
Special assessments	-	-	-	787,849	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>787,849</u>	<u>50,000</u>	<u>58,659</u>	<u>173,662</u>
Fund Balances (Deficit)							
Nonspendable	-	-	-	-	-	680	-
Restricted	-	-	-	-	-	-	-
Committed	61,906	-	1,908	2,031,401	3,722	-	-
Assigned	-	-	-	-	-	-	262,332
Unassigned	-	(29,794)	-	-	-	(17,725)	-
Total fund balances (deficit)	<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>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 862,790	\$ 360,796	\$ 35,391	\$ 2,830,401	\$ 53,722	\$ 59,339	\$ 476,252

VILLAGE OF CALEDONIA, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
Year Ended December 31, 2014

	<u>Special Revenue Funds</u>				<u>Total</u>	
	<u>Equipment Replacement</u>	<u>Donations</u>	<u>Impact Fees</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>
ASSETS						
Cash and investments	\$ 254,876	\$ 10,031	\$ 177,201	\$ -	\$ -	\$ 1,691,625
Tax roll receivable						
Tax levy	-	-	-	1,406,737	1,037,050	2,734,108
Special assessments on tax roll	-	-	-	27,950	-	123,090
Other charges on tax roll	-	-	-	-	-	2,229,725
Other receivables	-	-	-	-	-	114,778
Special assessments receivable	-	-	-	218,375	-	911,084
Due from other funds	-	85,247	-	28,375	191,927	311,370
Prepaid items and other assets	-	-	-	-	-	680
TOTAL ASSETS	<u>\$ 254,876</u>	<u>\$ 95,278</u>	<u>\$ 177,201</u>	<u>\$ 1,681,437</u>	<u>\$ 1,228,977</u>	<u>\$ 8,116,460</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 41,920	\$ 51,001
Due to other funds	-	-	-	-	-	1,234,636
Unearned grant revenues	-	-	-	-	-	8,686
Deposits	-	-	-	-	-	2,116
Total liabilities	-	-	-	-	41,920	1,328,011
Deferred Inflows of Resources						
Subsequent year tax levy	-	-	-	1,406,737	1,037,050	2,734,108
Special assessments	-	-	-	246,325	-	1,034,174
Total deferred inflows	-	-	-	1,653,062	1,037,050	3,768,282
Fund Balances (Deficit)						
Nonspendable	-	-	-	-	-	680
Restricted	-	95,278	177,201	28,375	-	300,854
Committed	254,876	-	-	-	150,007	2,503,820
Assigned	-	-	-	-	-	262,332
Unassigned	-	-	-	-	-	(47,519)
Total fund balances (deficit)	<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>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 254,876</u>	<u>\$ 95,278</u>	<u>\$ 177,201</u>	<u>\$ 1,681,437</u>	<u>\$ 1,228,977</u>	<u>\$ 8,116,460</u>

VILLAGE OF CALEDONIA, WISCONSIN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2014

	Special Revenue Funds						
	Refuse	Recycling	Memorial Park Cemetery	Caledonia Storm Sewer District	Parks and Recreation	Joint Parks	Joint Health
REVENUES							
Taxes	\$ -	\$ -	\$ 8,000	\$ -	\$ 50,000	\$ 48,659	\$ 172,623
Special assessments	-	-	-	210,860	-	-	-
Intergovernmental	-	61,141	-	-	-	-	709,411
Licenses and permits	-	-	-	-	-	-	113,070
Public charges for services	861,939	357,907	1,535	1,017,417	5,240	-	106,384
Intergovernmental charges for services	-	-	-	-	-	65,754	299,219
Investment and interest income	-	-	23	8,265	-	-	-
Miscellaneous	-	2,360	-	512,792	-	9,373	12,002
Total revenues	<u>861,939</u>	<u>421,408</u>	<u>9,558</u>	<u>1,749,334</u>	<u>55,240</u>	<u>123,786</u>	<u>1,412,709</u>
EXPENDITURES							
Current							
Public safety	-	-	-	-	-	-	-
Public works	892,749	459,239	-	302,478	-	-	-
Health and human services	-	-	11,129	-	-	-	1,373,627
Culture, recreation and education	-	-	-	-	63,939	112,535	-
Capital outlay	-	-	-	57,046	-	11,061	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	58,038	-	-	-
Debt issuance costs	-	-	-	-	-	-	-
Total expenditures	<u>892,749</u>	<u>459,239</u>	<u>11,129</u>	<u>417,562</u>	<u>63,939</u>	<u>123,596</u>	<u>1,373,627</u>
Excess (deficiency) of revenues over expenditures	<u>(30,810)</u>	<u>(37,831)</u>	<u>(1,571)</u>	<u>1,331,772</u>	<u>(8,699)</u>	<u>190</u>	<u>39,082</u>
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Premium on long-term debt issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	4,585	2,905	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,585</u>	<u>2,905</u>	<u>-</u>
Net change in fund balances	(30,810)	(37,831)	(1,571)	1,331,772	(4,114)	3,095	39,082
Fund balances (deficit) - beginning of year	<u>92,716</u>	<u>8,037</u>	<u>3,479</u>	<u>699,629</u>	<u>7,836</u>	<u>(20,140)</u>	<u>223,250</u>
Fund balances (deficit) - end 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>

VILLAGE OF CALEDONIA, WISCONSIN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
December 31, 2014

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Capital Project Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Equipment Replacement</u>	<u>Donations</u>	<u>Impact Fees</u>		<u>Capital Projects</u>	<u>Racine Water Capital Project</u>	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ 1,385,172	\$ 991,500	\$ -	\$ 2,655,954
Special assessments	-	-	-	15,885	-	-	226,745
Intergovernmental	-	-	-	-	-	-	770,552
Licenses and permits	-	-	-	-	-	-	113,070
Public charges for services	-	-	31,136	-	-	-	2,381,558
Intergovernmental charges for services	-	-	-	-	-	-	364,973
Investment and interest income	218	-	-	56	-	-	8,562
Miscellaneous	-	2,800	-	20,000	500	-	559,827
Total revenues	<u>218</u>	<u>2,800</u>	<u>31,136</u>	<u>1,421,113</u>	<u>992,000</u>	<u>-</u>	<u>7,081,241</u>
EXPENDITURES							
Current							
Public safety	-	2,176	-	-	-	-	2,176
Public works	-	-	-	-	-	-	1,654,466
Health and human services	-	-	-	-	-	-	1,384,756
Culture, recreation and education	-	96	-	-	-	-	176,570
Capital outlay	-	-	-	-	1,207,810	20,644	1,296,561
Debt service							
Principal	-	-	-	1,195,000	-	-	1,195,000
Interest and fiscal charges	-	-	-	232,993	-	-	291,031
Debt issuance costs	-	-	-	-	-	41,097	41,097
Total expenditures	<u>-</u>	<u>2,272</u>	<u>-</u>	<u>1,427,993</u>	<u>1,207,810</u>	<u>61,741</u>	<u>6,041,657</u>
Excess (deficiency) of revenues over expenditures	<u>218</u>	<u>528</u>	<u>31,136</u>	<u>(6,880)</u>	<u>(215,810)</u>	<u>(61,741)</u>	<u>1,039,584</u>
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	1,735,000	1,735,000
Premium on long-term debt issued	-	-	-	-	-	-	-
Transfers in	-	-	-	18,171	11,502	380,373	417,536
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,171</u>	<u>11,502</u>	<u>2,115,373</u>	<u>2,152,536</u>
Net change in fund balances	218	528	31,136	11,291	(204,308)	2,053,632	3,192,120
Fund balances (deficit) - beginning of year	<u>254,658</u>	<u>94,750</u>	<u>146,065</u>	<u>17,084</u>	<u>354,315</u>	<u>(2,053,632)</u>	<u>(171,953)</u>
Fund balances (deficit) - end of year	<u>\$ 254,876</u>	<u>\$ 95,278</u>	<u>\$ 177,201</u>	<u>\$ 28,375</u>	<u>\$ 150,007</u>	<u>\$ -</u>	<u>\$ 3,020,167</u>