VILLAGE OF MARSHALL

Marshall, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2015

VILLAGE OF MARSHALL

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Marshall
Marshall, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Marshall, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Village of Marshall's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Village of Marshall's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Marshall's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Village Board
Village of Marshall

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Marshall, Wisconsin, as of December 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the Village of Marshall adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

To the Village Board
Village of Marshall

Supplementary Information

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

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
March 8, 2016

VILLAGE OF MARSHALL

STATEMENT OF NET POSITION
As of December 31, 2015

	Governmental Activities	Business-type Activities	Totals	CDA
ASSETS				
Cash and investments	$ 2,916,412	$ 980,121	$ 3,896,533	$ 118,394
Receivables (net)				
Taxes receivable	2,321,302	-	2,321,302	-
Delinquent personal property taxes	671	-	671	-
Accounts	43,987	122,884	166,871	-
Developer and other loans	389,704	-	389,704	91,224
Accrued interest	3,567	5,075	8,642	-
Delinquent special assessments	2,214	-	2,214	-
Due from other governments	26,592	-	26,592	-
Internal balances	115,435	(115,435)	-	-
Advances	(757,127)	757,127	-	-
Prepaid items	396	-	396	-
Restricted assets				
Cash and investments	-	1,106,700	1,106,700	-
Net pension asset	177,720	33,140	210,860	-
Land held for resale	136,722	-	136,722	-
Property held for future use	-	290,488	290,488	-
Capital Assets				
Land	1,368,379	291,128	1,659,507	-
Stormwater detention pond	35,711	-	35,711	-
Other capital assets, net of depreciation	8,250,545	11,939,119	20,189,664	-
Total Assets	15,032,230	15,410,347	30,442,577	209,618
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	185,545	33,352	218,897	-
LIABILITIES				
Accounts payable	133,707	9,521	143,228	-
Accrued liabilities and deposits	72,840	1,680	74,520	-
Liabilities Payable from Restricted Assets				
Current portion of revenue bonds	-	617,890	617,890	-
Accrued interest	-	11,960	11,960	-
Noncurrent Liabilities				
Due within one year	826,164	71,324	897,488	-
Due in more than one year	3,833,265	1,942,477	5,775,742	-
Total Liabilities	4,865,976	2,654,852	7,520,828	-
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	2,295,120	-	2,295,120	-
NET POSITION				
Net investment in capital assets	7,475,565	10,362,326	16,532,891	-
Restricted for				
Pension	177,720	33,140	210,860	-
Replacement of capital assets	-	569,285	569,285	-
Debt service	-	525,455	525,455	-
Library	249,320	-	249,320	-
TID Activities	973,190	-	973,190	-
Unrestricted (deficit)	(819,116)	1,298,641	1,784,525	209,618
TOTAL NET POSITION	$ 8,056,679	$ 12,788,847	$ 20,845,526	$ 209,618

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 362,177	$ 28,343	$ -	$ -
Public safety	1,104,723	52,459	18,167	-
Public works	619,969	162,800	163,635	-
Health and human services	9,000	-	-	-
Culture, recreation and education	443,617	73,282	42,306	-
Conservation and development	151,988	-	2,914	-
Interest and fiscal charges	194,909	-	-	-
Total Governmental Activities	2,886,383	316,884	227,022	-
Business-type Activities				
Water	410,571	504,708	-	4,000
Sewer	724,043	694,853	-	-
Total Business-type Activities	1,134,614	1,199,561	-	4,000
Total Primary Government	$ 4,020,997	$ 1,516,445	$ 227,022	$ 4,000

General Revenues
- Taxes
  - Property taxes, levied for general purposes
  - Property taxes, levied for debt service
  - Property taxes, levied for TIF districts
  - Property taxes, levied for other purposes
  - Other taxes
- Intergovernmental
  - Intergovernmental revenues not restricted to specific programs
- Investment income
- Miscellaneous

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year (as restated)

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Totals	Component Unit
$ (333,834)	$ -	$ (333,834)	$ -
(1,034,097)	-	(1,034,097)	-
(293,534)	-	(293,534)	-
(9,000)	-	(9,000)	-
(328,029)	-	(328,029)	-
(149,074)	-	(149,074)	-
(194,909)	-	(194,909)	-
(2,342,477)	-	(2,342,477)	-
-	98,137	98,137	-
-	(29,190)	(29,190)	-
-	68,947	68,947	-
(2,342,477)	68,947	(2,273,530)	-
944,995	-	944,995	-
410,874	-	410,874	-
716,483	-	716,483	-
2,900	-	2,900	-
71,199	-	71,199	-
427,319	-	427,319	-
29,974	70,056	100,030	5,019
79,366	-	79,366	-
(1,255,542)	1,255,542	-	-
1,427,568	1,325,598	2,753,166	5,019
(914,909)	1,394,545	479,636	5,019
8,971,588	11,394,302	20,365,890	204,599
$ 8,056,679	$ 12,788,847	$ 20,845,526	$ 209,618

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2015

	General Fund	Debt Service Fund	TIF No. 1
ASSETS			
Cash and investments	$ 1,169,847	$ 5,473	$ 1,418,199
Receivables			
Taxes receivable	775,800	462,638	720,924
Delinquent personal property tax	671	-	-
Accounts	42,738	-	-
Developer loans	-	-	389,704
Accrued interest	3,567	-	-
Delinquent special assessments held by county	2,214	-	-
Due from other governments	26,592	-	-
Advances to other funds	136,722	-	-
Due from other funds	139,972	-	-
Land held for resale	-	-	-
Prepaid items	396	-	-
TOTAL ASSETS	$ 2,298,519	$ 468,111	$ 2,528,827
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	$ 36,597	$ -	$ 77,586
Accrued liabilities	12,386	-	-
Due to other funds	24,537	-	-
Advances from other funds	-	-	757,127
Total Liabilities	73,520	-	834,713
Deferred Inflows of Resources			
Unearned revenues	750,206	462,638	720,924
Unavailable revenues	30,589	-	-
Total Deferred Inflows of Resources	780,795	462,638	720,924
Fund Balances (Deficit)			
Nonspendable	140,003	-	-
Restricted	-	5,473	973,190
Committed	-	-	-
Assigned	349,734	-	-
Unassigned (deficit)	954,467	-	-
Total Fund Balances (Deficit)	1,444,204	5,473	973,190
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 2,298,519	$ 468,111	$ 2,528,827

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
$ 322,893	$ 2,916,412
361,940	2,321,302
-	671
1,249	43,987
-	389,704
-	3,567
-	2,214
-	26,592
-	136,722
-	139,972
136,722	136,722
-	396
$ 822,804	$ 6,118,261
$ 19,524	$ 133,707
-	12,386
-	24,537
136,722	893,849
156,246	1,064,479
361,352	2,295,120
588	31,177
361,940	2,326,297
-	140,003
249,320	1,227,983
57,720	57,720
-	349,734
(2,422)	952,045
304,618	2,727,485
$ 822,804	$ 6,118,261

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
As of December 31, 2015

Total Fund Balances - Governmental Funds	$	2,727,485
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note IV. D.		9,654,635
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.		31,177
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.		177,720
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		185,545
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II. A.		(4,719,883)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	8,056,679

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	General Fund	Debt Service Fund	TIF No. 1
REVENUES			
Taxes	$ 816,092	$ 410,874	$ 716,483
Intergovernmental	611,598	-	5,344
Licenses and permits	75,394	-	-
Fines, forfeitures and penalties	32,049	-	-
Public charges for services	5,021	-	-
Special assessments	-	-	-
Investment income	22,793	19	2,375
Other revenues	12,737	-	10,000
Total Revenues	1,575,684	410,893	734,202
EXPENDITURES			
Current			
General government	326,777	-	10,375
Public safety	961,443	-	-
Public works	308,055	-	-
Health and human services	9,000	-	-
Culture, recreation and education	67,510	-	-
Conservation and development	1,466	-	-
Capital Outlay	-	-	1,566,587
Debt Service			
Principal	-	1,356,387	408,700
Interest and fiscal charges	-	117,684	85,378
Total Expenditures	1,674,251	1,474,071	2,071,040
Excess (deficiency) of revenues over expenditures	(98,567)	(1,063,178)	(1,336,838)
OTHER FINANCING SOURCES (USES)			
General obligation debt issued	-	1,060,000	1,680,000
Property sales	6,637	-	-
Transfers in	139,972	5,033	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	146,609	1,065,033	1,680,000
Net Change in Fund Balances	48,042	1,855	343,162
FUND BALANCES - Beginning of Year	1,396,162	3,618	630,028
FUND BALANCES - END OF YEAR	$ 1,444,204	$ 5,473	$ 973,190

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
$ 203,002	$ 2,146,451
44,056	660,998
-	75,394
-	32,049
225,979	231,000
5,010	5,010
1,220	26,407
23,423	46,160
502,690	3,223,469
-	337,152
-	961,443
155,968	464,023
-	9,000
334,897	402,407
-	1,466
131,928	1,698,515
-	1,765,087
-	203,062
622,793	5,842,155
(120,103)	(2,618,686)
120,000	2,860,000
-	6,637
-	145,005
(5,033)	(5,033)
114,967	3,006,609
(5,136)	387,923
309,754	2,339,562
$ 304,618	$ 2,727,485

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds	$	387,923
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 net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		1,698,515
Some items reported as capital outlay in the fund financial statements did not meet the criteria for capital assets recorded in the government wide statements		(174,513)
Depreciation is reported in the government-wide financial statements		(349,326)
Contributed capital assets are reported as transfer out to the utility funds in the government-wide financial statements.		(1,395,514)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		(3,090)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Debt issued		(2,860,000)
Principal repaid		1,765,087
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		5,934
Accrued interest on debt		8,153
Net pension asset/liability		(114,965)
Deferred outflows of resources related to pensions		116,887
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	(914,909)

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

STATEMENT OF NET POSITION
PROPRIETARY FUND
As of December 31, 2015

ASSETS	
Current Assets	
Cash and investments	$ 597,828
Interest receivable	5,075
Receivables	
Customers	122,615
Advance to TIF - current portion	214,597
Other receivables	269
Due from other funds	24,537
Restricted Assets	
Redemption account	371,387
Total Current Assets	1,336,308
Noncurrent Assets	
Restricted Assets	
Reserve account	166,028
Replacement account	569,285
Net pension asset	33,140
Capital Assets	
Land	291,128
Plant in service	18,865,723
Accumulated depreciation	(6,926,604)
Other Assets	
Capital project sinking fund	382,293
Property held for future use	290,488
Advance to TIF - non-current portion	542,530
Total Noncurrent Assets	14,214,011
Total Assets	15,550,319
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	33,352
Total Deferred Outflows of Resources	33,352

See accompanying notes to financial statements.

LIABILITIES	
Current Liabilities	
Accounts payable	$ 9,521
Accrued vacation leave	6,324
Due to other funds	139,972
Accrued interest	1,680
Current portion of general obligation debt	65,000
Liabilities Payable from Restricted Assets	
Current portion of revenue bonds	617,890
Accrued interest	11,960
Total Current Liabilities	852,347
Noncurrent Liabilities	
Long-Term Debt	
General obligation debt	280,000
Revenue bonds	1,662,157
Accrued sick leave	320
Total Noncurrent Liabilities	1,942,477
Total Liabilities	2,794,824
NET POSITION	
Net investment in capital assets	10,362,326
Restricted for	
Pension	33,140
Debt service	525,455
Equipment replacement	569,285
Unrestricted	1,298,641
TOTAL NET POSITION	$ 12,788,847

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Year Ended December 31, 2015

OPERATING REVENUES	
Water service	$ 504,708
Sewage service	694,853
Total Operating Revenues	1,199,561
OPERATING EXPENSES	
Operation and maintenance	557,541
Depreciation	493,006
Total Operating Expenses	1,050,547
Operating Income	149,014
NONOPERATING REVENUES (EXPENSES)	
Investment income	24,251
Interest on advance to TIF	45,805
Interest expense	(84,067)
Total Nonoperating Revenues (Expenses)	(14,011)
Income Before Contributions and Transfers	135,003
CONTRIBUTIONS AND TRANSFERS	
Capital contributions	4,000
Transfers - tax equivalent	(139,972)
Capital contributions - municipal	1,395,514
Total Contributions and Transfers	1,259,542
Change in Net Position	1,394,545
NET POSITION - Beginning of Year (as restated)	11,394,302
NET POSITION - END OF YEAR	$ 12,788,847

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	$ 1,181,260
Paid to suppliers for goods and services	(369,142)
Paid to employees for services	(199,991)
Net Cash Flows From Operating Activities	612,127
CASH FLOWS FROM INVESTING ACTIVITIES	
Investments sold and matured	64,936
Investment income	22,561
Net Cash Flows From Investing Activities	87,497
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Paid to municipality for tax equivalent	(165,718)
Received on long-term advance to TIF	253,197
Net Cash Flows From Noncapital Financing Activities	87,479
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Debt retired	(663,009)
Interest paid	(88,427)
Capital contribution received	4,000
Acquisition and construction of capital assets	(14,951)
Net Cash Flows From Capital and Related Financing Activities	(762,387)
Net Change in Cash and Cash Equivalents	24,716
CASH AND CASH EQUIVALENTS - Beginning of Year	1,428,772
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,453,488

See accompanying notes to financial statements.

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	$ 149,014
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities	
Depreciation	493,006
Changes in assets and liabilities	
Customer accounts receivable	(22,108)
Other receivable	(38)
Due from other funds	3,844
Pension related deferrals and assets	890
Accounts payable	(4,791)
Accrued sick leave	(7,690)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 612,127

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS	
Cash and investments	$ 597,828
Restricted cash and investments	
Redemption account	371,387
Reserve account	166,028
Replacement account	569,285
Capital project sinking account	382,293
Total Cash and Investments	2,086,821
Less: Noncash equivalents	(633,333)
CASH AND CASH EQUIVALENTS	$ 1,453,488

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
Municipal financed additions to utility plant	$ 1,395,514

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
As of December 31, 2015

	Agency Fund
ASSETS	
Cash and investments	$ 2,373,907
Taxes receivable	434,261
TOTAL ASSETS	$ 2,808,168
LIABILITIES	
Due to other governments	$ 2,808,168
TOTAL LIABILITIES	$ 2,808,168

See accompanying notes to financial statements.

VILLAGE OF MARSHALL

INDEX TO NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Unit

Community Development Authority

The government-wide financial statements include the Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the village board. Wisconsin Statutes provide for circumstances whereby the village can impose its will on the CDA, and also create a potential financial benefit to or burden on the village. See Note IV.I. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2015. The CDA does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

Fund Financial Statements

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

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

a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

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

The village reports the following major governmental funds:

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

The village reports the following major enterprise fund:

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

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

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

Fund Financial Statements (cont.)

The village reports the following nonmajor governmental funds:

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

Recreation Fund
Library Fund
Solid Waste Fund
Veterans Memorial Park Fund

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects Fund

In addition, the village reports the following fund type:

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

Tax Collection Agency Fund

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

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. 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.

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

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

Fund Financial Statements

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

Property taxes are recorded in the year levied as receivables and 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 unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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

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

Proprietary 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. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

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

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

a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.

b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

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

No policy exists for the following risks:

Credit risk
Custodial credit risk
Interest rate risk

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

1. Deposits and Investments (cont.)

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

See Note IV. A. for further information.

2. Receivables

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

Property tax calendar - 2015 tax roll:

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

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

2. Receivables (cont.)

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

Developer loans are recorded as receivables by the village and repayments are recorded as a reduction of the receivable.

3. Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than $5,000 for general capital assets and $15,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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

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

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

Fund Financial Statements

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

6. Other Assets

The utility has set up a capital project sinking fund which is used to accumulate unrestricted payments received from TIF. The intent is the funds will be used for future capital projects and/or debt service.

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

6. Other Assets (cont.)

Land held for resale consists of land and improvements and is valued at cost of acquisition, demolition, and site improvements. Properties include both land intended for resale and land designated as a public area. Land held for resale is recorded at lower of cost or market value.

7. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

8. Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2015, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations/Conduit Debt

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

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

10. Deferred Inflows of Resources

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

11. Equity Classifications

Government-Wide Statements

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

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	$ 7,475,565	$ 10,362,326	$ (1,305,000)	$ 16,532,891
Unrestricted	(819,116)	1,298,641	1,305,000	1,784,525

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.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

11. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

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

b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.

d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by resolution, adopted a financial policy authorizing the administrator - treasurer to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.

e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

See Note IV. G. for further information.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

12. Basis for Existing Rates

Water Utility

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

Sewer Utility

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

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

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

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

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

Bonds and notes payable	$ 4,601,566
Compensated absences	57,863
Accrued interest	60,454
Combined Adjustment for Long-Term Liabilities	$ 4,719,883

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess Expenditures and Other Financing Uses Over Appropriations

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Recreation	$ 73,877	$ 111,708	$ 37,831
General Debt Service	416,596	1,474,071	1,057,475
TIF No. 1	1,986,308	2,071,040	84,732

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

B. Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2015, the following individual funds held a deficit balance:

Fund	Amount	Reason
Capital Projects Fund	$ 2,422	Excess expenditures over revenues

Capital projects fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

C. Limitations On The Village's Tax Levy

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

NOTE IV - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Demand deposits	$ 4,614,721	$ 4,830,665	Custodial credit risk
Certificates of deposit	2,541,070	2,545,631	Custodial credit risk
US agencies	339,144	340,029	Custodial credit risk, credit risk, interest rate risk
Petty cash	599	-	N/A
Total Deposits and Investments	$ 7,495,534	$ 7,716,325	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	$ 3,896,533		
Restricted cash and investments	1,106,700		
CDA cash and investments	118,394		
Per statement of assets and liabilities - agency fund			
Agency Fund	2,373,907		
Total Deposits and Investments	$ 7,495,534		

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

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

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of $500,000 per customer, of which $100,000 may be in cash. $340,029 of the village's investments are covered by SIPC.

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

A. DEPOSITS AND INVESTMENTS (cont.)

The village maintains collateral agreements with its banks. At December 31, 2015, the banks had pledged various government securities in the amount of $1,624,347 to secure the village's deposits.

The village is a beneficiary of an irrevocable letter of credit in the amount of $500,000.

Custodial Credit Risk

Deposits

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

As of December 31, 2015, $1,272,568 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 1,272,568
Total	$ 1,272,568

Investments

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

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

Credit Risk

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

As of December 31, 2015, the village's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Federal Home Loan Bank	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa

Interest Rate Risk

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

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

A. Deposits and Investments (cont.)

Interest Rate Risk (cont.)

As of December 31, 2015, the village's investments were as follows:

		Maturity (In Years)		
Investment Type	Fair Value	Less than 1	1-4	More than 4
US agencies	$ 340,029	$ -	$ 340,029	$ -
Totals	$ 340,029	$ -	$ 340,029	$ -

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

B. Receivables

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

	General Fund	General Debt Service	TIF No. 1	Nonmajor Funds	Totals
Receivables					
Taxes	$ 775,800	$ 462,638	$ 720,924	$ 361,940	$ 2,321,302
Delinquent personal property	671	-	-	-	671
Accounts	42,738	-	-	1,249	43,987
Developer loans	-	-	389,704	-	389,704
Accrued interest	3,567	-	-	-	3,567
Delinquent special assessments	2,214	-	-	-	2,214
Due from other governments	26,592	-	-	-	26,592
Totals	$ 851,582	$ 462,638	$ 1,110,628	$ 363,189	$ 2,788,037
Amounts not expected to be collected within one year	$ 2,885	$ -	$ -	$ -	$ 2,885

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

B. RECEIVABLES (cont.)

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	$ 2,295,120	$ -
Special assessments not yet due	-	588
Long-term receivable from fire department	-	27,022
Accrued interest on investments	-	3,567
Total Unearned/Unavailable Revenue for Governmental Funds	$ 2,295,120	$ 31,177

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

Equipment Replacement Account

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

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2015:

Restricted Assets	
Redemption account	$ 371,387
Reserve account	166,028
Replacement account	569,285
Pension asset	210,860
Total Restricted Assets	$ 1,317,560

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 1,368,379	$ -	$ -	$ 1,368,379
Stormwater detention pond	16,867	18,844	-	35,711
Total Capital Assets Not Being Depreciated	1,385,246	18,844	-	1,404,090
Capital assets being depreciated				
Buildings	2,954,852	-	-	2,954,852
Machinery and equipment	715,699	-	-	715,699
Streets	6,106,530	-	-	6,106,530
Storm sewers	273,715	11,499	-	285,214
Sidewalks	613,179	-	-	613,179
Street lighting	731,312	-	-	731,312
Library capital assets	638,929	98,145	43,075	693,999
Total Capital Assets Being Depreciated	12,034,216	109,644	43,075	12,100,785
Total Capital Assets	13,419,462	128,488	43,075	13,504,875

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Buildings	$ (747,468)	$ (64,204)	$ -	$ (811,672)
Machinery and equipment	(418,878)	(79,267)	-	(498,145)
Streets	(1,332,999)	(84,722)	-	(1,417,721)
Storm sewers	(23,796)	(3,355)	-	(27,151)
Sidewalks	(289,487)	(10,220)	-	(299,707)
Street lighting	(255,962)	(36,566)	-	(292,528)
Library capital assets	(475,399)	(70,992)	43,075	(503,316)
Total Accumulated Depreciation	(3,543,989)	(349,326)	43,075	(3,850,240)
Net Capital Assets Being Depreciated	8,490,227	(239,682)	-	8,250,545
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 9,875,473	$ (220,838)	$ -	$ 9,654,635

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 2,257
Public safety	32,653
Public works, which includes the depreciation of infrastructure	186,876
Culture, recreation and education	127,540
Total Governmental Activities Depreciation Expense	$ 349,326

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

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated				
Land and land rights	$ 207,490	$ -	$ -	$ 207,490
Total Capital Assets Not Being Depreciated	207,490	-	-	207,490
Capital assets being depreciated				
Collection system	4,002,666	883,672	-	4,886,338
Collecting system pumping	245,662	-	-	245,662
Treatment and disposal	6,350,961	14,017	4,673	6,360,305
General	340,201	-	-	340,201
Total Capital Assets Being Depreciated	10,939,490	897,689	4,673	11,832,506
Total Capital Assets	11,146,980	897,689	4,673	12,039,996
Less: Accumulated depreciation for Sewer	(4,854,799)	(330,930)	4,673	(5,181,056)
Total Accumulated Depreciation	(4,854,799)	(330,930)	4,673	(5,181,056)
Net Capital Assets Being Depreciated	6,084,691	566,759	-	6,651,450
Net Sewer Capital Assets	$ 6,292,181	$ 566,759	$ -	$ 6,858,940

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated				
Land and land rights	$ 83,638	$ -	$ -	$ 83,638
Total Capital Assets Not Being Depreciated	83,638	-	-	83,638
Capital assets being depreciated				
Collecting system	253,698	-	-	253,698
Pumping	920,501	-	-	920,501
Water treatment	3,809	-	-	3,809
Transmission and distribution	5,182,303	512,776	320	5,694,759
General	160,450	-	-	160,450
Total Capital Assets Being Depreciated	6,520,761	512,776	320	7,033,217
Total Capital Assets	6,604,399	512,776	320	7,116,855
Less: Accumulated depreciation for Water	(1,583,791)	(162,077)	320	(1,745,548)
Total Accumulated Depreciation	(1,583,791)	(162,077)	320	(1,745,548)
Net Capital Assets Being Depreciated	4,936,970	350,699	-	5,287,669
Net Water Capital Assets	$ 5,020,608	$ 350,699	$ -	$ 5,371,307
Business-type Capital Assets, Net of Accumulated Depreciation	$ 11,312,789	$ 917,458	$ -	$ 12,230,247

Depreciation expense was charged to functions as follows:

Business-type Activities	
Sewer	$ 337,739
Water	155,267
Total Business-type Activities Depreciation Expense	$ 493,006

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

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

E. Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Utility	$ 139,972
Water and Sewer Utility	General Fund	24,537
Total - Fund Financial Statements		164,509
Less: Fund eliminations		(49,074)
Total Internal Balances - Government-Wide Statement of Net Position		$ 115,435

All amounts are due within one year.

The interfund between general fund and the water utility is related to the payment in lieu of taxes and delinquent utility charges on tax roll. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances

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

General fund has advanced funds to the capital projects fund for purchase of land held for resale. The capital projects fund will repay this advance from land sale proceeds.

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

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

Advances (cont.)

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Sewer Utility	TIF District No. 1	$ 344,243	$ 204,188
Water Utility	TIF District No. 1	412,884	338,342
General fund	Capital projects fund	136,722	136,722
Total - Fund Financial Statements		893,849	
Less: Fund eliminations		(136,722)	
Total - Interfund Advances - Government-Wide Statement of Net Position		$ 757,127	

The principal purpose of this advance is to pay for sewer projects originally financed with clean water fund monies.

Years	Principal	Interest
2016	$ 214,597	$ 35,792
2017	222,065	25,434
2018	141,422	14,721
2019	87,606	5,516
2020	91,437	1,686
Totals	$ 757,127	$ 83,149

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

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

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Water Utility	$ 139,972	Utility payment in lieu of taxes
General Debt Service	Capital Projects Fund	5,033	Debt payment
Total - Fund Financial Statements		145,005	
Less: Fund eliminations		(5,033)	
Less: Assets contributed by governmental activities to business-type activities		(1,395,514)	
Total Transfers - Government-Wide Statement of Activities		$ (1,255,542)	

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.

F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	$ 3,506,653	$ 2,860,000	$ 1,765,087	$ 4,601,566	$ 783,978
Sub-totals	3,506,653	2,860,000	1,765,087	4,601,566	783,978
Other Liabilities					
Vested compensated absences	63,797	44,912	50,846	57,863	42,186
Total Other Liabilities	63,797	44,912	50,846	57,863	42,186
Total Governmental Activities Long-Term Liabilities	$ 3,570,450	$ 2,904,912	$ 1,815,933	$ 4,659,429	$ 826,164

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

F. LONG-TERM OBLIGATIONS (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	$ 410,000	$ -	$ 65,000	$ 345,000	$ 65,000
Revenue bonds	2,878,056	-	598,009	2,280,047	617,890
Sub-totals	3,288,056	-	663,009	2,625,047	682,890
Other Liabilities					
Vested compensated absences	14,334	13,363	21,053	6,644	6,324
Total Other Liabilities	14,334	13,363	21,053	6,644	6,324
Total Business-type Activities Long-Term Liabilities	$ 3,302,390	$ 13,363	$ 684,062	$ 2,631,691	$ 689,214

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2015, was $9,591,865. Total general obligation debt outstanding at year end was $4,946,566.

General Obligation Debt

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

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
2009 State Trust Fund Loan	10/28/09	03/15/19	4.5 %	$ 300,000	$ 150,500
2013 State Trust Fund Loan	07/26/13	03/15/18	2.5 %	102,739	62,596
2013 State Trust Fund Loan	09/09/13	03/15/33	3.75%	600,000	588,470
2014 Refunding Bonds	07/02/14	03/01/27	0.6-3.3%	1,410,000	1,315,000
2015 State Trust Fund Loan	10/27/15	3/15/19	3.0%	120,000	120,000
2015 Promissory Note	01/07/15	03/01/21	0.4-1.85%	2,740,000	2,365,000
Total Governmental Activities - General Obligation Debt					$ 4,601,566

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Business-type Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
2014 Refunding Bonds	07/02/14	03/01/20	2.40%	$ 410,000	$ 345,000
Total Business-type Activities - General Obligation Debt					$ 345,000

Debt service requirements to maturity are as follows:

	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
Years	Principal	Interest	Principal	Interest
2016	$ 783,978	$ 120,315	$ 65,000	$ 4,253
2017	829,947	109,225	70,000	3,675
2018	835,502	88,115	70,000	2,870
2019	392,978	68,933	70,000	1,855
2020	312,163	51,070	70,000	648
2021-2025	892,112	154,947	-	-
2026-2030	427,867	52,967	-	-
2031-2033	127,019	9,652	-	-
Totals	$ 4,601,566	$ 655,224	$ 345,000	$ 13,301

Revenue Debt

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

The water utility has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 2007 and 2013. Proceeds from the bonds provided financing for the plant improvements. The bonds are payable solely from utility revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require 20% of net revenues. The total principal and interest remaining to be paid on the bonds is $1,406,420. Principal and interest paid for the current year and total customer net revenues were $161,785 and $396,939, respectively.

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

The sewer utility has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 1997 and 1998. Proceeds from the bonds provided financing for the plant improvements. The bonds are payable solely from utility revenues and are payable through 2018. Annual principal and interest payments on the bonds are expected to require 71% of net revenues. The total principal and interest remaining to be paid on the bonds is $1,114,817. Principal and interest paid for the current year and total customer net revenues were $519,178 and $526,528, respectively.

Revenue debt payable at December 31, 2015, consists of the following:

Business-type Activities Revenue Debt

Water and Sewer Fund	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
1997 Revenue Bonds	08/27/97	05/01/17	3.096%	$ 6,351,233	$ 856,629
1998 Revenue Bonds	11/24/98	05/01/18	2.640%	1,155,695	222,550
2007 Revenue Bonds	12/21/07	11/01/22	3.55-4.10%	1,265,000	800,000
2013 Revenue Bonds	05/08/13	05/01/33	1.93%	437,499	400,868
Total Business-type Activities - Revenue Debt					$ 2,280,047

Debt service requirements to maturity are as follows:

	Business-type Activities Revenue Debt	
Years	Principal	Interest
2016	$ 617,890	$ 64,098
2017	633,219	44,549
2018	205,704	31,419
2019	134,955	25,743
2020	140,340	20,812
2021-2025	352,724	39,162
2026-2030	118,499	13,173
2031-2033	76,716	2,234
Totals	$ 2,280,047	$ 241,190

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

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

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

Current Refunding

On January 7, 2015, the village issued $1,060,000 in general obligation notes with an average coupon rate of 0.4-1.85% to refund $1,230,000 of outstanding bonds with an average coupon rate of 3.9-4.1%. The net proceeds along with existing funds of the village were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was $1,174,908 from 2015 through 2020. The cash flow requirements on the refunding notes are $1,117,132 from 2015 through 2021. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $63,891.

Prior-Year Defeasance of Debt

In prior years, the village defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the village's financial statements. At December 31, 2015, $1,045,000 of bonds outstanding are considered defeased. The bonds are callable as follows:

Call Date	Amount
5/1/2016	$ 180,000
5/1/2017	200,000
5/1/2018	205,000
5/1/2019	220,000
5/1/2020	240,000

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

G. NET POSITION/FUND BALANCES

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

Governmental Activities

Net Investment in Capital Assets	
Land	$ 1,368,379
Stormwater detention ponds	35,711
Other capital assets, net of accumulated depreciation	8,250,545
Less: Long-term debt outstanding (excluding noncaptial related debt outstanding)	(2,179,070)
Total Net Investment in Capital Assets	7,475,565
Restricted	
Library	249,320
TID activities	973,190
Pension	177,720
Total Restricted	1,400,230
Unrestricted (deficit)	(819,116)
Total Governmental Activities Net Position	$ 8,056,679

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

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

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

	General Fund	General Debt Service	TIF No. 1	Nonmajor Funds	Totals
Fund Balances					
Nonspendable:					
Delinquent items	$ 2,885	$ -	$ -	$ -	$ 2,885
Prepaid items	396	-	-	-	396
Long-term receivables	136,722	-	-	-	136,722
Restricted for:					
Debt service	-	5,473	-	-	5,473
TID activities	-	-	973,190	-	973,190
Library	-	-	-	249,320	249,320
Committed to:					
Parks and recreation	-	-	-	36,949	36,949
Solid waste	-	-	-	20,771	20,771
Assigned to:					
PILOT	139,250	-	-	-	139,250
Carryforwards	58,884	-	-	-	58,884
Equipment	16,500	-	-	-	16,500
Subsequent year's budget	135,100	-	-	-	135,100
Unassigned (deficit):	954,467	-	-	(2,422)	952,045
Total Fund Balances (Deficit)	$ 1,444,204	$ 5,473	$ 973,190	$ 304,618	$ 2,727,485

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

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	$ 291,128
Other capital assets, net of accumulated depreciation	11,939,119
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(1,867,921)
Total Net Investment in Capital Assets	10,362,326
Restricted	
Pension	33,140
Debt service	525,455
Equipment replacement	569,285
Total Restricted	1,127,880
Unrestricted	1,298,641
Total Business-type Activities Net Position	$ 12,788,847

H. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Water and Sewer Utility
Net Position - December 31, 2014 (as reported)	$ 8,610,245	$ 11,326,920	$ 11,326,920
Add: Net pension asset	292,685	54,579	54,579
Add: Deferred outflows related to pensions	68,658	12,803	12,803
Net Position - December 31, 2014 (as restated)	$ 8,971,588	$ 11,394,302	$ 11,394,302

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

I. COMPONENT UNIT

COMMUNITY DEVELOPMENT AUTHORITY

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

At year end, the carrying amount of the CDA's deposits was $118,394 and is part of the village's commingled cash. See Note IV. A.

c. Loans Receivable

The CDA has provided loans to local businesses. The CDA records a loan receivable when the loan has been made and funds have been disbursed. Interest received from loan repayments is recognized as revenue when received in cash. The loans receivable are shown net of an allowance for uncollectibles in the amount of $20,801.

NOTE V - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

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

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

General Information About the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

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

The WRS also provides death and disability benefits for employees.

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized $80,588 in contributions from the village.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

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

At December 31, 2015, the village reported an asset of $210,860 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension asset was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the village's proportion was 0.00858450%, which was a decrease of 0.00022369% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the village recognized pension expense of $80,429.

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 30,568
Changes in assumptions	102,108
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,504
Employer contributions subsequent to the measurement date	81,717
Totals	$ 218,897

$81,717 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources
2016	$ 33,523
2017	33,523
2018	33,523
2019	33,523
2020	3,088

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

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

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

NOTE V - OTHER INFORMATION (cont.)

A. *EMPLOYEES' RETIREMENT SYSTEM* (cont.)

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE V - OTHER INFORMATION (cont.)

A. *EMPLOYEES' RETIREMENT SYSTEM* (cont.)

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension (asset) liability	$594,871	$(210,860)	$(847,193)

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

At December 31, 2015, the village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. *RISK MANAGEMENT*

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

C. *COMMITMENTS AND CONTINGENCIES*

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

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

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

TIF No. 1	$ 339,522

NOTE V - OTHER INFORMATION (cont.)

D. JOINT VENTURES

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

The Village of Marshall and Townships of Medina, York and Sun Prairie jointly operate the local Ambulance District, which is called the Dane County EMS District No. 14. The communities share in the operation of the district based on population. The governing body is called the EMS Commission and is made up of citizens from each community. The Village of Marshall representatives are appointed by the village president. The governing body has authority to adopt its own budget and control the financial affairs of the district. The overlying communities approve the annual budget. The village made a payment to the district in 2015 of $84,195. The village believes that the district will continue to provide services in the future at similar rates.

Financial information of the district as of December 31, 2015 is available directly from the district's office.

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

Marshall Fire Department

The Village of Marshall and Towns of York and Medina jointly participate in the local fire district, which is called the Marshall Fire Department. The governing body is comprised of the Village of Marshall and Towns of York and Medina board members. The governing body has authority to adopt its own budget and control the financial affairs of the district. The village made a payment totaling $52,950 to the district for 2015. The village believes that the district will continue to provide services in the future at similar rates.

Financial information of the district as of December 31, 2015 is available directly from the district's office.

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

Emergency Services Building

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

E. SUBSEQUENT EVENT

On January 12, 2016 the village board approved borrowing from Board of Commissioners of Public Lands in the amount of $2,150,000 with an interest rate of 3.25%. This amount will be used for TIF projects. The village board approved a portion of this to be contributed to the CDA for development projects.

NOTE V - OTHER INFORMATION (cont.)

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

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

> Statement No. 72, Fair Value Measurement and Application

> Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68

> Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans

> Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

> Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Government

> Statement No. 77, Tax Abatement Disclosures

> Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

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

G. SIGNIFICANT CUSTOMERS

The sewer utility has one significant customer who was responsible for 20% of operating revenues in 2015.

The water utility has one significant customer who was responsible for 9% of operating revenues in 2015.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MARSHALL

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	$ 818,294	$ 816,092	$ (2,202)
Intergovernmental	611,853	611,598	(255)
Licenses and permits	61,475	75,394	13,919
Fines, forfeitures and penalties	28,000	32,049	4,049
Public charges for services	4,055	5,021	966
Investment income	10,000	22,793	12,793
Other revenues	14,100	12,737	(1,363)
Total Revenues	1,547,777	1,575,684	27,907
EXPENDITURES			
Current:			
General government	338,941	326,777	12,164
Public safety	975,701	961,443	14,258
Public works	361,117	308,055	53,062
Health and human services	9,000	9,000	-
Culture, recreation and education	74,048	67,510	6,538
Conservation and development	1,756	1,466	290
Capital Outlay	16,500	-	16,500
Total Expenditures	1,777,063	1,674,251	102,812
Excess (deficiency) of revenues over (under) expenditures	(229,286)	(98,567)	130,719
OTHER FINANCING SOURCES			
Property sales	-	6,637	6,637
Transfers in	142,000	139,972	(2,028)
Total Other Financing Sources	142,000	146,609	4,609
Net Change in Fund Balance	(87,286)	48,042	135,328
FUND BALANCE - Beginning of Year	1,396,162	1,396,162	-
FUND BALANCE - END OF YEAR	$ 1,308,876	$ 1,444,204	$ 135,328

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

VILLAGE OF MARSHALL

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2015

Fiscal Year Ending	Proportion of the Net Pension Asset	Proportionate Share of the Net Pension Asset	Covered Payroll	Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset
12/31/15	0.00858453%	$ 210,860	$ 967,281	21.80%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2015

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	$ 80,588	$ 80,588	$ -	$ 967,281	8.33%

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

BUDGETARY INFORMATION

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

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

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were $58,884. Budgets are adopted at the fund level of expenditure.

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in Assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

VILLAGE OF MARSHALL

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance with Final Budget
TAXES			
General property taxes	$ 744,894	$ 744,893	$ (1)
Mobile home lottery credit and parking fees	73,000	70,267	(2,733)
Interest and penalties on taxes	400	932	532
Total Taxes	818,294	816,092	(2,202)
INTERGOVERNMENTAL			
State shared revenues	423,151	422,415	(736)
Fire insurance tax (2% fire dues)	7,500	6,932	(568)
State aid - other law enforcement	11,120	11,440	320
State aid - general transportation aids	160,082	159,773	(309)
State aid - recycling	10,000	10,314	314
Other state payments	-	724	724
Total Intergovernmental	611,853	611,598	(255)
LICENSES AND PERMITS			
Liquor and malt beverage licenses	3,300	4,221	921
Operators' license	1,500	2,000	500
Cigarette licenses	300	200	(100)
Other business and occupational licenses	50	95	45
Cable television franchise fees	41,200	43,119	1,919
Bicycle licenses	-	15	15
Dog and cat licenses	3,000	3,579	579
Building permits	9,000	17,403	8,403
Other permits	125	-	(125)
Zoning permits and fees	1,500	2,517	1,017
Other regulatory permits and fees	1,500	2,245	745
Total Licenses and Permits	61,475	75,394	13,919
FINES, FORFEITURES AND PENALTIES			
Court penalties and costs	23,000	24,315	1,315
Parking violations	5,000	7,734	2,734
Total Fines, Forfeitures and Penalties	28,000	32,049	4,049
PUBLIC CHARGES FOR SERVICES			
General government	1,200	1,223	23
Sale of materials and supplies	-	225	225
Law enforcement fees	500	490	(10)
Street related facilities	300	448	148
Weed and nuisance control	2,055	2,635	580
Total Public Charges for Services	4,055	5,021	966
INVESTMENT INCOME			
Investment income	10,000	22,793	12,793

VILLAGE OF MARSHALL

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance with Final Budget
OTHER REVENUES			
Rent	$ 13,200	$ 12,000	$ (1,200)
Other miscellaneous	900	737	(163)
Total Other Revenues	14,100	12,737	(1,363)
OTHER FINANCING SOURCES			
Transfer in - utility tax equivalent	142,000	139,972	(2,028)
Property sales	-	6,637	6,637
Total Other Financing Sources	142,000	146,609	4,609
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 1,689,777	$ 1,722,293	$ 32,516

VILLAGE OF MARSHALL

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT			
Village board	$ 7,106	$ 4,750	$ 2,356
Judicial	11,495	7,312	4,183
Municipal court	20,373	18,523	1,850
Legal counseling	8,000	8,143	(143)
President	4,129	4,415	(286)
Administrator	57,350	56,224	1,126
Clerk	72,873	77,408	(4,535)
Legislative support	4,550	3,416	1,134
Commissions and committees	1,077	619	458
Elections	4,473	2,365	2,108
Secretarial	10,211	11,510	(1,299)
Illegal taxes and refunds	-	2,184	(2,184)
Assessment of property	12,500	12,725	(225)
Independent auditing	21,000	17,257	3,743
Property and liability insurance	19,925	20,133	(208)
General buildings/plant/hall	49,934	48,107	1,827
Other insurance	32,770	29,613	3,157
Map and plat books	50	18	32
League dues	950	1,891	(941)
Budget adjustment	175	164	11
Total General Government	338,941	326,777	12,164
PUBLIC SAFETY			
Police	88,364	88,240	124
Administration	107,620	106,172	1,448
Patrol	514,121	493,927	20,194
Crossing guards	56,646	56,284	362
Police secretary	61,759	61,587	172
Community officer	500	502	(2)
Fire protection	52,984	52,950	34
Ambulance	83,707	84,195	(488)
Building inspection	10,000	17,586	(7,586)
Total Public Safety	975,701	961,443	14,258
PUBLIC WORKS			
Public works/highway administration	-	28,137	(28,137)
Machinery operation and maintenance	35,500	40,646	(5,146)
Engineering	-	750	(750)
Highway and street maintenance and construction	69,850	25,498	44,352
Garages and sheds	189,917	151,523	38,394
Street signs	1,750	1,748	2
Snow and ice control	12,300	13,519	(1,219)
Street lighting	46,600	43,477	3,123
Sidewalks	2,700	2,357	343
Storm sewer maintenance	1,000	400	600
Weed and nuisance control	1,500	-	1,500
Total Public Works	361,117	308,055	53,062

VILLAGE OF MARSHALL

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2015

	Original And Final Budget	Actual	Variance with Final Budget
HEALTH AND HUMAN SERVICES			
Contributions to local organizations	$ 9,000	$ 9,000	$ -
CULTURE, RECREATION AND EDUCATION			
Community center	12,400	12,602	(202)
Recreation administration	60,098	53,781	6,317
Celebration and entertainment	1,100	965	135
Parks	50	50	-
Recreation facilities	400	112	288
Total Culture, Recreation and Education	74,048	67,510	6,538
CONSERVATION AND DEVELOPMENT			
Forestry	125	276	(151)
Zoning	100	-	100
Planning Commission	1,531	565	966
Lake development	-	625	(625)
Total Conservation and Development	1,756	1,466	290
CAPITAL OUTLAY			
Capital Outlay	16,500	-	16,500
TOTAL EXPENDITURES	$ 1,777,063	$ 1,674,251	$ 102,812

VILLAGE OF MARSHALL

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2015

	Special Revenue			
	Recreation Fund	Library Fund	Solid Waste Fund	Veterans Memorial Park Fund
ASSETS				
Cash and investments	$ 30,130	$ 251,302	$ 33,641	$ 7,608
Receivables				
Taxes receivable	25,000	176,000	160,352	-
Accounts	199	1,050	-	-
Land held for resale	-	-	-	-
TOTAL ASSETS	$ 55,329	$ 428,352	$ 193,993	$ 7,608
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 988	$ 3,032	$ 12,870	$ -
Advances from other funds	-	-	-	-
Total Liabilities	988	3,032	12,870	-
Deferred Inflows of Resources				
Unearned revenues	25,000	176,000	160,352	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	25,000	176,000	160,352	-
Fund Balances (Deficit)				
Restricted	-	249,320	-	-
Committed	29,341	-	20,771	7,608
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	29,341	249,320	20,771	7,608
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 55,329	$ 428,352	$ 193,993	$ 7,608

Capital Projects	Total Nonmajor Governmental Funds
$ 212	$ 322,893
588	361,940
-	1,249
136,722	136,722
$ 137,522	$ 822,804
$ 2,634	$ 19,524
136,722	136,722
139,356	156,246
-	361,352
588	588
588	361,940
-	249,320
-	57,720
(2,422)	(2,422)
(2,422)	304,618
$ 137,522	$ 822,804

VILLAGE OF MARSHALL

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Special Revenue			
	Recreation Fund	Library Fund	Solid Waste Fund	Veterans Memorial Park Fund
REVENUES				
Taxes	$ 25,102	$ 175,000	$ 2,900	$ -
Intergovernmental	1,750	42,306	-	-
Public charges for services	58,831	12,841	154,307	-
Special assessments	-	-	-	-
Investment income	-	1,197	-	-
Other revenues	19,741	3,332	-	350
Total Revenues	105,424	234,676	157,207	350
EXPENDITURES				
Current				
Public works	-	-	155,968	-
Culture, recreation and education	99,518	235,304	-	75
Capital Outlay	12,190	-	-	-
Total Expenditures	111,708	235,304	155,968	75
Excess (deficiency) of revenues over expenditures	(6,284)	(628)	1,239	275
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(6,284)	(628)	1,239	275
FUND BALANCES (DEFICIT) - Beginning of Year	35,625	249,948	19,532	7,333
FUND BALANCES (DEFICIT) - END OF YEAR	$ 29,341	$ 249,320	$ 20,771	$ 7,608

Capital Projects	Total Nonmajor Governmental Funds
$ -	$ 203,002
-	44,056
-	225,979
5,010	5,010
23	1,220
-	23,423
5,033	502,690
-	155,968
-	334,897
119,738	131,928
119,738	622,793
(114,705)	(120,103)
120,000	120,000
(5,033)	(5,033)
114,967	114,967
262	(5,136)
(2,684)	309,754
$ (2,422)	$ 304,618

VILLAGE OF MARSHALL

STATEMENT OF CASH FLOWS
COMPONENT UNIT
For the Year Ended December 31, 2015

	CDA
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	$ 20,690
Net Cash Flows From Operating Activities	20,690
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	5,019
Net Cash Flows From Investing Activities	5,019
Net Change in Cash and Cash Equivalents	25,709
CASH AND CASH EQUIVALENTS - Beginning of Year	92,685
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 118,394
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in assets and liabilities	
Loans receivable	$ 20,690
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 20,690
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and investments - statement of net position	$ 118,394
CASH AND CASH EQUIVALENTS	$ 118,394

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES
None