

VILLAGE OF WHITEFISH BAY, WISCONSIN
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Village of Whitefish Bay
Whitefish Bay, 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 Whitefish Bay, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Whitefish Bay 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-Matters

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress of the other postemployment benefits, and pension schedules on pages 4 – 14 and 67 - 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Whitefish Bay's basic financial statements. The combining and individual nonmajor fund financial statements and the schedules listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Board of Directors
Village of Whitefish Bay

The combining and individual nonmajor fund financial statements and the schedules listed as supplementary information in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
June 27, 2016

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VILLAGE OF WHITEFISH BAY
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2015
(unaudited)

The Village of Whitefish Bay's management offers this narrative overview and analysis of the Village's financial statements. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the financial statements. A comparison with prior year data is also presented.

FINANCIAL HIGHLIGHTS

The more significant transactions that impacted the Village's financial picture during 2015 were:

- The Village's governmental activities net position increased in 2015 by \$1,873,672. This is a result of adding \$782,197 in net pension assets and \$812,167 in deferred amounts related to pension.
- The Village's General Fund fund balance increased \$705,704. The increase is a result of numerous departments ending the year under budget, and the Village generating more permit revenue than expected. The unassigned fund balance of the General Fund increased to a healthy 51% of current year revenues.

Net position, as referred to above, results when revenues exceed expenses. When expenses exceed revenues, the result is a decrease in net position. You can think of this relationship between revenues and expenses as the Village's operating results. You can think of the Village's net position, as measured in the Statement of Net Position, as one way to measure the Village's financial health or financial position. Over time, increases and decreases in the Village's net position, as measured by the Statement of Activities, are one indicator or whether its financial health is improving or not. However, the Village's goal remains to provide services that improve the quality of life for our residents not generate profits. For this reason, you need to consider many other non-financial factors when assessing the overall health of our Village.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. They are presented in two statements, the Statement of Net Position and the Statement of Activities.

Both of these financial statements distinguish functions of the Village that are principally supported by taxes (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees (business-type activities). The governmental activities of the Village included general government, public safety, public works, health, parks and recreation, library and conservation and development. The business-type activities of the Village include Water, Sewer, Stormwater and Parking Utilities, The Village's component unit; the Business Improvement District (BID) is presented as a discrete column in the Statement of Net Position and Statement of Activities.

Statement of Net Position

The following table summarizes the Village's Statement of Net Position from 2015 and 2014:

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 25,986,473	\$ 22,551,651	\$ 11,095,963	\$ 10,332,395	\$ 37,082,436	\$ 32,884,046
Capital Assets	28,431,349	27,910,630	37,602,312	36,693,700	66,033,661	64,604,330
Total Assets	<u>54,417,822</u>	<u>50,462,281</u>	<u>48,698,275</u>	<u>47,026,095</u>	<u>103,116,097</u>	<u>97,488,376</u>
Deferred Outflows	1,223,270	480,061	126,021	59,323	1,349,291	539,384
Long-term Debt	31,678,260	29,266,732	29,669,328	29,190,585	61,347,588	58,457,317
Other Liabilities	985,706	995,456	658,196	811,158	1,643,902	1,806,614
Total Liabilities	<u>32,663,966</u>	<u>30,262,188</u>	<u>30,327,524</u>	<u>30,001,743</u>	<u>62,991,490</u>	<u>60,263,931</u>
Deferred Inflows	11,550,119	11,126,819	-	-	11,550,119	11,126,819
Net Investment in Capital Assets	2,207,055	3,357,191	11,115,725	10,555,326	12,107,691	13,152,182
Restricted	3,824,491	1,998,389	759,616	242,186	4,584,107	2,240,575
Unrestricted	5,395,461	4,197,755	6,621,431	6,286,163	12,879,140	11,244,253
Total Net Position	<u>\$ 11,427,007</u>	<u>\$ 9,553,335</u>	<u>\$ 18,496,772</u>	<u>\$ 17,083,675</u>	<u>\$ 29,570,938</u>	<u>\$ 26,637,010</u>

Government Activities – Statement of Net Position

Current and other assets for governmental activities primarily represent cash, investments, taxes receivable, special assessments receivable, loan receivable, and pension activity. Total current and other assets increased by \$3.4 million. This increase is largely a result of debt proceeds cash on hand and pension asset.

Deferred outflows are related to the losses on the debt refunding's done in 2010 and 2012, which will be amortized through 2026, and deferred amounts related to pension.

Other liabilities include accounts payable, accrued payroll and other related liabilities. These amounts stayed relatively consistent with prior year, only decreasing by \$9,750.

Deferred inflows represent unearned revenue for taxes levied in December 2015. These taxes represent revenue for the 2016 fiscal year and accordingly are not considered to be revenue in 2015.

The net investment in capital assets represents the Village's equity in its capital assets which is 4% of the historical cost of assets. This can be thought of as the Village's ownership in those capital assets. This percentage decreased from 12% in 2014 a result of new debt issued in 2015 and projects not completed.

Capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The Village annually levies a tax in order to pay the next year's installment of principal and interest on long term debt.

A portion of the Village's net position represents resources that are subject to external restrictions on how they can be used. Restricted net position consists of amounts with donor restrictions, and amounts restricted for debt service, pension, and capital projects. The remaining unrestricted net position may be used to meet ongoing obligations to citizens.

Business-Type Activities – Statement of Net Position

Business-type activities current and other assets consist mainly of cash, accounts receivable and special assessment receivables. The assets increased by approximately \$760,000. This increase is a result of cash on hand from borrowing proceeds.

Other liabilities include accounts payable, accrued payroll and other related liabilities. These decreased approximately \$153,000 from the previous year. The 2014 balance included significant payables related to work done in 2014 for capital related projects.

The net investment in capital assets represents the Village's equity in its capital assets which is 24% of the historical cost of assets. This can be thought of as the Village's ownership in those capital assets.

Statement of Activities

The Statement of Activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Significant Changes in Governmental Activities

Overall, the Village's governmental activities increased net position by \$281,089 in 2015. This increase is due to revenues exceeding expenses by \$316,528 and decreased by transfers of \$35,439. The transfers are Payments in lieu of taxes from the utility funds to the General Fund and from the General Fund to the Sewer & Stormwater Utility for debt service.

The table below summarizes the Statement of Activities for 2015 and 2014.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$ 1,209,821	\$ 1,772,955	\$ 5,099,358	\$ 4,858,341	\$ 6,309,179	\$ 6,631,296
Operating Grants & Contributions	1,047,196	930,272	-	-	1,047,196	930,272
Capital Grants & Contributions	51,721	-	123,817	873,572	175,538	873,572
General Revenues						
Property Taxes	11,126,819	11,154,773	-	-	11,126,819	11,154,773
Other Revenues	593,673	996,160	6,215	8,839	599,888	1,004,999
Total Revenues	14,029,230	14,854,160	5,229,390	5,740,752	19,258,620	20,594,912
Expenses						
General Government	1,652,799	2,071,411	-	-	1,652,799	2,071,411
Public Safety	5,821,362	5,727,709	-	-	5,821,362	5,727,709
Public Works	3,678,989	3,858,342	-	-	3,678,989	3,858,342
Conservation & Development	153,623	85,030	-	-	153,623	85,030
Health	184,434	191,111	-	-	184,434	191,111
Library	877,635	872,378	-	-	877,635	872,378
Parks & Recreation	256,366	27,788	-	-	256,366	27,788
Interest & Fiscal Charges	1,087,494	953,827	-	-	1,087,494	953,827
Water Utility	-	-	1,589,036	1,654,298	1,589,036	1,654,298
Sewer Utility	-	-	1,701,379	1,688,775	1,701,379	1,688,775
Stormwater Utility	-	-	613,064	500,993	613,064	500,993
Parking Utility	-	-	87,280	74,527	87,280	74,527
Total Expenses	13,712,702	13,787,596	3,990,759	3,918,593	17,703,461	17,706,189
Transfers						
Change in Net Position	(35,439)	288,428	35,439	(288,428)	-	-
Net Position, Beginning of Year	281,089	1,354,992	1,274,070	1,533,731	1,555,159	2,888,723
Net Position, Beginning of Year	9,553,335	8,198,343	17,083,675	15,549,944	26,637,010	23,748,287
Prior period adjustment, GASB 68 and 71	1,592,583	-	139,027	-	1,731,610	-
Net Position, Beginning of Year (restated)	11,145,918	8,198,343	17,222,702	15,549,944	28,368,620	23,748,287
Net Position, End of Year	<u>\$ 11,427,007</u>	<u>\$ 9,553,335</u>	<u>\$ 18,496,772</u>	<u>\$ 17,083,675</u>	<u>\$ 29,923,779</u>	<u>\$ 26,637,010</u>

Governmental Activities – Revenues

Program revenues are those revenues that can be directly related to a particular activity, whereas general revenues represent revenues that are not directly related to one function (property taxes). Charges for services are primarily made up of licenses, permits, fees and fines. The Village's main operating grants are State resources received for shared revenue, highway maintenance and recycling programs. The table below compares governmental activities' revenues for 2015 and 2014, and significant changes are discussed below table.

	Governmental Activities			
	2015	2014	\$ Change	% Change
Program Revenues				
Charges for Services	\$ 1,209,821	\$ 1,772,955	\$ (563,134)	-31.8%
Operating Grants & Contributions	1,047,196	930,272	116,924	12.6%
Capital Grants & Contributions	51,721	-	51,721	0.0%
General Revenues				
Property Taxes	11,126,819	11,154,773	(27,954)	-0.3%
Other Revenues	593,673	996,160	(402,487)	-40.4%
Total Revenues	<u>\$ 14,029,230</u>	<u>\$ 14,854,160</u>	<u>\$ (824,930)</u>	<u>-5.6%</u>

Charges for services decreased by approximately \$563,000 in 2015. The major source for this change is the amount of special assessment revenue recognized in 2015 was approximately \$504,000 less than in 2014.

Property tax revenue decreased slightly from 2014 by approximately \$28,000. Property taxes are the largest revenue source for governmental activities. Property taxes account for approximately 79% of total governmental activities revenue in 2015, up from 75% in 2014.

Other revenues decreased approximately \$402,000. The Village's return on its investment in CVMIC decreased by \$300,000 in 2015.

Governmental Activities – Expenses

Governmental activities expenses are broken down into various functions. General government includes costs such as village board, management, finance/clerk, election, inspections, court, village attorney, contract services and building maintenance. Costs associated with the Village's police department, fire and dispatch services are shown within the public safety function. The public works function includes expenses for a street, alley and sidewalk maintenance, snow and forestry operations, refuse, recycling, and yard waste collection. Conservation and development expenses include economic development within the Village's tax incremental financing districts. Health services include expenses incurred for providing health programs to the general public such as restaurant licensing, immunizations and health clinics. Library and parks and recreation function expenses provide services within the Village library and park system. The table below compares 2015 and 2014 expenses by function. The reasons for fluctuations of more than \$100,000 and 10% of the previous year are described following the table.

	Governmental Activities			
	2015	2014	\$ Change	% Change
Expenses				
General Government	1,652,799	2,071,411	(418,612)	-20%
Public Safety	5,821,362	5,727,709	93,653	2%
Public Works	3,678,989	3,858,342	(179,353)	-5%
Conservation & Development	153,623	85,030	68,593	81%
Health	184,434	191,111	(6,677)	-3%
Library	877,635	872,378	5,257	1%
Parks & Recreation	256,366	27,788	228,578	823%
Interest & Fiscal Charges	1,087,494	953,827	133,667	14%
Total Expenses	<u>\$ 13,712,702</u>	<u>\$ 13,787,596</u>	<u>\$ (74,894)</u>	<u>-1%</u>

The General Government function decreased by 20%. Part of this decrease is a result of savings in salaries and benefits from unfilled positions. There were also less repairs and maintenance on Village owned buildings in 2015. The increase in Parks and Recreation is a result of EAB treatment during the year, as well as improvements in Cahill and Klode parks. The increase in interest and fiscal charges is a result of debt refinancing.

Business-Type Activities – Revenues

Unlike governmental activities, the Village's business-type activities are financed primarily by user charges. The Village bills water, sewer and stormwater fees to its customers on a tri-annual basis. Any utility bill not paid by the tax levy date is placed on the property owner's tax bill. Parking Utility revenues are derived from parking meters within the district. A summary of these utility charges is shown below:

	Business-Type Activities			
	2015	2014	\$ Change	% Change
Program Revenues				
Water Utility	\$ 2,217,487	\$ 2,153,489	\$ 63,998	3%
Sewer Utility	2,177,903	2,016,282	161,621	8%
Stormwater Utility	623,688	615,817	7,871	1%
Parking Utility	80,280	72,753	7,527	10%
Other Revenues	<u>130,032</u>	<u>882,411</u>	<u>(752,379)</u>	<u>-85%</u>
Total Revenues	<u>\$ 5,229,390</u>	<u>\$ 5,740,752</u>	<u>\$ (511,362)</u>	<u>-9%</u>

Sewer Utility charges for services increased due to a sewer rate increase of 8% that was effective January 1. Water consumption which is used for both water and sewer variable charges remained consistent with usage in 2014. The Stormwater Utility is based on ERU's, which do not vary significantly on annual basis; therefore, revenue from the stormwater utility should remain consistent from year to year.

Other revenues largely represent investment income and capital contributions for utility infrastructure. The Village received \$804,000 in federal and local grant aid in 2014 for stormwater retention compared to \$123,817 in 2015.

Business-Type Activities – Expenses

The table below compares business-type activities expenses from 2015 to 2014.

	Business-Type Activities			
	2015	2014	\$ Change	% Change
Expenses				
Water Utility	1,589,036	1,654,298	(65,262)	-4%
Sewer Utility	1,701,379	1,688,775	12,604	1%
Stormwater Utility	613,064	500,993	112,071	22%
Parking Utility	<u>87,280</u>	<u>74,527</u>	<u>12,753</u>	<u>17%</u>
Total Expenses	<u>\$ 3,990,759</u>	<u>\$ 3,918,593</u>	<u>\$ 72,166</u>	<u>2%</u>

Water Utility expenses include all costs necessary to provide water to approximately 4,800 residential and commercial customers within the Village. The Village is a member of and purchases water from the North Shore Water Commission. Other expenses include maintenance of approximately 48 miles of water main, meter maintenance and upgrades, testing and operating of hydrants and valves in compliance with regulatory standards.

Sewer Utility expenses include all costs associated with the Village's collection and conveyance of wastewater from utility users. Wastewater is conveyed via underground laterals and mains downstream to the municipal interceptor sewer system operated by Milwaukee Metropolitan Sewage District (MMSD). The sewer utility is used to maintain the Village's infrastructure system as well as the treatment costs paid to MMSD.

Stormwater Utility expenses include costs associated with owning, maintaining, and constructing approximately 30 miles of the Village's stormwater management system. User fees are based on a property's equivalent runoff units (ERU's).

The Parking Utility accounts for the expenses associated with administering and enforcing parking regulations and maintenance of Village lots.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental, business-type activities, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The basic governmental fund financial statements can be found on page 17 and 19 of this report.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Borrowed Money Capital Projects Fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements at the end of this report.

Governmental Funds – Fund Balance

As of December 31, 2015, the Village's governmental funds reported combined ending fund balance of \$10.9 million, a \$2.8 million increase from the previous year. Approximately forty-four (44%) percent of the Village's total fund balance is unassigned fund balance, which is available for spending at the Village's discretion. The remainder of the fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending as it has already been committed for prepaid items or other purposes. The increase in fund balance is primarily due debt proceeds on hand that have not yet been spent on capital projects.

The General Fund is the main operating fund of the Village. At year end, total fund balance in the General Fund was \$6,038,569 of which \$5,268,779 was unassigned. The General Fund unassigned fund balance represents 51% of total General Fund revenues. This was an increase of \$577,620 from a total unassigned fund balance of \$4,691,159 in 2014. Unassigned fund balance can be thought of as the residual fund balance category within the General Fund.

The Borrowed Money Capital Projects Fund had an increase in fund balance of \$1.8 million. In 2014 this fund had a deficit balance of \$864,766 which was replenished by a borrowing in 2015. The remaining increase is a result of cash on hand from 2015 borrowing that has not yet been expended.

General Fund Budgetary Highlights

The Village adopts an annual budget for its General Fund. A budgetary comparison schedule can be found on page 67 of this report. Overall, the General Fund actual results exceeded the budget for revenues and was under budget in expenditures. Other significant changes between budget and actual results include the following:

- Intergovernmental revenue exceeded budget by \$67,934. The Village received a \$45,421 local road improvement grant in 2015. Another source of the increase was an increase of \$22,457 in general transportation aids.
- Licenses and permits exceeded budget by \$108,243. Primary source of increase was business permits generating revenue in excess of \$84,000 due to multiple large building projects requiring numerous inspections within the Village.
- Transfers in for the General Fund included payments in lieu of taxes from the water, sewer, and parking utilities. Transfers from the General Fund to Sewer & Stormwater Utility funds were for debt service as indicated in budget.
- Overall actual revenues and other financing sources exceeded budget by \$184,620.
- General Government activities were under budget by approximately \$185,000. Much of the savings were from decreased wages and benefits from unfilled positions.
- Public Safety activities were over budget by approximately \$24,000. The police department had two long-term employees retire at the end of 2015 and each received retirement packages.
- Public Works activities were under budget by approximately \$265,000. This is due primarily because approximately \$300,000 of vehicle maintenance costs budgeted in 2015 were unexpended.
- Overall expenditures were under budget by \$521,084.

Proprietary Funds

The Village uses one type of Proprietary Fund, called Enterprise Funds to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for Water, Sewer, Stormwater and Parking Utilities. The proprietary fund financial statements provide separate information for each utility. Proprietary fund financial statements can be found on pages 21-23 of this report.

The net position of the Water, Sewer, Stormwater and Parking Utilities at the end of the year was \$6,241,660, \$7,680,670, \$4,247,506 and \$326,936, respectively. The total net position of the Water, Sewer, and Stormwater Utilities are much higher than the Parking Utility because those utilities are capital intensive. This means more of their net position is included in the category net investment in capital assets. Unrestricted net position for the Water, Sewer, Stormwater and Parking Utilities were \$786,083, \$1,685,472, \$3,999,469, and \$150,407.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's internal activities. The Village maintains one fiduciary fund, the Tax Collection Agency Fund which records the tax roll and tax collection for other taxing jurisdictions within the Village. The fiduciary fund financial statement can be found on page 24 of this report.

Component Units

Component units are separate legal entities that a primary government must include in its financial report for fair presentation in conformity with United State of America Generally Accepted Accounting Principles (GAAP). They may be organizations for which elected officials of the primary government are financially accountable, or organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Village has two component units, Community Development Authority (CDA), which administers the development and redevelopment within the District, and the Silver Spring Business Improvement District (BID), an eight member board which permits businesses in the Village to develop, manage and promote the local economy. BID's are financed through special assessments levied on properties within the District. The BID Board members are appointed by the Village President, and approved by the Village Board.

The Village has included comparative data for the previous year to illustrate the changes in net position for the component unit. The CDA did not have any net position or financial transactions during the year, therefore no amounts have been presented.

The BID had a decrease in net position of \$13,479 over the previous year. The BID is financed through special assessments on individual business owners, which are collected by the Village through the tax collection process and turned over to the District. The annual property tax amounts have remained relatively consistent.

The BID uses the accrual basis of accounting.

Statement of Net Position	BID		Statement of Activities	BID	
	2015	2014		2015	2014
Cash	\$ 29,262	\$ 53,982	Program Revenues		
Other Assets	5,550	-	Operating Grants	87,845	69,389
Total Assets	<u>\$ 34,812</u>	<u>\$ 53,982</u>	General Revenues		
			Other General Revenues	12	76
Accounts Payable	2,446	8,137	Total Revenues	87,857	69,465
Total Net Position	<u>\$ 32,366</u>	<u>\$ 45,845</u>	Expenses	101,336	70,381
			Changes in Net Position	(13,479)	(916)
			Net Position, January 1	45,845	46,761
			Net Position, December 31	<u>\$ 32,366</u>	<u>\$ 45,845</u>

Combined financial information is presented as a discrete column in the statement of net position and statement of activities on pages 15-16 of this report. Additional information for the BID can be found on page 55 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-66 of this report. The information provided below on capital assets and long-term debt can be found within the footnotes to the financial statements.

Capital Assets

The Village's capital asset activity for 2015 and 2014 is summarized below:

Description	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Land	\$ 1,305,706	\$ 1,305,706	\$ 174,084	\$ 174,084
Construction in progress	1,380,747	782,317	1,336,217	4,716,547
Buildings	7,999,638	7,983,820	963,099	963,099
Improvements	1,094,160	1,051,275	370,209	370,209
Machinery and equipment	6,201,719	5,985,918	3,973,420	3,970,721
Infrastructure	42,573,074	41,128,386	39,376,453	34,308,088
Total capital assets	<u>60,555,044</u>	<u>58,237,422</u>	<u>46,193,482</u>	<u>44,502,748</u>
Less accumulated depreciation	<u>(32,123,695)</u>	<u>(30,326,792)</u>	<u>(8,591,170)</u>	<u>(7,809,048)</u>
Capital assets, net of depreciation	<u>\$ 28,431,349</u>	<u>\$ 27,910,630</u>	<u>\$ 37,602,312</u>	<u>\$ 36,693,700</u>

Significant projects undertaken during the year include the following:

- \$4.5 million in street reconstruction projects on Idlewild, Bartlett & Woodruff
- \$1.25 million in annual sidewalk, alley and mill & overlay projects

Additional information on the Village's capital assets can be found on pages 44-45.

Long-Term Debt

Wisconsin state statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total equalized valuation. The current debt limitation for the Village is \$104,450,840 which exceeds the Village's current outstanding general obligation debt of \$51,895,216. This debt is entirely backed by the full faith and credit of the government. At year end, the outstanding debt equaled 50% of the Village's state authorized debt limit.

The Village issued \$9,570,000 in new debt during 2015. \$5.9 million was issued to finance capital projects, and \$3.6 to refinance prior debt. Total general obligation debt increased \$2.7 million in 2015. The below table summarizes the ending balances for 2015 and 2014:

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
General obligation debt, net of premium/(discount)	\$ 28,951,784	\$ 26,774,256	\$ 23,706,716	\$ 22,928,921
OPEB Liability	2,307,940	2,066,229	-	-
Compensated absences	418,536	426,247	-	-
Revenue bonds	-	-	5,962,612	6,261,664
Total Long-term liabilities	<u>\$ 31,678,260</u>	<u>\$ 29,266,732</u>	<u>\$ 29,669,328</u>	<u>\$ 29,190,585</u>

Additional information on the Village's long-term debt can be found on pages 48-52.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the required supplementary information and can be found on pages 71-74 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information can be addressed to the Finance Director, 5300 N. Marlborough Drive, Whitefish Bay, WI 53217.

BASIC FINANCIAL STATEMENTS

VILLAGE OF WHITEFISH BAY, WISCONSIN
Statement of Net Position
December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Business Improvement District
Assets				
Cash and investments	\$ 10,965,950	\$ 5,677,042	\$ 16,642,992	\$ 29,262
Taxes receivable	11,550,119	-	11,550,119	-
Accounts receivable	121,677	1,573,255	1,694,932	5,550
Interest receivable	8,644	119	8,763	-
Special assessments receivable	224,960	67,978	292,938	-
Loan receivable	1,866,011	-	1,866,011	-
Prepaid items and inventories	-	46,170	46,170	-
Restricted assets				
Cash and investments	-	3,413,300	3,413,300	-
Deposits with North Shore Water Commission	-	250,083	250,083	-
Pension asset	782,197	68,016	850,213	-
Investment in CVMIC	466,915	-	466,915	-
Capital assets				
Land	1,305,706	174,084	1,479,790	-
Construction in process	1,380,747	1,336,217	2,716,964	-
Other capital assets, net of depreciation	25,744,896	36,092,011	61,836,907	-
Total assets	<u>54,417,822</u>	<u>48,698,275</u>	<u>103,116,097</u>	<u>34,812</u>
Deferred Outflows of Resources				
Deferred amounts related to pension	812,167	72,091	884,258	-
Deferred amount on refundings	411,103	53,930	465,033	-
Total deferred outflows of resources	<u>1,223,270</u>	<u>126,021</u>	<u>1,349,291</u>	<u>-</u>
Liabilities				
Accounts payable and accrued expenses	611,187	426,409	1,037,596	2,446
Accrued interest payable	374,519	231,787	606,306	-
Noncurrent liabilities				
Due within one year	2,030,657	5,813,708	7,844,365	-
Due in more than one year	29,647,603	23,855,620	53,503,223	-
Total liabilities	<u>32,663,966</u>	<u>30,327,524</u>	<u>62,991,490</u>	<u>2,446</u>
Deferred Inflows of Resources				
Taxes levied for subsequent year's budget	11,550,119	-	11,550,119	-
Total deferred inflows of resources	<u>11,550,119</u>	<u>-</u>	<u>11,550,119</u>	<u>-</u>
Net Position				
Net investment in capital assets	2,207,055	11,115,725	13,322,780	-
Restricted for				
Equipment replacement	-	233,672	233,672	-
Net pension asset	782,197	68,016	850,213	-
Capital projects	963,897	-	963,897	-
North Shore Water Commission	-	250,083	250,083	-
Debt service	-	207,845	207,845	-
TIF projects and debt service	1,824,218	-	1,824,218	-
Library expansion	244,204	-	244,204	-
Donations	9,975	-	9,975	-
Unrestricted	<u>5,395,461</u>	<u>6,621,431</u>	<u>12,016,892</u>	<u>32,366</u>
TOTAL NET POSITION	<u>\$ 11,427,007</u>	<u>\$ 18,496,772</u>	<u>\$ 29,923,779</u>	<u>\$ 32,366</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WHITEFISH BAY, WISCONSIN
Statement of Activities
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Unit Business Improvement District
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities								
General government	\$ 1,652,799	\$ 276,381	\$ -	\$ 6,300	\$ (1,370,118)	\$ -	\$ (1,370,118)	\$ -
Public safety	5,821,362	854,795	5,577	-	(4,960,990)	-	(4,960,990)	-
Public works	3,678,989	7,836	980,410	45,421	(2,645,322)	-	(2,645,322)	-
Conservation and development	153,623	11,088	20,000	-	(122,535)	-	(122,535)	-
Health	184,434	-	-	-	(184,434)	-	(184,434)	-
Library	877,635	59,721	41,209	-	(776,705)	-	(776,705)	-
Parks and recreation	256,366	-	-	-	(256,366)	-	(256,366)	-
Interest and fiscal charges	1,087,494	-	-	-	(1,087,494)	-	(1,087,494)	-
Total governmental activities	<u>13,712,702</u>	<u>1,209,821</u>	<u>1,047,196</u>	<u>51,721</u>	<u>(11,403,964)</u>	<u>-</u>	<u>(11,403,964)</u>	<u>-</u>
Business-type activities								
Water Utility	1,589,036	2,217,487	-	-	-	628,451	628,451	-
Sewer Utility	1,701,379	2,177,903	-	-	-	476,524	476,524	-
Stormwater Utility	613,064	623,688	-	123,817	-	134,441	134,441	-
Parking Utility	87,280	80,280	-	-	-	(7,000)	(7,000)	-
Total business-type activities	<u>3,990,759</u>	<u>5,099,358</u>	<u>-</u>	<u>123,817</u>	<u>-</u>	<u>1,232,416</u>	<u>1,232,416</u>	<u>-</u>
TOTAL	<u>\$ 17,703,461</u>	<u>\$ 6,309,179</u>	<u>\$ 1,047,196</u>	<u>\$ 175,538</u>	<u>(11,403,964)</u>	<u>1,232,416</u>	<u>(10,171,548)</u>	<u>-</u>
Component Unit								
Business Improvement District	\$ 101,336	\$ -	\$ 87,845	\$ -				(13,491)
General revenues								
Taxes								
Property taxes, levied for general purposes					7,728,765	-	7,728,765	-
Property taxes, levied for library services					687,677	-	687,677	-
Property taxes, levied for debt services					1,860,975	-	1,860,975	-
Property taxes, levied for capital items and development					849,402	-	849,402	-
Intergovernmental revenues not restricted to specific programs					269,291	-	269,291	-
Investment income					84,964	6,215	91,179	12
Other income					239,418	-	239,418	-
Total general revenues					<u>11,720,492</u>	<u>6,215</u>	<u>11,726,707</u>	<u>12</u>
Transfers					(35,439)	35,439	-	-
Change in net position					<u>281,089</u>	<u>1,274,070</u>	<u>1,555,159</u>	<u>(13,479)</u>
Net position - beginning of year					9,553,335	17,083,675	26,637,010	45,845
Prior period adjustment - GASB 68 and 71					1,592,583	139,027	1,731,610	-
Net position - beginning of year (restated)					<u>11,145,918</u>	<u>17,222,702</u>	<u>28,368,620</u>	<u>45,845</u>
Net position - end of year					<u>\$ 11,427,007</u>	<u>\$ 18,496,772</u>	<u>\$ 29,923,779</u>	<u>\$ 32,366</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WHITEFISH BAY, WISCONSIN
Balance Sheet - Governmental Funds
December 31, 2015

	General Fund	Debt Service Fund	Borrowed Money Fund	Nonmajor Governmental Funds	Total
ASSETS					
Cash and investments	\$ 5,894,583	\$ 110,834	\$ 1,061,820	\$ 3,898,713	\$ 10,965,950
Current receivables					
Taxes	7,743,830	2,039,358	-	1,766,931	11,550,119
Accounts receivable	121,677	-	-	-	121,677
Interest receivable	7,470	-	1,174	-	8,644
Special assessments	-	-	-	224,960	224,960
Loan receivable	-	1,866,011	-	-	1,866,011
Due from other funds	-	-	-	394,790	394,790
Investment in CVMIC	466,915	-	-	-	466,915
TOTAL ASSETS	\$ 14,234,475	\$ 4,016,203	\$ 1,062,994	\$ 6,285,394	\$ 25,599,066
LIABILITIES					
Accounts payable	\$ 154,035	\$ 363	\$ 99,097	\$ 45,268	\$ 298,763
Accrued liabilities	298,041	-	-	14,383	312,424
Due to other funds	-	-	-	394,790	394,790
Total liabilities	<u>452,076</u>	<u>363</u>	<u>99,097</u>	<u>454,441</u>	<u>1,005,977</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes levied for subsequent year's budget	7,743,830	2,039,358	-	1,766,931	11,550,119
Unavailable revenues	-	1,866,011	-	234,647	2,100,658
Total Deferred Inflows of Resources	<u>7,743,830</u>	<u>3,905,369</u>	<u>-</u>	<u>2,001,578</u>	<u>13,650,777</u>
FUND BALANCES (DEFICIT)					
Nonspendable	466,915	-	-	-	466,915
Restricted	-	110,471	963,897	2,078,397	3,152,765
Committed	-	-	-	816,340	816,340
Assigned	302,875	-	-	1,425,588	1,728,463
Unassigned	5,268,779	-	-	(490,950)	4,777,829
Total fund balances (deficit)	<u>6,038,569</u>	<u>110,471</u>	<u>963,897</u>	<u>3,829,375</u>	<u>10,942,312</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 14,234,475	\$ 4,016,203	\$ 1,062,994	\$ 6,285,394	\$ 25,599,066

The accompanying notes are an integral part of this statement.

VILLAGE OF WHITEFISH BAY, WISCONSIN
Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
Year Ended December 31, 2015

Total fund balances-governmental funds \$ 10,942,312

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

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

Land	1,305,706
Construction in progress	1,380,747
Other capital assets	57,868,591
Less: accumulated depreciation	(32,123,695)

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

Loan to North Shore Fire Department	1,866,011
Special assessments receivable, due after 2015	234,647

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

Net pension asset	782,197
Deferred amounts related to pension	812,167

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

Bonds and notes payable	(28,507,723)
Notes payable - Bayside	(204,082)
Compensated absences	(418,536)
Unamortized debt discounts and premiums	(239,979)
Deferred amounts on refundings	411,103
Accrued interest	(374,519)
Net OPEB obligation	<u>(2,307,940)</u>

NET POSITION OF GOVERNMENT ACTIVITIES \$ 11,427,007

The accompanying notes are an integral part of this statement.

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

	General Fund	Debt Service Fund	Borrowed Money Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 7,728,765	\$ 1,860,975	\$ -	\$ 1,537,079	\$ 11,126,819
Intergovernmental	1,290,728	288,320	-	37,035	1,616,083
Licenses and permits	529,143	-	-	-	529,143
Fines, forfeitures and penalties	337,496	-	-	-	337,496
Public charges for services	26,274	-	-	59,721	85,995
Special assessments	-	-	-	300,912	300,912
Miscellaneous	434,547	69,644	13,028	56,219	573,438
Total revenues	<u>10,346,953</u>	<u>2,218,939</u>	<u>13,028</u>	<u>1,990,966</u>	<u>14,569,886</u>
Expenditures					
Current					
General government	1,497,226	-	-	-	1,497,226
Public safety	5,480,919	-	-	-	5,480,919
Public works	2,073,833	-	-	-	2,073,833
Health and social services	178,742	-	-	-	178,742
Conservation and development	-	-	-	112,749	112,749
Library	-	-	-	650,492	650,492
Capital Outlay	379,545	-	2,129,365	410,837	2,919,747
Debt service					
Principal	-	4,329,661	-	-	4,329,661
Interest and fiscal charges	-	993,432	-	7,125	1,000,557
Total expenditures	<u>9,610,265</u>	<u>5,323,093</u>	<u>2,129,365</u>	<u>1,181,203</u>	<u>18,243,926</u>
Excess (deficiency) of revenues over expenditures	<u>736,688</u>	<u>(3,104,154)</u>	<u>(2,116,337)</u>	<u>809,763</u>	<u>(3,674,040)</u>
Other financing sources (uses)					
Proceeds from sale of capital assets	4,455	-	-	-	4,455
Premium/(discount) on long-term debt issued	-	150,762	-	9,656	160,418
Long-term debt issued	-	2,115,000	3,945,000	295,000	6,355,000
Transfer in	297,581	818,091	-	129,309	1,244,981
Transfer out	(333,020)	(129,309)	-	(818,091)	(1,280,420)
Total other financing sources (uses)	<u>(30,984)</u>	<u>2,954,544</u>	<u>3,945,000</u>	<u>(384,126)</u>	<u>6,484,434</u>
Net change in fund balances	705,704	(149,610)	1,828,663	425,637	2,810,394
Fund balances - beginning of year	<u>5,332,865</u>	<u>260,081</u>	<u>(864,766)</u>	<u>3,403,738</u>	<u>8,131,918</u>
Fund balances (deficit) - end of year	<u>\$ 6,038,569</u>	<u>\$ 110,471</u>	<u>\$ 963,897</u>	<u>\$ 3,829,375</u>	<u>\$ 10,942,312</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WHITEFISH BAY, WISCONSIN
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended December 31, 2015

Net change in fund balances-total governmental funds \$ 2,810,394

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

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

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,919,747
Some items reported as capital outlay expenditures in the fund financial statements are operating expenses in the government-wide statements	(437,168)
Depreciation expense is reported in the government-wide statements	(1,961,860)

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

Debt issued	(6,355,000)
Principal retired	4,329,661
Debt premium/discounts	(160,418)
Amortization of debt premium/discounts	8,229
Amortization of book loss on debt refunding	(68,958)

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.

Loan receivable	(239,975)
Special assessments	(305,136)

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.

Accrued interest	(26,208)
Compensated absences	7,711
Pension activity	1,781
Net OPEB liability	(241,711)

Change in net position of governmental activities \$ 281,089

The accompanying notes are an integral part of this statement.

VILLAGE OF WHITEFISH BAY, WISCONSIN
Proprietary Fund
Statement of Net Position
December 31, 2015

	Business-type Activities - Enterprise				Totals
	Water Utility	Sewer Utility	Stormwater Utility	Nonmajor Fund Parking Utility	
ASSETS					
Current					
Cash and cash equivalents	\$ 588,388	\$ 1,110,009	\$ 3,833,076	\$ 145,569	\$ 5,677,042
Accounts receivable	687,509	711,344	174,402	-	1,573,255
Interest receivable	-	119	-	-	119
Special assessments	-	22,737	-	-	22,737
Inventories	46,170	-	-	-	46,170
Restricted Assets					
Cash and investments	600,606	824,184	1,988,510	-	3,413,300
Deposits with North Shore Water Commission	250,083	-	-	-	250,083
Total Current Assets	<u>2,172,756</u>	<u>2,668,393</u>	<u>5,995,988</u>	<u>145,569</u>	<u>10,982,706</u>
Noncurrent Assets					
Special assessments	-	45,241	-	-	45,241
Restricted - Pension asset	25,506	17,004	17,004	8,502	68,016
Land	44,084	-	-	130,000	174,084
Construction in progress	1,698	392,178	942,341	-	1,336,217
Equipment and infrastructure	19,616,165	17,521,819	7,174,988	370,209	44,683,181
Less: Accumulated depreciation	<u>(5,887,937)</u>	<u>(2,167,909)</u>	<u>(203,142)</u>	<u>(332,182)</u>	<u>(8,591,170)</u>
Total Noncurrent Assets	<u>13,799,516</u>	<u>15,808,333</u>	<u>7,931,191</u>	<u>176,529</u>	<u>37,715,569</u>
Total Assets	<u>15,972,272</u>	<u>18,476,726</u>	<u>13,927,179</u>	<u>322,098</u>	<u>48,698,275</u>
DEFERRED OUTFLOWS					
Deferred amounts related to pension	25,894	19,242	19,423	7,532	72,091
Deferred amount on refundings	53,930	-	-	-	53,930
Total Deferred Outflows	<u>79,824</u>	<u>19,242</u>	<u>19,423</u>	<u>7,532</u>	<u>126,021</u>
LIABILITIES					
Current Liabilities					
Accounts payable	168,946	218,982	21,960	1,731	411,619
Accrued interest	114,612	57,522	59,653	-	231,787
Accrued liabilities	4,117	4,238	5,472	963	14,790
Current portion of long-term debt	<u>670,299</u>	<u>856,220</u>	<u>4,287,189</u>	<u>-</u>	<u>5,813,708</u>
Total Current Liabilities	<u>957,974</u>	<u>1,136,962</u>	<u>4,374,274</u>	<u>2,694</u>	<u>6,471,904</u>
Noncurrent Liabilities					
Long-Term Debt					
Noncurrent portion of long-term debt	<u>8,852,462</u>	<u>9,678,336</u>	<u>5,324,822</u>	<u>-</u>	<u>23,855,620</u>
Total Noncurrent Liabilities	<u>8,852,462</u>	<u>9,678,336</u>	<u>5,324,822</u>	<u>-</u>	<u>23,855,620</u>
Total Liabilities	<u>9,810,436</u>	<u>10,815,298</u>	<u>9,699,096</u>	<u>2,694</u>	<u>30,327,524</u>
NET POSITION					
Net investment in capital assets	5,179,988	5,559,407	208,303	168,027	11,115,725
Restricted for net pension asset	25,506	17,004	17,004	8,502	68,016
Restricted for North Shore Water Commission	250,083	-	-	-	250,083
Restricted for debt service	-	185,115	22,730	-	207,845
Restricted for equipment replacement	-	233,672	-	-	233,672
Unrestricted	<u>786,083</u>	<u>1,685,472</u>	<u>3,999,469</u>	<u>150,407</u>	<u>6,621,431</u>
Total net position	<u>\$ 6,241,660</u>	<u>\$ 7,680,670</u>	<u>\$ 4,247,506</u>	<u>\$ 326,936</u>	<u>\$ 18,496,772</u>

The accompanying notes are an integral part of this statement.

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

	Business-type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Stormwater Utility	Nonmajor Fund Parking Utility	
OPERATING REVENUES					
Charges for services	\$ 2,210,484	\$ 2,169,651	\$ 614,290	\$ 80,280	\$ 5,074,705
Other operating revenues	7,003	8,252	9,398	-	24,653
Total operating revenues	<u>2,217,487</u>	<u>2,177,903</u>	<u>623,688</u>	<u>80,280</u>	<u>5,099,358</u>
OPERATING EXPENSES					
Operation and maintenance	768,709	1,116,860	378,797	82,631	2,346,997
Depreciation	465,404	333,548	103,394	4,649	906,995
Total operating expenses	<u>1,234,113</u>	<u>1,450,408</u>	<u>482,191</u>	<u>87,280</u>	<u>3,253,992</u>
Operating income	<u>983,374</u>	<u>727,495</u>	<u>141,497</u>	<u>(7,000)</u>	<u>1,845,366</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	1,817	1,150	3,248	-	6,215
Interest expense	(330,659)	(249,153)	(106,742)	-	(686,554)
Debt issue costs & amortization	(24,264)	(1,818)	(24,131)	-	(50,213)
Total nonoperating revenues (expenses)	<u>(353,106)</u>	<u>(249,821)</u>	<u>(127,625)</u>	<u>-</u>	<u>(730,552)</u>
Income (loss) before capital contributions and transfers	630,268	477,674	13,872	(7,000)	1,114,814
Capital contributions	-	-	123,817	-	123,817
Transfers in	104,889	206,670	126,350	-	437,909
Transfers out	(285,042)	(104,889)	-	(12,539)	(402,470)
Change in net position	<u>450,115</u>	<u>579,455</u>	<u>264,039</u>	<u>(19,539)</u>	<u>1,274,070</u>
Net position - beginning of year	5,740,351	7,064,870	3,948,564	329,890	17,083,675
Restatement	51,194	36,345	34,903	16,585	139,027
Net position - beginning of year (restated)	<u>5,791,545</u>	<u>7,101,215</u>	<u>3,983,467</u>	<u>346,475</u>	<u>17,222,702</u>
Net position - end of year	<u>\$ 6,241,660</u>	<u>\$ 7,680,670</u>	<u>\$ 4,247,506</u>	<u>\$ 326,936</u>	<u>\$ 18,496,772</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WHITEFISH BAY, WISCONSIN
Proprietary Funds - Statement of Cash Flows
Year Ended December 31, 2015

	Business-type Activities - Enterprise				Totals
	Water Utility	Sewer Utility	Nonmajor Enterprise Funds		
			Storm Utility	Parking Utility	
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 2,260,374	\$ 2,142,611	\$ 1,088,739	\$ 80,280	\$ 5,572,004
Paid to suppliers for goods and services	(519,010)	(1,169,340)	(179,347)	(29,698)	(1,897,395)
Paid to employees for services	(202,838)	(232,530)	(208,359)	(52,070)	(695,797)
Net cash provided (used) by operating activities	<u>1,538,526</u>	<u>740,741</u>	<u>701,033</u>	<u>(1,488)</u>	<u>2,978,812</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments (to) from other funds	(180,153)	101,781	126,350	(12,539)	35,439
Net cash used by noncapital financing activities	<u>(180,153)</u>	<u>101,781</u>	<u>126,350</u>	<u>(12,539)</u>	<u>35,439</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt principal paid	(1,849,454)	(835,565)	(115,000)	-	(2,800,019)
Debt interest paid	(304,384)	(259,444)	(73,447)	-	(637,275)
Debt issued	1,210,000	-	2,005,000	-	3,215,000
Special assessments received	-	98,969	-	-	98,969
Capital contributions and grant proceeds	-	-	123,817	-	123,817
Acquisition and construction of capital assets	(208,649)	(483,361)	(1,061,801)	-	(1,753,811)
Net cash used (provided) by capital and related financing activities	<u>(1,152,487)</u>	<u>(1,479,401)</u>	<u>878,569</u>	<u>-</u>	<u>(1,753,319)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds (losses) from maturities of investments	21,693	758,352	65,274	-	845,319
Investment income	1,817	2,863	3,248	-	7,928
Net cash flows provided by investing activities	<u>23,510</u>	<u>761,215</u>	<u>68,522</u>	<u>-</u>	<u>853,247</u>
Net change in cash and cash equivalents	229,396	124,336	1,774,474	(14,027)	2,114,179
Cash and cash equivalents - beginning of year	<u>358,992</u>	<u>985,673</u>	<u>2,058,602</u>	<u>159,596</u>	<u>3,562,863</u>
Cash and cash equivalents - end of year	<u>\$ 588,388</u>	<u>\$ 1,110,009</u>	<u>\$ 3,833,076</u>	<u>\$ 145,569</u>	<u>\$ 5,677,042</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income	\$ 983,374	\$ 727,495	\$ 141,497	\$ (7,000)	\$ 1,845,366
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation expense	465,404	333,548	103,394	4,649	906,995
Changes in assets and liabilities:					
Accounts receivable	42,887	(35,292)	465,051	-	472,646
Net pension asset	(206)	99	(1,524)	551	(1,080)
Accounts payable	47,580	(285,531)	(5,195)	1,274	(241,872)
Accrued liabilities	(513)	422	(2,190)	(962)	(3,243)
Net cash provided by (used in) operating activities	<u>\$ 1,538,526</u>	<u>\$ 740,741</u>	<u>\$ 701,033</u>	<u>\$ (1,488)</u>	<u>\$ 2,978,812</u>
NONCASH CAPITAL AND RELATED RELATED FINANCING ACTIVITIES					
Construction in Progress reported in accounts payable	<u>\$ 33,663</u>	<u>\$ 14,804</u>	<u>\$ 13,329</u>	<u>\$ -</u>	<u>\$ 61,796</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WHITEFISH BAY, WISCONSIN
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2015

	<u>Tax Collection Agency Fund</u>
ASSETS	
Cash and investments	\$ 29,755,152
Taxes receivable	<u>19,786,768</u>
 TOTAL ASSETS	 <u>\$ 49,541,920</u>
 LIABILITIES	
Due to other taxing units	<u>\$ 49,541,920</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit should be reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Unit

Business Improvement District (BID)

The government-wide financial statements include the Business Improvement District (BID) as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the Village Board. Wisconsin Statutes provide for circumstances whereby the Village can impose their will on the BID, and also create a potential financial benefit to or burden on the Village. As a component unit, the BID'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. There are no separate financial statements issued.

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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 and deferred outflows, liabilities and deferred inflows, 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 fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (continued)

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

The Village reports the following major governmental funds:

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

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

Capital Projects Fund - Borrowed Money Fund - accounts for bond proceeds to be used for the acquisition of equipment or construction of major capital facilities (other than those financed by Proprietary Funds).

The Village reports the following major enterprise funds:

Water Utility - accounts for operations of the water system

Sewer Utility - accounts for operations of the sanitary sewer system

Stormwater Utility - used to account for the operations of stormwater system

The Village reports the following nonmajor governmental and enterprise funds:

Nonmajor Governmental Funds

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

Donation Fund

TIF #1 Fund

TIF #2 Fund

Library Fund

Capital Projects - accounts for financial resources to be used for the acquisition of equipment or construction of major capital facilities (other than those financed by Proprietary Funds).

TIF #1 Fund

TIF #2 Fund

Capital Equipment Fund

Public Improvement Fund

Library Expansion Fund

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (continued)

Nonmajor Enterprise Funds

Parking Utility - used to account for the operations of the public parking facilities available in the Village.

In addition, the Village reports the following fund types:

Agency funds - used to account for the taxes collected by the Village held in a trustee capacity for the taxing jurisdictions within the Village.

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, deferred outflows, liabilities and deferred inflows 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 inflow. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, other post-employment benefits, 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 to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred inflows. Amounts received prior to the entitlement period are recorded as unearned revenues.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows. It is the practice of the Village to utilize special assessment collections to finance future capital project expenditures.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, interdepartmental charges for services, cable television fees, library nonresident fees and interest. Other general revenues such as fines and forfeitures, licenses and permits, public charges for services and commercial revenues (except investment earnings) are recognized when received in cash or when measurable and available under the criteria described above.

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Proprietary and fiduciary fund financial statements (other than agency funds) 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 proprietary funds 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.

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, liabilities and deferred inflows 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.

Adoption of New Accounting Pronouncements

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

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity

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 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, Village, 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.

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

See Note III. A. for further information.

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity (CONTINUED)

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 in the accompanying agency fund statement of net position.

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	March 31, 2016
Third installment due	May 31, 2016
Personal property taxes in full	January 31, 2016
Tax deed by county - 2015	October 2018
delinquent real estate taxes	

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, sewer and parking 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 government-wide financial statements as "internal balances".

In the general fund financial statements, advances to other funds are offset equally by nonspendable fund balance which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. In all other governmental fund financial statements, advances to other funds are offset equally by categories of fund balance that correspond with the availability of the repayments for use by the fund.

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity (CONTINUED)

Receivables (continued)

The Water and Sewer Utilities provide services to customers within the municipal boundaries. Metered water sales to consumers are billed at rates approved by the Public Service Commission of Wisconsin. Sewer customers are billed at rates established by the Village Board for local charges plus actual cost of service provided by the Milwaukee Metropolitan Sewerage District. Customers are billed on a tri-annual basis, payable in 20 days. Unbilled revenues from the last metered billing to the end of the year are estimated and recorded as accrued revenue. All delinquent accounts receivable balances at the time of the property tax lien date are placed on the customer's tax bill and collected through the normal tax collection process.

The Stormwater Utility provides services to customers within the municipal boundaries. Stormwater charges have been established, including base charge (BC), equivalency charge (EC), and special charge (SC). Charges are calculated using the equivalent runoff unit (ERU) of each property. Customers are billed on a tri-annual basis, payable in 20 days. All delinquent accounts receivable balances at the time of the property tax lien date are placed on the customer's tax bill and collected through the normal tax collection process.

Rental charges to customers for Parking Utility services are billed on a quarterly basis, payable upon receipt of the invoice. Charges are computed based on operating expenses net of meter revenue. Amounts not collected as of the property tax lien date are placed on the tax roll and are collected through the normal tax collection process.

Inventories and Prepaid Items

Governmental fund inventory of materials and supplies are not recognized as amounts are not considered material. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at the lower of cost or market on a first-in, first-out (FIFO) basis based on physical quantities on hand and are charged to construction 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.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by external parties. Current liabilities payable from these restricted assets are so classified, if any.

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity (CONTINUED)

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$500 for general capital assets and infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed funds. \$118,132 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation and for the water utility assets in service they are depreciated using the straight-line method at rates certified by the Public Service Commission. The range of estimated useful lives by type of asset is as follows:

Buildings	7-40 Years
Improvements other than Building	10-75 Years
Machinery and Equipment	3-30 Years
Utility System	5-80 Years
Infrastructure	20-80 Years

Fund Financial Statements

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

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity (CONTINUED)

Deferred Outflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, represents an outflow of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Village reports deferred outflows for loss amounts on the refunding of long-term debt and deferred amounts related to pension.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Village reports deferred inflows for property taxes levied but supporting the subsequent years' budget. These deferred inflows are reported on both the governmental fund and the government-wide financial statements. Additionally, the Village reports unavailable revenue, within its governmental funds balance sheet. The governmental funds report unavailable revenues for revenues which are earned and measurable but not available. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

Under terms of employment, employees are granted sick pay benefits and vacations in varying amounts. Vacation time is not cumulative from year to year. Sick pay benefits are cumulative in accordance with the provision of union contracts and administrative policies to specified maximums. Accumulated sick leave benefits are payable in cash or health insurance in accordance with terms of the applicable contract or policies upon an employee's retirement. The government-wide statements include a liability for the estimated probable payments of accumulated leave. 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, or are payable with expendable available resources.

Other Postemployment Benefits

The Village will pay a portion of health insurance premiums for employees retiring under certain conditions until the employee reaches age 65. Eligibility and benefit provisions are based on contractual agreements with employee union contracts or employee benefit policies.

The Village funds these benefits on a pay-as-you-go basis and funding is expected to come primarily from the Village's General Fund. The Village has obtained an actuarial evaluation to determine the cost of these benefits. A liability for the unfunded annual required contributed (ARC) is reported on the government-wide financial statements as a governmental activities liability.

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity (CONTINUED)

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 obligation consists primarily of notes and bonds payable, unfunded retirement liabilities and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face values of debts 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.

During 2000, the Village issued \$2.7 million in Wisconsin Recreational Facilities Revenue Bonds to provide financial assistance to a private sector entity for the acquisition and construction of a recreational facility deemed to be in the public interest. The bonds are payable solely from payments received on the underlying mortgage loan. Neither the Village, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total balance is due on April 1, 2020.

Pensions

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

Claims and Judgments

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. There were no significant claims or judgments at year end.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity (CONTINUED)

Equity Classifications

Government-Wide Statements

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

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

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

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity (CONTINUED)

Equity Classifications (continued)

Fund Statements

The Village follows GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions as described below.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components.

- Nonspendable fund balance - Amounts that cannot be spent because they are 1) not in spendable form or 2) legally or contractually required to be maintained intact.
- Restricted fund balance - Amounts constraints requiring use for a specific purpose and are either: 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. Fund balance restrictions are legally enforceable when a third party can enforce the resources to be used appropriately.
- Committed fund balance - Amounts used for specific purposes based on the constraints imposed by formal action of the Village Board. The commitment purposes must be made during the Village's fiscal year ended December 31, 2015, and can only be amended by the same formal action creating the original commitments such as a resolution or ordinance.
- Assigned fund balance - Funds that are constrained by the Village with the intent for the amount to be used for specific purposes, but is neither restricted nor committed.
- Unassigned fund balance - The balance of General Fund's fund balance available for appropriation. In funds other than the General Fund, unassigned fund balances are limited to negative balances.

It is the Village's policy to use fund balance resources in the following manner: first, restricted, then committed, then assigned, and finally unassigned.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The Village adopted annual Governmental Fund budgets for the General Fund, Library Fund, Debt Service Funds and Capital Projects Funds. These budgets are adopted in accordance with State Statutes and prepared on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year-end except for certain nonlapsing funds specifically designated by the Board. Budgetary control is exercised at the individual fund level for each fund.

Excess expenditures over appropriations occurred in the public safety department of \$23,787. The excess of expenditures over appropriations were financed with current year revenue sources and available fund balances.

B. Deficit Fund Balances

Accounting principles generally accepted in the United States of America require disclosure of individual funds that have a deficit balances at year end.

The TIF #1 Capital Project Fund had a deficit fund balance of \$409,175, which is expected to be funded through future tax increments.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS

A. Deposits and Investments

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

	Carrying Value	Bank Balance	Associated Risks
Petty cash	\$ 4,193	\$ -	N/A
Demand deposits	6,306,389	5,615,448	Custodial credit risk
LGIP	39,769,152	39,769,152	Credit and interest rate risk
Municipal Bonds	36,988	36,988	Custodial credit, credit risk, and interest rate risk
Certificates of Deposit	3,944,805	3,944,805	Custodial credit
Total cash and investments	\$ 50,061,527	\$ 49,366,393	
Reconciliation to statements of net position			
Per statement of net position			
Unrestricted cash and investments	\$ 16,642,992		
Restricted cash and investments	3,663,383		
Per statement of net position - fiduciary			
Agency Fund	29,755,152		
Total cash and investments	\$ 50,061,527		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposit accounts and \$250,000 coverage for time deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities.

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, \$4,207,578 of the Village's bank balance was exposed to custodial credit risk.

The Village's investment policy does not address custodial credit risk.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

A. Deposits and Investments (CONTINUED)

Custodial Credit Risk (continued)

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. As of December 31, 2015, \$464,463 of the Village's investment balance was exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation. As of December 31, 2015 the Village had \$36,988 invested in municipal bonds with a rating of Aa1/AA+.

As of December 31, 2015, the Village also had \$39,769,152 invested in the LGIP that is not rated.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. As of December 31, 2015, the Village's investments were as follows:

Investment Type	Fair Value	Maturity in years	
		< 1 Year	1 - 2
LGIP	\$ 39,769,152	\$ 39,769,152	\$ -
Municipal Bonds	36,988	36,988	-
Certificates of deposit	3,944,805	2,060,709	1,884,096
Total	<u>\$ 43,750,945</u>	<u>\$ 41,866,849</u>	<u>\$ 1,884,096</u>

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

B. Receivables

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

	<u>Unavailable</u>	<u>Tax levy</u>	<u>Totals</u>
Property taxes levied for subsequent year	\$ -	\$ 11,550,119	\$ 11,550,119
Loan receivable	1,866,011	-	1,866,011
Special assessments	<u>234,647</u>	<u>-</u>	<u>234,647</u>
Total Deferred Inflows	<u>\$ 2,100,658</u>	<u>\$ 11,550,119</u>	<u>\$ 13,650,777</u>

C. Loan Receivable

In 2002, the Village issued \$5.015 million General Obligation Fire Department Bonds and loaned the proceeds to the North Shore Fire Department. Each of the municipalities that participate in North Shore Fire Department, including the Village, have formally pledged to finance the debt service payments on these bonds in accordance with cost sharing arrangements. On December 31, 2015, the Village has reported a \$1,866,011 loan receivable (and deferred inflow in the fund statements) representing amounts due from the other participating municipalities.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

D. Restricted Assets

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

Fund	Restricted Assets
Water Utility	
Unspent bond proceeds	\$ 555,492
Restricted for debt service	45,114
Restricted for net pension asset	25,506
Deposits with North Shore Water Commission	<u>250,083</u>
Total Restricted	<u>876,195</u>
Sewer Utility	
Unspent bond proceeds	\$ 347,875
Restricted for debt service	242,637
Restricted for net pension asset	17,004
Restricted for equipment replacement	<u>233,672</u>
Total Restricted	<u>841,188</u>
Stormwater Utility	
Unspent bond proceeds	\$ 1,906,127
Restricted for debt service	82,383
Restricted for net pension asset	<u>17,004</u>
Total Restricted	<u>2,005,514</u>
Parking Utility	
Restricted for net pension asset	\$ 8,502
Total Business-Type Activities	<u><u>\$ 3,731,399</u></u>

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

E. 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	\$ 1,305,706	\$ -	\$ -	\$ 1,305,706
Construction in progress	<u>782,317</u>	<u>1,313,020</u>	<u>714,590</u>	<u>1,380,747</u>
Total capital assets, not being depreciated	<u>2,088,023</u>	<u>1,313,020</u>	<u>714,590</u>	<u>2,686,453</u>
Capital assets being depreciated				
Buildings	7,983,820	15,818	-	7,999,638
Improvements	1,051,275	42,885	-	1,094,160
Machinery and equipment	5,985,918	291,310	75,509	6,201,719
Infrastructure	<u>41,128,386</u>	<u>1,534,136</u>	<u>89,448</u>	<u>42,573,074</u>
Total capital assets being depreciated	<u>56,149,399</u>	<u>1,884,149</u>	<u>164,957</u>	<u>57,868,591</u>
Less accumulated depreciation				
Buildings	2,075,955	191,420	-	2,267,375
Improvements	670,052	31,555	-	701,607
Machinery and equipment	3,546,830	504,009	75,509	3,975,330
Infrastructure	<u>24,033,955</u>	<u>1,234,876</u>	<u>89,448</u>	<u>25,179,383</u>
Total accumulated depreciation	<u>30,326,792</u>	<u>1,961,860</u>	<u>164,957</u>	<u>32,123,695</u>
Capital assets being depreciated, net of depreciation	<u>25,822,607</u>	<u>(77,711)</u>	<u>-</u>	<u>25,744,896</u>
Total capital assets, net of depreciation	<u>\$ 27,910,630</u>	<u>\$ 1,235,309</u>	<u>\$ 714,590</u>	<u>\$ 28,431,349</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 88,064
Public safety	139,759
Public works, which includes depreciation for infrastructure	1,497,364
Library	206,562
Parks and recreation	<u>30,111</u>
Total Government-type depreciation expense	<u>\$ 1,961,860</u>

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

E. Capital Assets (CONTINUED)

	Beginning Balance	Additions	Deductions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 174,084	\$ -	\$ -	\$ 174,084
Construction in progress	4,716,547	1,464,488	4,844,818	1,336,217
Total capital assets not being depreciated	<u>4,890,631</u>	<u>1,464,488</u>	<u>4,844,818</u>	<u>1,510,301</u>
Capital assets being depreciated				
Land improvements and parking meters	370,209	-	-	370,209
Structures and improvements	963,099	-	-	963,099
Water distribution system	14,225,745	796,710	26,890	14,995,565
Sewer collection system	15,036,150	2,218,287	44,680	17,209,757
Stormwater collection system	5,046,193	2,124,938	-	7,171,131
Water machinery and equipment	3,654,802	56,002	53,303	3,657,501
Sewer machinery and equipment	312,062	-	-	312,062
Stormwater equipment	3,857	-	-	3,857
Total capital assets being depreciated	<u>39,612,117</u>	<u>5,195,937</u>	<u>124,873</u>	<u>44,683,181</u>
Less accumulated depreciation				
Land improvements and parking meters	327,533	4,649	-	332,182
Structures and improvements	751,152	30,819	-	781,971
Water distribution system	2,241,644	306,314	26,890	2,521,068
Sewer collection system	1,675,767	301,660	44,680	1,932,747
Stormwater collection system	99,057	102,778	-	201,835
Water machinery and equipment	2,509,930	128,271	53,303	2,584,898
Sewer machinery and equipment	203,274	31,888	-	235,162
Stormwater equipment	691	616	-	1,307
Total accumulated depreciation	<u>7,809,048</u>	<u>906,995</u>	<u>124,873</u>	<u>8,591,170</u>
Capital assets being depreciated, net of depreciation	<u>31,803,069</u>	<u>4,288,942</u>	<u>-</u>	<u>36,092,011</u>
Total capital assets, net of depreciation	<u>\$36,693,700</u>	<u>\$ 5,753,430</u>	<u>\$ 4,844,818</u>	<u>\$37,602,312</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	\$ 465,404
Sewer	333,548
Stormwater	103,394
Parking	<u>4,649</u>
Total Business-type activities depreciation expense	<u>\$ 906,995</u>

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

F. Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

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

Payable Fund	Receivable Fund TIF #1 Special Revenue
TIF #1 - Capital Projects Fund	\$ 394,790
Subtotal	394,790
Less: Fund eliminations in the government-wide statements	(394,790)
Total Internal Balances - Statement of Net Position	\$ -

The principal reason for the above interfund amounts is to fund cash overdrafts. For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

Transfers

The following is a schedule of interfund transfers:

Transferred To	Transferred From	Amount	Purpose
General Fund	Water Utility	\$ 285,042	Payment in lieu of taxes
General Fund	Parking Utility	12,539	Payment in lieu of taxes
Subtotal General Fund		<u>297,581</u>	
TIF #2 - Special Revenue Fund	Debt Service Fund	129,309	TIF share of capitalized interest
Subtotal TIF #2 Special Revenue Fund		<u>129,309</u>	
Debt Service Fund	TIF #1 - Special Revenue Fund	626,052	Debt service
Debt Service Fund	TIF #2 - Special Revenue Fund	52,188	Debt service
Debt Service Fund	Public Improvement	139,851	Debt service
Subtotal Debt Service Fund		<u>818,091</u>	
Stormwater Utility	General Fund	126,350	Debt service
Subtotal Stormwater Utility		<u>126,350</u>	
Sewer Utility	General Fund	206,670	Debt service
Subtotal Sewer Utility		<u>206,670</u>	
Water Utility	Sewer Utility	104,889	Cost sharing
Subtotal Water Utility		<u>104,889</u>	
Subtotal Proprietary Funds		<u>437,909</u>	
Total - Fund Financial Statements		2,120,799	
Less: Fund Eliminations		<u>(2,156,238)</u>	
Total Transfer - Government-Wide Statement of Activities		<u>\$ (35,439)</u>	

Transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, or (2) move receipts restricted to debt service from funds collecting the receipts to the debt service fund. Transfers from the TIF #1 Capital Projects Fund, TIF #2 Capital Projects Fund and Public Improvement Capital Projects Funds finance debt service expenditures. Transfers from General Fund to Sewer & Stormwater Utilities are for debt service. Transfers in the Utility funds are for tax equivalents and cost sharing.

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

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

G. 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	\$ 26,455,646	\$ 6,355,000	\$ 4,302,923	\$ 28,507,723	\$ 1,987,670
Notes payable - Village of Bayside	230,820	-	26,738	204,082	26,738
Add(Subtract) deferred amount for					
Premium	143,197	160,418	11,928	291,687	19,948
Discounts	(55,407)	-	(3,699)	(51,708)	(3,699)
Total general obligation debt	<u>26,774,256</u>	<u>6,515,418</u>	<u>4,337,890</u>	<u>28,951,784</u>	<u>2,030,657</u>
Other Liabilities					
Net OPEB liability	2,066,229	339,711	98,000	2,307,940	-
Compensated absences	426,247	118,424	126,135	418,536	-
Total other liabilities	<u>2,492,476</u>	<u>458,135</u>	<u>224,135</u>	<u>2,726,476</u>	<u>-</u>
Total Governmental Activities long-term liabilities	<u>\$ 29,266,732</u>	<u>\$ 6,973,553</u>	<u>\$ 4,562,025</u>	<u>\$ 31,678,260</u>	<u>\$ 2,030,657</u>
Business-Type Activities					
Bonds and notes payable					
General obligation debt	\$ 22,673,460	\$ 3,215,000	\$ 2,500,967	\$ 23,387,493	\$ 5,488,059
Revenue bonds	6,261,664	-	299,052	5,962,612	306,300
Add(Subtract) deferred amount for					
Premium	367,523	79,151	24,521	422,153	28,481
Discounts	(112,062)	-	(9,132)	(102,930)	(9,132)
Total Business-Type activities long-term liabilities	<u>\$ 29,190,585</u>	<u>\$ 3,294,151</u>	<u>\$ 2,815,408</u>	<u>\$ 29,669,328</u>	<u>\$ 5,813,708</u>

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.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

G. Long-term Obligations (CONTINUED)

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 \$104,450,840. Total general obligation debt outstanding at year end was \$51,895,216.

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2015
General obligation debt					
Corporate Purpose Bonds	01/01/06	12/01/25	3.75-4.2%	\$ 635,000	\$ 65,082
Corporate Purpose Bonds	03/21/07	03/01/27	4.0%	2,005,000	1,488,532
Corporate Purpose Bonds	04/03/08	04/01/26	3.5-4.0%	1,067,619	573,934
Corporate Purpose Bonds	02/12/09	08/01/29	2.5-4.2%	4,625,000	3,479,621
Corporate Purpose Bonds	02/09/10	02/01/30	1.9-5.9%	3,759,750	504,644
Corporate Purpose Bonds	05/04/11	05/01/31	2.0-4.0%	3,681,760	3,160,520
Corporate Purpose Bonds	10/23/12	09/01/25	1.0-2.5%	635,000	475,000
Promissory notes	03/21/07	03/01/17	3.55-4.9%	1,415,000	50,000
Refunding Bonds	02/09/10	02/01/21	2.0-3.5%	3,068,720	1,935,190
Refunding Bonds	11/09/10	04/01/24	2.0-3.0%	4,996,480	3,641,861
Refunding Bonds	10/23/12	03/21/26	1.0-2.9%	1,555,000	1,400,000
Corporate Purpose Bonds	04/09/13	04/01/33	2.0-3.5%	2,585,000	2,445,000
State Trust Fund Loan	09/20/13	03/15/33	3.75%	3,006,150	2,933,339
Corporate Purpose Bonds	07/08/15	03/31/35	1.0-3.25%	6,355,000	<u>6,355,000</u>
Total Governmental Activities - general obligation debt					<u>\$ 28,507,723</u>

Note Payable - Village of Bayside

In 2003, the Village agreed to pay to the Village of Bayside \$436,931 for a portion of a new fire department. The balance due on this note was \$204,082 on December 31, 2015. Principal is due annually on August 1, 2005 through 2023 and interest is due semi-annually on February 1 and August 1 beginning February 1, 2005 with interest at rates of 2.5-4.2%. Total annual principal and interest payments are approximately \$30,000 until final maturity on August 1, 2023.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

G. Long-term Obligations (CONTINUED)

Business-Type Activities Debt

The Water, Sewer and Stormwater Utilities have \$23,387,493 in Bonds Payable General Obligation Debt outstanding on December 31, 2015.

Business-Type Activities Debt	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2015
Water Utility					
Corporate Purpose Bonds	01/01/06	12/01/25	3.75-4.2%	\$ 1,560,000	\$ 159,920
Corporate Purpose Bonds	03/21/07	03/01/27	4.00%	655,000	486,468
Corporate Purpose Bonds	04/03/08	04/01/26	3.5-4.0%	1,292,382	696,065
Corporate Purpose Bonds	02/12/09	08/01/29	2.5-4.2%	1,270,000	955,325
Corporate Purpose Bonds	02/09/10	02/01/30	1.9-5.9%	1,865,250	250,360
Corporate Purpose Bonds	05/04/11	05/01/31	2.0-4.0%	1,084,798	931,252
Corporate Purpose Bonds	10/23/12	09/01/32	1.0-2.5%	1,980,000	1,795,000
Refunding Bonds	02/09/10	02/01/21	2.0-3.5%	491,280	309,810
Refunding Bonds	11/09/10	04/01/24	2.0-3.0%	512,080	373,247
Corporate Purpose Bonds	04/09/13	04/01/33	2.0-3.5%	2,415,000	2,240,000
Corporate Purpose Bonds	07/08/15	03/31/35	1.0-3.25%	1,210,000	<u>1,210,000</u>
Total Water Utility - general obligation debt					<u>9,407,447</u>
Stormwater Utility					
Corporate Purpose Bonds	10/23/12	09/01/32	1.0-2.5%	415,000	290,000
Corporate Purpose Bonds	04/09/13	04/01/33	2.0-3.5%	3,325,000	3,180,000
Note Anticipation Note	04/09/13	04/01/16	0.89%	4,045,000	4,045,000
Corporate Purpose Bonds	07/08/15	03/31/35	1.0-3.25%	2,005,000	<u>2,005,000</u>
Total Stormwater Utility - general obligation debt					<u>9,520,000</u>
Sewer Utility					
Corporate Purpose Bonds	02/12/09	08/01/29	2.5-4.2%	2,434,944	75,052
Corporate Purpose Bonds	05/04/11	05/01/31	2.0-4.0%	778,442	668,228
Promissory Note	02/27/08	05/01/27	2.365%	2,521,944	1,696,874
Refunding Bond	11/09/10	04/01/24	2.0-3.0%	411,440	299,892
Corporate Purpose Bonds	04/09/13	04/01/33	2.0-3.5%	2,410,000	<u>1,720,000</u>
Total Sewer Utility - general obligation debt					<u>4,460,046</u>
Total business-type activities - general obligation debt					<u>\$23,387,493</u>

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

G. Long-term Obligations (CONTINUED)

Debt service requirements to maturity are as follows:

Year	Governmental Activities Long-Term Debt			Business-Type Activities General Obligation Debt		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 1,987,670	\$ 877,022	\$ 2,864,692	\$ 5,488,059	\$ 575,309	\$ 6,063,368
2017	2,231,082	797,962	3,029,044	1,467,259	505,407	1,972,666
2018	2,287,152	736,813	3,023,965	1,513,745	462,753	1,976,498
2019	2,168,119	675,673	2,843,792	1,475,574	421,595	1,897,169
2020	2,254,651	613,020	2,867,671	1,506,840	380,815	1,887,655
2021-2025	9,187,167	2,149,171	11,336,338	5,651,345	1,414,105	7,065,450
2026-2030	6,058,125	913,158	6,971,283	4,240,351	667,569	4,907,920
2031-2035	2,333,757	162,449	2,496,206	2,044,320	69,197	2,113,517
Total	<u>\$ 28,507,723</u>	<u>\$ 6,925,268</u>	<u>\$ 35,432,991</u>	<u>\$ 23,387,493</u>	<u>\$ 4,496,750</u>	<u>\$ 27,884,243</u>

Revenue Bond Debt

In December 2009, the Village entered into a financial assistance agreement with the state of Wisconsin that will provide financing up to \$5.765 million of Sewerage System Revenue Bonds under the State's Clean Water Fund Program. The proceeds are being used to finance eligible clean water sewer projects costs. The bonds are due in varying amounts through the year 2029 and bear interest at 2.91% due semi-annually in May and November. The Village has drawn \$5,509,861 cumulatively on the bonds.

In April 2013, the Village issued \$1.710 million in Sewerage System Revenue Bonds for infrastructure improvements to the Village's aging sewer system infrastructure. The bonds are due in varying amounts through the year 2038 and bear interest ranging from 2.0% to 3.70% due semiannually in May and November.

Business-type activities revenue bonds are payable only from revenues derived from the operation of the Sewer Utility. The Village has pledged future sewer revenues, net of specified operating expenses, to repay \$5,962,612 in sewer revenue bonds currently outstanding. The total principal and interest remaining to be paid on the bonds is \$7,606,186. Principal and interest paid for the current year and total customer net revenues were \$480,006 and \$1,052,791, respectively.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

G. Long-term Obligations (CONTINUED)

The Sewer Utility has \$5,962,612 in revenue debt outstanding on December 31, 2015.

Sewer Utility						
Sewerage System Revenue Bond	12/23/09	05/01/29	2.91%	\$ 5,509,861	\$ 4,352,612	
Sewerage System Revenue Bond	04/09/13	05/01/38	2-3.7%	1,710,000	<u>1,610,000</u>	
Total Sewer Utility - revenue bond debt						<u>\$ 5,962,612</u>

Debt service requirements to maturity are as follows:

Year	Business-Type Activities		Total
	Principal	Interest	
2016	\$ 306,300	\$ 172,601	\$ 478,901
2017	318,758	163,985	482,743
2018	326,433	155,098	481,531
2019	334,332	145,984	480,316
2020	342,461	136,568	479,029
2021-2025	1,877,755	528,421	2,406,176
2026-2030	1,781,573	238,284	2,019,857
2030-2034	405,000	87,648	492,648
2035-2038	<u>270,000</u>	<u>14,985</u>	<u>284,985</u>
Total	<u>\$ 5,962,612</u>	<u>\$ 1,643,574</u>	<u>\$ 7,606,186</u>

Current Refunding

On July 8, 2015, the Village current refunded \$3,750,000 of the 2010B Corporate Purpose Bonds by issuing \$3,620,000 in General Obligation Refunding Bonds. The debt service requirements on the old debt balance totaled \$4,925,920. The debt service requirements on the new debt balance totaled \$4,546,789. The economic gain on refunding using at 2.59% effective interest rate was \$315,877.

Other Debt Information

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

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

H. Net Position/Fund Balances

Net position reported on the government wide Statement of Net Position on December 31, 2015 includes the following:

Government Activities

Net Investment in Capital Assets	
Land	\$ 1,305,706
Construction in progress	1,380,747
Other capital assets, net of accumulated depreciation	25,744,896
Less: Capital Related Debt Outstanding	(27,188,191)
Unspent Capital Related Bond Proceeds	<u>963,897</u>
Net Investment in Capital Assets	<u>2,207,055</u>
Restricted for:	
Capital Projects	963,897
Net pension asset	782,197
TIF projects and debt service	1,824,218
Library expansion	244,204
Donations	<u>9,975</u>
Total restricted	<u>3,824,491</u>
Unrestricted	<u>5,395,461</u>
Total Governmental Activities net position	<u>\$ 11,427,007</u>

Business Type Activities

Net Investment in Capital Assets	
Land	\$ 174,084
Construction in progress	1,336,217
Other capital assets, net of accumulated depreciation	36,092,011
Less: Capital Related Debt Outstanding	(29,296,081)
Unspent Capital Related Bond Proceeds	<u>2,809,494</u>
Net Investment in Capital Assets	11,115,725
Restricted for net pension asset	68,016
Restricted for debt service	207,845
Restricted for North Shore Water Commission	250,083
Restricted for sewer equipment replacement	233,672
Unrestricted	<u>6,621,431</u>
Total Business-type Activities net position	<u>\$ 18,496,772</u>

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

H. Net Position/Fund Balances (CONTINUED)

Governmental Fund Balances

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects Borrowed Money</u>	<u>Nonmajor</u>	<u>Total</u>
Nonspendable					
Investment in CVMIC	\$ 466,915	\$ -	\$ -	\$ -	\$ 466,915
	<u>466,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>466,915</u>
Restricted					
Capital improvements	-	-	963,897	-	963,897
TID plan purposes	-	-	-	1,694,909	1,694,909
Donations	-	-	-	9,975	9,975
Debt service	-	110,471	-	129,309	239,780
Library expansion	-	-	-	244,204	244,204
	<u>-</u>	<u>110,471</u>	<u>963,897</u>	<u>2,078,397</u>	<u>3,152,765</u>
Committed					
Capital purchases	-	-	-	816,340	816,340
Assigned					
Capital improvements/debt service	-	-	-	1,361,145	1,361,145
Equipment replacement	302,875	-	-	-	302,875
General library activity	-	-	-	64,443	64,443
	<u>302,875</u>	<u>-</u>	<u>-</u>	<u>1,425,588</u>	<u>1,728,463</u>
Unassigned	<u>5,268,779</u>	<u>-</u>	<u>-</u>	<u>(490,950)</u>	<u>4,777,829</u>
Total Governmental Fund Balances	<u>\$ 6,038,569</u>	<u>\$ 110,471</u>	<u>\$ 963,897</u>	<u>\$ 3,829,375</u>	<u>\$ 10,942,312</u>

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE III - DETAILED NOTES TO ALL FUNDS (CONTINUED)

I. Component Unit

This report contains the Business Improvement District (BID), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

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

a. Basis of Accounting/Measurement Focus

The BID 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 BID's deposits was \$29,262 and bank statement balances was \$29,262.

The BID may also maintain separate cash and investment accounts at the same financial institutions utilized by the municipality. Federal depository insurance and the state of Wisconsin Guarantee Fund Insurance apply to all municipal accounts, and accordingly, the amount of insured funds is not determinable for the BID alone.

NOTE IV - OTHER INFORMATION

A. Employees' Retirement System

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 (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire, are eligible to participate in the WRS.

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.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE IV - OTHER INFORMATION (CONTINUED)

A. Employees' Retirement System (CONTINUED)

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.

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

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

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE IV - OTHER INFORMATION (CONTINUED)

A. Employees' Retirement System (CONTINUED)

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

During the reporting period, the WRS recognized \$333,077 contributions from the employer.

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

Contribution rates as of December 31, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	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%

At December 31, 2015, the Village reported a liability (asset) of (\$850,213), for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability (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 liability (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 0.03461399%, which was a decrease of 0.00085925%, from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the Village recognized pension expense of \$338,979.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE IV - OTHER INFORMATION (CONTINUED)

A. Employees' Retirement System (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 123,255	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	411,715	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,412	-
Employer contributions subsequent to the measurement date	<u>325,876</u>	<u>-</u>
Total	<u>\$ 884,258</u>	<u>\$ -</u>

The \$325,876 reported as deferred outflows related to pension resulting from the Village'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 for the Village. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 109,573	\$ -
2017	109,573	-
2018	109,573	-
2019	109,573	-
2020	109,573	-
Thereafter	10,517	-

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE IV - OTHER INFORMATION (CONTINUED)

A. Employees' Retirement System (CONTINUED)

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

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

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

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

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

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE IV - OTHER INFORMATION (CONTINUED)

A. Employees' Retirement System (CONTINUED)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>	<u>Target Allocation</u>
US Equities	5.3%	21.0%
International Equities	5.7	23.0
Fixed Income	1.7	36.0
Inflation Sensitive Assets	2.3	20.0
Real Estate	5.2	7.0
Private Equity/Debt	0.9	7.0
Multi-Asset	3.9	6.0
Cash	0.9	(20.0)

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

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

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 2,398,601	\$ (850,213)	\$ (3,415,997)

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE IV - OTHER INFORMATION (CONTINUED)

A. Employees' Retirement System (CONTINUED)

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.

Payable to the pension plan – The Village reported payables to the WRS of \$56,609 as of December 31, 2015.

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

The Village participates in the Wisconsin Municipal Insurance Commission (WMIC). The WMIC is an intergovernmental cooperative commission formed to facilitate the formation of the Cities and Villages Mutual Insurance Company (CVMIC). The CVMIC is a separate and distinct entity independent of the WMIC and is owned by the participating cities and villages of the WMIC. The CVMIC was formed to provide liability insurance to Wisconsin municipalities as of January 1, 1988.

The WMIC has no assets, liabilities, equity or financial activity for the year ended December 31, 2015.

The CVMIC provides the Village with \$5,000,000 of liability coverage for losses over its self-insured retention level of \$37,500 per occurrence with a \$150,000 aggregate stop loss.

The Village's annual cost is its annual premium, claims and other operating expenses. An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among participating municipalities based on payroll and loss history. The Village and other participating cities and villages are subject to cover loss experiences, which exceed predictions through retrospective assessments.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The municipality does not exercise any control over the activities of the agencies beyond the election of the officers and board.

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE IV - OTHER INFORMATION (CONTINUED)

B. Risk Management (CONTINUED)

Percentage participation can be affected by acceptance of new members to WMIC and CVMIC. The Village's percentage participation in WMIC and CVMIC on January 01, 2015 was approximately 1.66%. Upon withdrawal, expulsion or dissolution, the Village would be entitled to a lump sum payment which at December 31, 2015 is \$466,915.

Complete financial statements for WMIC and CVMIC can be obtained from the CVMIC administrative office at 9898 W. Bluemound Road, Wauwatosa, Wisconsin 53226.

C. Lease Revenue Agreement

The Village entered into lease agreements with several cellular phone companies to lease a Utility water tower as a site for cellular antennas. The initial term of the leases were five years with the right to extend the lease for four additional five year terms.

Rental income from rental of the water tower is reported in other water revenues. Future minimum rentals related to this lease are \$111,600 in 2016.

D. Intermunicipal Agreements and Related Parties

North Shore Fire Department

The Village is a member of the North Shore Fire Department, along with six other communities. The Department was created by an agreement signed in 1994 pursuant to the provisions of Sections 61.65 and 66.30 of the Wisconsin Statutes. The Department, which commenced operations on January 1, 1995, provides fire and emergency medical services to the member communities. At the time the Department was created, the Village sold to the Department all of its fire apparatus and vehicles. The Village also transferred custody, use and control, but not ownership, of its fire buildings to be used by the Department. Upon dissolution of the Department, assets will be divided by the participants then participating in accordance with the ratio of expense sharing in existence at the time of termination.

The Department is governed by a seven member board consisting of one representative and one alternate from each municipality. Only one member from each municipality may vote. The Village has a commitment to the Department to annually finance a portion of the Department's approved expenditures. In 2015, the Village's fire protection and emergency medical services expenditures incurred in connection with this arrangement were approximately \$2.045 million. The Village's portion of the Department's 2016 budget is approximately \$2.058 million. On December 31, 2015, the Department had a net deficit of approximately \$4,336,571. Complete 2015 financial statements for the Department are available from the Department at 4401 West River Lane, Brown Deer, Wisconsin 53223.

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE IV - OTHER INFORMATION (CONTINUED)

D. Intermunicipal Agreements and Related Parties (CONTINUED)

Bayside Communications Center

As of May 26, 2012, dispatching services were transferred from the North Shore Public Safety Communications Commission to the Bayside Communications Center. The North Shore Public Safety Communications Commission will continue as the entity responsible for contracting with the Bayside Communication Center for dispatch services for the communities of the Village of Whitefish Bay, the Village of Shorewood, and the Village of Glendale. Other members of the Bayside Communications Center include the Village of Bayside, Village of Fox Point, and Village of Brown Deer. During 2015, the Village's total contribution to the Bayside Communications Center was \$357,923 for operations, plus a capital contribution of \$6,948. It is expected that the Village's future contributions will be similar to the current annual operations costs incurred in 2015.

North Shore Water Commission

The Whitefish Bay Water Utility is a member of the North Shore Water Commission along with the Village of Glendale and the Village of Fox Point. The North Shore Water Commission provides for the intake, treatment, and pumping of water furnished the three municipalities. Operating costs of the North Shore Water Commission are borne by the three municipalities based on their pro-rata share of metered water delivered to each municipality. Payments to the North Shore Water Commission are included in operating expenses as purchased water under source of supply expenses.

E. Other Postemployment Benefits

The Village provides a single-employer defined benefit healthcare plan. The plan allows eligible retirees to remain on the Village's health care plan which covers both active and retired members. Under certain conditions the Village also directly pays for 50% of retiree health care premiums.

Benefit provisions were established through collective bargaining contracts for represented employees and by Village policy for non-represented employees. To be eligible for these benefits the retiree must have retired under the provisions of the Wisconsin Retirement System, with 20 years of service to the Village, not employed in another capacity that offers health insurance, and is not currently eligible for Medicare.

The plan does not issue stand-alone financial statements.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE IV - OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefits (CONTINUED)

The Village pays these post-employment benefits on a pay-as-you-go basis; accordingly no liability is recognized within the fund financial statements. However, a liability is recorded for the unfunded liability on the government-wide financial statements on a go forward basis as allowed under Governmental Accounting Standards Board Statement No. 45.

The Village's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan (pay-as-you-go basis), and the changes in the Village's net OPEB obligation:

Annual Required Contribution (ARC)	\$	380,071
Interest on Net OPEB Obligation		61,987
Actuarial adjustment to ARC		<u>(102,347)</u>
Annual OPEB Cost (expense)		339,711
Contribution made		<u>(98,000)</u>
Increase in net OPEB Obligation		241,711
Net OPEB Liability - beginning of year		<u>2,066,229</u>
Net OPEB Liability - end of year	\$	<u>2,307,940</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB liability for the current year and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
12/31/2013	\$ 382,086	17.5%	\$ 1,745,211
12/31/2014	\$ 396,018	18.9%	\$ 2,066,229
12/31/2015	\$ 339,711	28.8%	\$ 2,307,940

VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE IV - OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefits (CONTINUED)

The funded status as of January 1, 2016, the most recent actuarial valuation date, was zero percent funded. The actuarial accrued liability for benefits was \$3,612,039 and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial liability (UAAL) of \$3,612,039. The covered payroll (annual payroll of active employees covered by the plan) was \$4.03 million, and the ratio of the UAAL to the covered payroll is 89.5%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend amounts determined regarding the funded status of the plan and the annual required contributions of the Employer, and are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The retiree healthcare valuation was based on the unit credit actuarial cost method. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The OPEB valuation uses a discount rate assumption of 3 percent based on the Village's actuarial valuation. The healthcare cost trends rate is 3.7%, 8.2%, 5.1%, 5.1% and 5.3%, respectively, over the next five years.

The actuarial accrued liability for the benefits is amortized over an open period of 30 years.

F. Commitments and Contingencies

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

The Village participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives. The Village expects the amount, in any, of expenditure which may be disallowed by the grantor agencies to be immaterial.

**VILLAGE OF WHITEFISH BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE IV - OTHER INFORMATION (CONTINUED)

F. Commitments and Contingencies (CONTINUED)

The Village is involved in an environmental clean-up of contaminated soil on Village owned property. The Village has developed a preliminary remedial action plan, which has been submitted to the Wisconsin Department of Natural Resources. To resolve this situation, the Village may be required to incur both capital costs of constructing the pumping and treatment system and ongoing monitoring and operation costs. The estimated capital costs for this project could range from \$500,000 to \$1 million which (if a remediation plan is ultimately required) management intends to finance with future borrowings and/or insurance settlements, however, the Village is not currently required to incur any additional remediation activities. The ongoing monitoring and operation costs are estimated to approximate \$30,000 to \$50,000 annually. The Village received an insurance settlement of \$390,000 in 2005 related to past cleanup efforts.

G. Prior period adjustment

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater Utility</u>	<u>Parking Utility</u>
Net position December 31, 2014, as previously reported	\$ 9,553,335	\$ 17,083,675	\$ 5,740,351	\$ 7,064,870	\$ 3,948,564	\$ 329,890
Restatement to record beginning of the year deferred outflow for contributions made after the measurement date	305,934	27,144	9,238	8,374	6,932	2,600
Restatement to record beginning of the year WRS pension asset	<u>1,286,649</u>	<u>111,883</u>	<u>41,956</u>	<u>27,971</u>	<u>27,971</u>	<u>13,985</u>
Net position December 31, 2014 as restated	<u>\$ 11,145,918</u>	<u>\$ 17,222,702</u>	<u>\$ 5,791,545</u>	<u>\$ 7,101,215</u>	<u>\$ 3,983,467</u>	<u>\$ 346,475</u>

H. Subsequent Events

On June 6, 2016, the Village issued \$9,130,000 of General Obligation Corporate Purpose Bonds, series 2016A, with maturity dates between June 1, 2017 and June 1, 2036. The bonds carry interest rates between 2.0% and 2.75%, with interest payable June 1 and December 1 annually. The proceeds are to be used to finance water system improvements, sewerage projects, street improvement projects, and refund certain obligations of the Village.

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

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WHITEFISH BAY, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget		Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 7,728,765	\$ 7,728,765	\$ 7,728,765	\$ -
Intergovernmental	1,222,794	1,222,794	1,290,728	67,934
Licenses and permits	420,900	420,900	529,143	108,243
Fines, forfeitures and penalties	300,800	300,800	337,496	36,696
Public charges for services	69,750	69,750	26,274	(43,476)
Miscellaneous	426,940	426,940	434,547	7,607
Total revenues	<u>10,169,949</u>	<u>10,169,949</u>	<u>10,346,953</u>	<u>177,004</u>
EXPENDITURES				
Current				
General government	1,682,517	1,682,517	1,497,226	185,291
Public safety	5,457,132	5,457,132	5,480,919	(23,787)
Public works	2,328,935	2,339,010	2,073,833	265,177
Health and social services	183,220	183,220	178,742	4,478
Capital outlay	379,545	379,545	379,545	-
Contingency	100,000	89,925	-	89,925
Total expenditures	<u>10,131,349</u>	<u>10,131,349</u>	<u>9,610,265</u>	<u>521,084</u>
Excess of revenues over expenditures	<u>38,600</u>	<u>38,600</u>	<u>736,688</u>	<u>698,088</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	10,000	10,000	4,455	(5,545)
Transfers out	(333,020)	(333,020)	(333,020)	-
Transfers in	284,420	284,420	297,581	13,161
Total other financing sources (uses)	<u>(38,600)</u>	<u>(38,600)</u>	<u>(30,984)</u>	<u>7,616</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	705,704	<u>\$ 705,704</u>
Fund balance - beginning of year			<u>5,332,865</u>	
Fund balance - end of year			<u>\$ 6,038,569</u>	

VILLAGE OF WHITEFISH BAY, WISCONSIN
Schedule of Funding Progress of Other Postemployment Benefits
December 31, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll {(b-a)/c}
1/1/2007	\$ -	\$ 2,389,000	\$ 2,389,000	0%	\$ 3,531,567	67.6%
1/1/2014	\$ -	\$ 3,979,563	\$ 3,979,563	0%	\$ 3,740,577	106.4%
1/1/2016	\$ -	\$ 3,612,039	\$ 3,612,039	0%	\$ 4,037,098	89.5%

**VILLAGE OF WHITEFISH BAY, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2015**

Schedule of the Village's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System
Last Ten Fiscal Years*

	2015
The Village's proportion of the net pension liability (asset)	0.03461399%
The Village's proportionate share of the net pension liability (asset)	\$ (850,213)
The Village's covered-employee payroll	\$ 3,958,309
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%

Schedule of the Village's Contributions
Wisconsin Retirement System
Last Ten Fiscal Years*

	2015
Contractually required contributions	\$ 333,077
Contributions in relation to the contractually required contributions	\$ 333,077
Contribution deficiency (excess)	\$ -
Village's covered - employee payroll	\$ 3,958,309
Contributions as a percentage of covered-employee payroll	8.41%

*Shown prospectively from year of implementation

VILLAGE OF WHITEFISH BAY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

NOTE I - 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 Village adopted annual Governmental Fund budgets for the General Fund, Library Fund, Debt Service Fund and Capital Projects Funds. These budgets are adopted in accordance with State Statutes and prepared on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year-end except for certain nonlapsing funds specifically designated by the Board. Budgetary control is exercised at the individual fund level for each fund.

Excess expenditures over appropriations occurred in the general government function of \$23,787. The excess of expenditures over appropriations were financed with current year revenue sources and available fund balances.

NOTE II - OTHER POST EMPLOYMENT BENEFITS INFORMATION

The Village is required to present the schedule of funding information for the three most recent actuarial valuations. The information presented on the schedule was taken from a valuation performed as of January 1, 2016. The data presented on the schedule was taken from the actuarial valuation, except covered payroll information which was obtained from the Village records.

NOTE III - WISCONSIN RETIREMENT SYSTEM

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

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

SUPPLEMENTARY INFORMATION

VILLAGE OF WHITEFISH BAY, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
Year Ended December 31, 2015

	Capital Project Funds				
	TIF #1 Fund	TIF #2 Fund	Capital Equipment Fund	Public Improvement Fund	Library Expansion Fund
ASSETS					
Cash and investments	\$ -	\$ 40,235	\$ 816,340	\$ 1,370,832	\$ 260,028
Taxes receivable	-	-	294,219	-	-
Special assessments receivable	-	-	-	224,960	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 40,235</u>	<u>\$ 1,110,559</u>	<u>\$ 1,595,792</u>	<u>\$ 260,028</u>
LIABILITIES					
Accounts payable	\$ 14,385	\$ 1,370	\$ -	\$ -	\$ 15,824
Due to other funds	394,790	-	-	-	-
Total Liabilities	<u>409,175</u>	<u>1,370</u>	<u>-</u>	<u>-</u>	<u>15,824</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes levied for subsequent year's budget	-	-	294,219	-	-
Unavailable revenues	-	-	-	234,647	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>294,219</u>	<u>234,647</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Restricted	-	38,865	-	-	244,204
Committed	-	-	816,340	-	-
Assigned	-	-	-	1,361,145	-
Unassigned	(409,175)	-	-	-	-
Total Fund Balances (deficit)	<u>(409,175)</u>	<u>38,865</u>	<u>816,340</u>	<u>1,361,145</u>	<u>244,204</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ -</u>	<u>\$ 40,235</u>	<u>\$ 1,110,559</u>	<u>\$ 1,595,792</u>	<u>\$ 260,028</u>

VILLAGE OF WHITEFISH BAY, WISCONSIN
Combining Statement of Net Position
Nonmajor Governmental Funds
Year Ended December 31, 2015

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Donation Fund	TIF #1 Fund	TIF #2 Fund	Library Fund	
ASSETS					
Cash and investments	\$ 9,975	\$ 1,261,254	\$ 47,534	\$ 92,515	\$ 3,898,713
Taxes receivable	-	583,805	203,719	685,188	1,766,931
Due from other funds	-	394,790	-	-	394,790
Special assessments receivable	-	-	-	-	224,960
TOTAL ASSETS	<u>\$ 9,975</u>	<u>\$ 2,239,849</u>	<u>\$ 251,253</u>	<u>\$ 777,703</u>	<u>\$ 6,285,394</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 13,689	\$ 45,268
Accrued liabilities	-	-	-	14,383	14,383
Due to other funds	-	-	-	-	394,790
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,072</u>	<u>454,441</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes levied for subsequent year's budget	-	583,805	203,719	685,188	1,766,931
Unavailable revenues	-	-	-	-	234,647
Total Deferred Inflows of Resources	<u>-</u>	<u>583,805</u>	<u>203,719</u>	<u>685,188</u>	<u>2,001,578</u>
Fund Balances (Deficit)					
Restricted	9,975	1,656,044	129,309	-	2,078,397
Committed	-	-	-	-	816,340
Assigned	-	-	-	64,443	1,425,588
Unassigned	-	-	(81,775)	-	(490,950)
Total fund balances (deficit)	<u>9,975</u>	<u>1,656,044</u>	<u>47,534</u>	<u>64,443</u>	<u>3,829,375</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 9,975</u>	<u>\$ 2,239,849</u>	<u>\$ 251,253</u>	<u>\$ 777,703</u>	<u>\$ 6,285,394</u>

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

	TIF #1 Fund	TIF #2 Fund	Capital Equipment Fund	Public Improvement Fund	Library Expansion Fund
REVENUES					
Taxes	\$ -	\$ -	\$ 339,628	\$ -	\$ -
Special assessments	-	-	-	300,912	-
Miscellaneous	-	-	6,300	15,451	323
Total revenues	<u>-</u>	<u>-</u>	<u>345,928</u>	<u>316,363</u>	<u>323</u>
EXPENDITURES					
Current					
Conservation and development	363,228	(250,479)	-	-	-
Capital outlay	<u>38,332</u>	<u>2,542</u>	<u>223,261</u>	<u>-</u>	<u>18,997</u>
Total expenditures	<u>401,560</u>	<u>(247,937)</u>	<u>223,261</u>	<u>-</u>	<u>18,997</u>
Excess (deficiency) of revenues over expenditures	<u>(401,560)</u>	<u>247,937</u>	<u>122,667</u>	<u>316,363</u>	<u>(18,674)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(139,851)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(139,851)</u>	<u>-</u>
Net change in fund balances	(401,560)	247,937	122,667	176,512	(18,674)
Fund balances (deficit) - beginning of year	<u>(7,615)</u>	<u>(209,072)</u>	<u>693,673</u>	<u>1,184,633</u>	<u>262,878</u>
Fund balances (deficit) - end of year	<u>\$ (409,175)</u>	<u>\$ 38,865</u>	<u>\$ 816,340</u>	<u>\$ 1,361,145</u>	<u>\$ 244,204</u>

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

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Donation Fund	TIF #1 Fund	TIF #2 Fund	Library Fund	
REVENUES					
Taxes	\$ -	\$ 487,173	\$ 22,601	\$ 687,677	\$ 1,537,079
Intergovernmental	-	-	-	37,035	37,035
Public charges for services	-	-	-	59,721	59,721
Special assessments	-	-	-	-	300,912
Miscellaneous	100	31,837	-	2,208	56,219
Total revenues	<u>100</u>	<u>519,010</u>	<u>22,601</u>	<u>786,641</u>	<u>1,990,966</u>
EXPENDITURES					
Current					
Conservation and development	-	-	-	-	112,749
Library	-	-	-	650,492	650,492
Capital outlay	-	-	-	127,705	410,837
Debt service - interest and fiscal charges	-	7,125	-	-	7,125
Total expenditures	<u>-</u>	<u>7,125</u>	<u>-</u>	<u>778,197</u>	<u>1,181,203</u>
Excess (deficiency) of revenues over expenditures	<u>100</u>	<u>511,885</u>	<u>22,601</u>	<u>8,444</u>	<u>809,763</u>
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	295,000	-	-	295,000
Premium/(discount) on long-term debt issued	-	9,656	-	-	9,656
Transfers in	-	-	129,309	-	129,309
Transfers out	-	(626,052)	(52,188)	-	(818,091)
Total other financing sources (uses)	<u>-</u>	<u>(321,396)</u>	<u>77,121</u>	<u>-</u>	<u>(384,126)</u>
Net change in fund balances	100	190,489	99,722	8,444	425,637
Fund balances (deficit) - beginning of year	<u>9,875</u>	<u>1,465,555</u>	<u>(52,188)</u>	<u>55,999</u>	<u>3,403,738</u>
Fund balances - end of year	<u>\$ 9,975</u>	<u>\$ 1,656,044</u>	<u>\$ 47,534</u>	<u>\$ 64,443</u>	<u>\$ 3,829,375</u>

VILLAGE OF WHITEFISH BAY, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 1
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
From Date of Creation Through December 31, 2015

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures	\$ 38,332	\$ 4,574,839
Administration	28,794	750,656
Interest and fiscal charges	129,251	979,507
Developers grants/incentives	334,435	1,149,317
Total Project Costs	530,812	7,454,319
PROJECT REVENUES		
Tax increments	487,173	4,584,465
Investment income	-	37,010
Exempt computer aid	11,837	133,027
Premium on long-term debt	9,657	9,657
Miscellaneous revenues	20,000	121,750
Transfer from other funds	-	772,041
Total Project Revenues	528,667	5,657,950
Net Cost Recoverable Through TIF Increments - December 31, 2015	\$ (2,145)	\$ (1,796,369)

VILLAGE OF WHITEFISH BAY, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 1
HISTORICAL SUMMARY OF SOURCES, USES AND STATUS OF FUNDS
From Date of Creation Through December 31, 2015

	2015	From Date of Creation
SOURCES OF FUNDS		
Tax increments	\$ 487,173	\$ 4,584,465
Investment income	-	37,010
Exempt computer aid	11,837	133,027
Premium on long-term debt	9,657	9,657
Miscellaneous revenue	20,000	121,750
Transfer from other funds	-	772,041
Proceeds from long-term debt	295,000	4,688,549
Total Sources	823,667	10,346,499
USE OF FUNDS		
Capital expenditures	\$ 38,332	\$ 4,574,839
Administration	28,794	750,656
Interest and fiscal charges	129,251	979,507
Principal on long-term debt	503,926	1,645,311
Development grants/incentives	334,435	1,149,317
Total Uses	1,034,738	9,099,630
Beginning Fund Balance	1,457,940	-
Ending Fund Balance	\$ 1,246,869	\$ 1,246,869
Reconciliation of Recoverable Costs		
Fund balance		\$ 1,246,869
Principal balance of outstanding long-term debt		(3,043,238)
Net Cost Recoverable through TIF		
Increments - December 31, 2015		\$ (1,796,369)

VILLAGE OF WHITEFISH BAY, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 2
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
From Date of Creation Through December 31, 2015

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures	\$ 2,542	\$ 5,595
Administration	3,920	33,970
Interest and fiscal charges	52,188	145,412
Developers grants/incentives	22,601	1,920,601
Recovery of developers grants/incentives	(277,000)	(277,000)
Total Project Costs	(195,749)	1,828,578
PROJECT REVENUES		
Tax increments	22,601	22,601
Investment income	-	-
Exempt computer aid	-	-
Premium on long-term debt	-	28,067
Miscellaneous revenues	-	-
Transfer from other funds	129,309	129,309
Total Project Revenues	151,910	179,977
Net Cost Recoverable Through TIF Increments - December 31, 2015	\$ 347,659	\$ (1,648,601)

VILLAGE OF WHITEFISH BAY, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 2
HISTORICAL SUMMARY OF SOURCES, USES AND STATUS OF FUNDS
From Date of Creation Through December 31, 2015

	2015	From Date of Creation
SOURCES OF FUNDS		
Tax increments	\$ 22,601	\$ 22,601
Investment income	-	-
Exempt computer aid	-	-
Premium on long-term debt	-	28,067
Miscellaneous revenue	-	-
Transfer from other funds	129,309	129,309
Proceeds from long-term debt	-	1,735,000
	<u>151,910</u>	<u>1,914,977</u>
USE OF FUNDS		
Capital expenditures	\$ 2,542	\$ 5,595
Administration	3,920	33,970
Interest and fiscal charges	52,188	145,412
Principal on long-term debt	-	-
Development grants/incentives	22,601	1,920,601
Recovery of development grants/incentives	(277,000)	(277,000)
	<u>(195,749)</u>	<u>1,828,578</u>
Total Uses	<u>(195,749)</u>	<u>1,828,578</u>
Beginning Fund Balance	<u>(261,260)</u>	<u>-</u>
Ending Fund Balance	<u>\$ 86,399</u>	<u>\$ 86,399</u>
Reconciliation of Recoverable Costs		
Fund balance		\$ 86,399
Principal balance of outstanding long-term debt		<u>(1,735,000)</u>
Net Cost Recoverable through TIF		
Increments - December 31, 2015		<u>\$ (1,648,601)</u>