

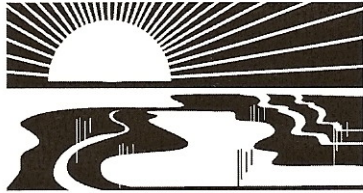
**VILLAGE OF BLOOMFIELD**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2015**

**VILLAGE OF BLOOMFIELD**  
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**For the Year Ended December 31, 2015**

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**Patrick W. Romenesko, S.C.**  
**CERTIFIED PUBLIC ACCOUNTANT**

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**Independent Auditor's Report**

To the Village Board  
Village of Bloomfield  
Walworth County, Wisconsin

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bloomfield, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Village of Bloomfield'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.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bloomfield as of December 31, 2015, and the respective changes in financial position and, where applicable, the cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 5B, the village implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. My opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions on page 42 be presented to supplement the basic financial statements. Such information, although not 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. I 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 the my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

### *Other Information*

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

This supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



PATRICK W. ROMENESKO, S.C.  
CERTIFIED PUBLIC ACCOUNTANT

Lake Geneva, Wisconsin  
July 21, 2016

**VILLAGE OF BLOOMFIELD**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and investments	\$ 695,776	\$ 728,172	\$ 1,423,948
Taxes receivable	1,836,674	-	1,836,674
Accounts receivable	36,870	259,823	296,693
Internal balances	(620,434)	620,434	-
Inventories	-	16,926	16,926
Special assessments receivable	-	3,697,464	3,697,464
Prepaid expenditures/expenses	80,091	6,804	86,895
Restricted assets:			
Cash and cash equivalents	56,015	1,301,689	1,357,704
Other assets:			
Net pension asset	126,983	37,929	164,912
Capital assets:			
Land	116,536	353,140	469,676
Construction in progress	216,697	-	216,697
Other capital assets, net of depreciation	932,842	23,399,562	24,332,404
Total assets	<u>3,478,050</u>	<u>30,421,943</u>	<u>33,899,993</u>
<b><u>Deferred Outflows of Resources</u></b>			
Deferred outflows related to pension	<u>141,371</u>	<u>42,230</u>	<u>183,601</u>
<b><u>Liabilities</u></b>			
Accounts payable	61,889	17,501	79,390
Accrued expenses	25,155	4,385	29,540
Accrued interest	24,506	64,503	89,009
Deposits	16,450	-	16,450
Non-current liabilities:			
Due within one year	387,400	328,583	715,983
Due in more than one year	690,905	3,558,333	4,249,238
Total liabilities	<u>1,206,305</u>	<u>3,973,305</u>	<u>5,179,610</u>
<b><u>Deferred Inflows of Resources</u></b>			
Property taxes	1,826,797	-	1,826,797
Deferred inflows related to pension	6,654	1,987	8,641
Total deferred inflows of resources	<u>1,833,451</u>	<u>1,987</u>	<u>1,835,438</u>
<b><u>Net Position</u></b>			
Invested in capital assets, net of related debt	545,442	26,540,349	27,085,791
Restricted for plant and equipment replacement	-	568,606	568,606
Restricted for debt retirement	-	700,290	700,290
Restricted for pension benefits	261,700	78,172	339,872
Unrestricted	(227,477)	(1,398,536)	(1,626,013)
Total net position	<u>\$ 579,665</u>	<u>\$ 26,488,881</u>	<u>\$ 27,068,546</u>

See accompanying notes to financial statements.

A two-page statement of activities follows.

**VILLAGE OF BLOOMFIELD**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenues</u></b>		
		<b><u>Charges for Services</u></b>	<b><u>Operating Grants and Contributions</u></b>	<b><u>Capital Grants and Contributions</u></b>
Governmental activities:				
General government	\$ 414,212	\$ 98,361	\$ -	\$ -
Law enforcement	657,335	164,119	7,249	1,548
Fire protection and rescue	243,312	-	12,021	2,319
Building inspection	27,425	33,302	-	-
Public works	898,706	463,966	148,988	-
Health and human services	225	-	-	-
Culture and recreation	24,241	-	24,921	2,724
Conservation and development	16,540	10,630	1,221	-
Interest and fiscal charges	25,435	-	-	-
Total governmental activities	<u>2,307,431</u>	<u>770,378</u>	<u>194,400</u>	<u>6,591</u>
Business-type activities:				
Water	1,074,903	453,609	6,855	7,547
Sewer	861,895	501,009	6,854	7,547
Total business-type activities	<u>1,936,798</u>	<u>954,618</u>	<u>13,709</u>	<u>15,094</u>
Total	<u>4,244,229</u>	<u>1,724,996</u>	<u>208,109</u>	<u>21,685</u>

General revenues:

Property taxes levied for general purposes

Other taxes

Franchise taxes

Intergovernmental revenues not restricted  
to specific programs

Rental income

Property sales and insurance recoveries

Investment earnings

Total general revenues

Change in net position

Net position - beginning, as restated

Net position - ending

See accompanying notes to financial statements.



Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (315,851)	\$ -	\$ (315,851)
(484,419)	-	(484,419)
(228,972)	-	(228,972)
5,877	-	5,877
(285,752)	-	(285,752)
(225)	-	(225)
3,404	-	3,404
(4,689)	-	(4,689)
(25,435)	-	(25,435)
<u>(1,336,062)</u>	<u>-</u>	<u>(1,336,062)</u>
-	(606,892)	(606,892)
<u>-</u>	<u>(346,485)</u>	<u>(346,485)</u>
<u>-</u>	<u>(953,377)</u>	<u>(953,377)</u>
<u>(1,336,062)</u>	<u>(953,377)</u>	<u>(2,289,439)</u>
1,071,388	-	1,071,388
-	225,252	225,252
45,263	-	45,263
43,031	-	43,031
-	125	125
179	-	179
2,574	191,106	193,680
<u>1,162,435</u>	<u>416,483</u>	<u>1,578,918</u>
(173,627)	(536,894)	(710,521)
<u>753,292</u>	<u>27,025,775</u>	<u>27,779,067</u>
<u>\$ 579,665</u>	<u>\$ 26,488,881</u>	<u>\$ 27,068,546</u>

A two-page balance sheet follows.

**VILLAGE OF BLOOMFIELD**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2015**

	<u>General</u> <u>Fund</u>	<u>Impact Fees</u> <u>Fund</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and investments	\$ 695,776	\$ -	\$ 695,776
Taxes and special charges receivable	1,836,674	-	1,836,674
Accounts receivable	36,870	-	36,870
Due from other funds	5,322	-	5,322
Prepaid expenditures	80,091	-	80,091
Restricted assets:			
Impact fee collections	-	56,015	56,015
Total assets	<u>2,654,733</u>	<u>56,015</u>	<u>2,710,748</u>
<b><u>Liabilities</u></b>			
Accounts payable	61,889	-	61,889
Payroll liabilities	25,155	-	25,155
Deposits	16,450	-	16,450
Due to other funds	499,756	-	499,756
Deferred revenue - delinquent special charges	9,877	-	9,877
Advances from other funds	126,000	-	126,000
Total liabilities	<u>739,127</u>	<u>-</u>	<u>739,127</u>
<b><u>Deferred Inflows of Resources</u></b>			
Property taxes	1,826,797	-	1,826,797
Deferred special charges	-	-	-
Total deferred inflows of resources	<u>1,826,797</u>	<u>-</u>	<u>1,826,797</u>

See accompanying notes to financial statements.

**VILLAGE OF BLOOMFIELD**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2015**

	General Fund	Impact Fees Fund	Total
<b><u>Fund Balances/Net Position</u></b>			
Fund balances:			
Nonspendable	80,091	-	80,091
Restricted	-	56,015	56,015
Assigned	8,718	-	8,718
Unassigned	-	-	-
Total fund balances	88,809	56,015	144,824
Total liabilities, deferred inflows of resources and fund balances	\$ 2,654,733	\$ 56,015	

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.	1,266,075
Deferred outflows/inflows related to pension	261,700
Certain receivables are not currently available and are reported as deferred revenue in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.	9,877
Certain accrued expenses are recorded in the government-wide financial statements but not in the fund	(24,506)
Long-term liabilities, including bonds and notes payable are, are not due and payable in the current year and, therefore, are not reported in the funds.	(1,078,305)
Net position of governmental activities	\$ 579,665

See accompanying notes to financial statements.

**VILLAGE OF BLOOMFIELD**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General Fund</u>	<u>Impact Fees Fund</u>	<u>Total</u>
<b><u>Revenues</u></b>			
Taxes	\$ 1,071,388	\$ -	\$ 1,071,388
Intergovernmental	212,510	-	212,510
Licenses and permits	105,573	6,591	112,164
Fines and forfeitures	44,000	-	44,000
Charges for services	355,676	-	355,676
Intergovernmental charges for services	306,373	-	306,373
All other	30,258	15	30,273
	<u>2,125,778</u>	<u>6,606</u>	<u>2,132,384</u>
<b><u>Expenditures</u></b>			
Current:			
General government	414,560	183	414,743
Public safety	928,816	-	928,816
Public works	876,483	-	876,483
Health and human services	225	-	225
Culture and recreation	24,241	-	24,241
Conservation and development	16,540	-	16,540
Capital lease payments	18,493	-	18,493
Capital outlay	523,553	-	523,553
	<u>2,802,911</u>	<u>183</u>	<u>2,803,094</u>
Excess (deficiency) of revenues over expenditures	<u>(677,133)</u>	<u>6,423</u>	<u>(670,710)</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Face value of long-term debt	406,506	-	406,506
Transfers in	214,986	-	214,986
Transfers out	-	(214,986)	(214,986)
	<u>621,492</u>	<u>(214,986)</u>	<u>406,506</u>
Net change in fund balances	(55,641)	(208,563)	(264,204)
Fund Balances - Beginning	<u>144,450</u>	<u>264,578</u>	<u>409,028</u>
Fund Balances - Ending	<u>\$ 88,809</u>	<u>\$ 56,015</u>	<u>\$ 144,824</u>

See accompanying notes to financial statements.

**VILLAGE OF BLOOMFIELD**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES TO THE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Amounts reported for governmental activities in the statement of activities are different as a result of:

Net change in fund balances - governmental funds	\$ (264,204)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities certain assets are allocated over their estimated useful lives and reported as depreciation expense.	523,553
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Depreciation on capital lease assets that are reported in the statement of activities.	(110,479)
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Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenues when earned in the government-wide financial statements.

Accounts and special charges receivable	1,420
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Changes in the net pension asset and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the plan	15,542
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The issuance of long-term debt provides current financial resources to governmental funds. The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, while the repayment reduces long-term liabilities in the statement of net assets.

Face value of long-term debt	(406,506)
Principal payments on capital leases	17,169

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the general fund.

Changes in compensated absences	73,989
Changes in accrued interest	<u>(24,111)</u>

Change in net position of governmental activities	<u><u>\$ (173,627)</u></u>
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See accompanying notes to financial statements.

**VILLAGE OF BLOOMFIELD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Taxes	\$ 1,071,388	\$ 1,071,388	\$ 1,071,388	\$ -
Intergovernmental	179,535	179,535	212,510	32,975
Licenses and permits	100,800	100,800	105,573	4,773
Fines and forfeitures	120,000	120,000	44,000	(76,000)
Charges for services	408,775	408,775	355,676	(53,099)
Intergovernmental charges for services	309,324	309,324	306,373	(2,951)
Miscellaneous	17,700	17,700	30,258	12,558
Total Revenues	<u>2,207,522</u>	<u>2,207,522</u>	<u>2,125,778</u>	<u>(81,744)</u>
<b><u>Expenditures</u></b>				
Current:				
General government	468,301	468,301	414,560	53,741
Public safety	1,054,798	1,054,798	928,816	125,982
Public works	950,671	950,671	876,483	74,188
Health and human services	1,025	1,025	225	800
Culture and recreation	17,500	17,500	24,241	(6,741)
Conservation and development	15,100	15,100	16,540	(1,440)
Capital lease payments	-	-	18,493	(18,493)
Capital outlay	-	35,000	523,553	(488,553)
Total Expenditures	<u>2,507,395</u>	<u>2,542,395</u>	<u>2,802,911</u>	<u>(260,516)</u>
Excess (deficiency) of revenues over expenditures	<u>(299,873)</u>	<u>(334,873)</u>	<u>(677,133)</u>	<u>(342,260)</u>
<b><u>Other Financing Sources</u></b>				
Face value of long-term debt	293,928	293,928	406,506	112,578
Transfers from other funds	5,945	5,945	214,986	209,041
Total Other Financing Sources	<u>299,873</u>	<u>299,873</u>	<u>621,492</u>	<u>321,619</u>
Net change in fund balances	-	(35,000)	(55,641)	(20,641)
Fund Balances - Beginning	<u>144,450</u>	<u>144,450</u>	<u>144,450</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 144,450</u>	<u>\$ 109,450</u>	<u>\$ 88,809</u>	<u>\$ (20,641)</u>

See accompanying notes to financial statements.

A two-page statement of net position follows.



**VILLAGE OF BLOOMFIELD**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2015**

**ASSETS**

	Water Utility	Sewer Utility	Totals
<b><u>Current Assets</u></b>			
Cash and cash equivalents	\$ 728,172	\$ -	\$ 728,172
Customer and other accounts receivable	123,597	136,226	259,823
Receivable from municipality	299,423	200,333	499,756
Prepayments	3,402	3,402	6,804
Materials and supplies	16,926	-	16,926
	<u>1,171,520</u>	<u>339,961</u>	<u>1,511,481</u>
<b><u>Restricted Assets</u></b>			
Cash and investments	700,290	601,399	1,301,689
	<u>700,290</u>	<u>601,399</u>	<u>1,301,689</u>
<b><u>Other Assets</u></b>			
Special assessments	3,350,804	346,660	3,697,464
Advances to other funds	1,510,515	-	1,510,515
Net pension asset	16,491	21,438	37,929
	<u>4,877,810</u>	<u>368,098</u>	<u>5,245,908</u>
<b><u>Capital Assets</u></b>			
Utility plant	14,307,126	19,104,521	33,411,647
Less: Accumulated depreciation	(4,172,813)	(5,486,132)	(9,658,945)
	<u>10,134,313</u>	<u>13,618,389</u>	<u>23,752,702</u>
Net Capital Assets	<u>10,134,313</u>	<u>13,618,389</u>	<u>23,752,702</u>
	<u>16,883,933</u>	<u>14,927,847</u>	<u>31,811,780</u>
<b><u>Deferred Outflows of Resources</u></b>			
Deferred outflows related to pension	\$ 18,361	\$ 23,869	\$ 42,230
	<u>\$ 18,361</u>	<u>\$ 23,869</u>	<u>\$ 42,230</u>

See accompanying notes to financial statements

**VILLAGE OF BLOOMFIELD**  
**STATEMENT OF NET POSITION - CONTINUED**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2015**

**LIABILITIES**

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
<b><u>Current Liabilities</u></b>			
General obligation notes payable - current	\$ 235,000	\$ 32,974	\$ 267,974
Due to other funds	2,661	2,661	5,322
Accrued interest payable	63,866	206	64,072
Accounts payable and accrued liabilities	6,119	15,767	21,886
Total Current Liabilities	<u>307,646</u>	<u>51,608</u>	<u>359,254</u>
<b><u>Liabilities Payable from Restricted Assets</u></b>			
Current portion of revenue bonds payable	-	60,609	60,609
Accrued interest payable	-	431	431
Total Liabilities Payable from Restricted Assets	<u>-</u>	<u>61,040</u>	<u>61,040</u>
<b><u>Non-Current Liabilities</u></b>			
General obligation notes payable	3,355,000	66,321	3,421,321
Revenue bonds payable	-	121,812	121,812
Advances from other funds	-	1,384,515	1,384,515
Compensated absences	7,600	7,600	15,200
Total Non-Current Liabilities	<u>3,362,600</u>	<u>1,580,248</u>	<u>4,942,848</u>
Total Liabilities	<u>3,670,246</u>	<u>1,692,896</u>	<u>5,363,142</u>
<b><u>Deferred Inflows of Resources</u></b>			
Deferred inflows related to pension	<u>864</u>	<u>1,123</u>	<u>1,987</u>

**NET POSITION**

<b><u>Net Position</u></b>			
Invested in capital assets, net of related debt	13,286,333	13,254,016	26,540,349
Restricted for plant and equipment replacement	-	568,606	568,606
Restricted for debt retirement	700,290	-	700,290
Restricted for pension benefits	33,988	44,184	78,172
Unrestricted	<u>(789,427)</u>	<u>(609,109)</u>	<u>(1,398,536)</u>
Total Net Position	<u>\$ 13,231,184</u>	<u>\$ 13,257,697</u>	<u>\$ 26,488,881</u>

See accompanying notes to financial statements

**VILLAGE OF BLOOMFIELD**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
<b>Operating Revenues</b>	\$ 453,609	\$ 501,009	\$ 954,618
<b><u>Operating Expenses</u></b>			
Operation and maintenance	435,091	464,121	899,212
Depreciation expense	245,821	379,011	624,832
Taxes	235,311	11,972	247,283
 Total Operating Expenses	 916,223	 855,104	 1,771,327
 Operating Loss	 (462,614)	 (354,095)	 (816,709)
<b><u>Nonoperating Revenues (Expenses)</u></b>			
Investment income	1,644	1,643	3,287
Interest on special assessments	179,293	8,526	187,819
Rental income	125	-	125
Interest expense	(154,029)	(2,141)	(156,170)
Income from non-utility operations	6,855	6,854	13,709
Expenses from non-utility operations	(4,651)	(4,650)	(9,301)
 Total Nonoperating Revenues (Expenses)	 29,237	 10,232	 39,469
 Loss before contributions and transfers	 (433,377)	 (343,863)	 (777,240)
<b>Capital Contributions</b>	7,547	7,547	15,094
<b>Waived tax equivalent</b>	225,252	-	225,252
 Change in Net Position	 (200,578)	 (336,316)	 (536,894)
 Net Position - Beginning of Year, as restated	 13,431,762	 13,594,013	 27,025,775
 Net Position - End of Year	 \$ 13,231,184	 \$ 13,257,697	 \$ 26,488,881

See accompanying notes to financial statements

A two-page statement of cash flows -  
proprietary funds follows.

**VILLAGE OF BLOOMFIELD**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
<b><u>Cash Flows from Operating Activities</u></b>			
Receipts from customers	\$ 444,809	\$ 491,311	\$ 936,120
Receipts from municipality	34,405	89,514	123,919
Payments to suppliers	(337,454)	(350,099)	(687,553)
Payments to employees	(118,122)	(156,316)	(274,438)
	<u>23,638</u>	<u>74,410</u>	<u>98,048</u>
<b><u>Net Cash Flows from Operating Activities</u></b>			
<b><u>Cash Flows from Noncapital Financing Activities</u></b>			
Advance to municipality	(126,000)	-	(126,000)
Internal balance activity	(162,265)	162,265	-
Miscellaneous non-operating revenue	6,980	6,854	13,834
Miscellaneous non-operating expense	(4,651)	(4,650)	(9,301)
	<u>(285,936)</u>	<u>164,469</u>	<u>(121,467)</u>
<b><u>Net Cash Flows from Noncapital Financing Activities</u></b>			
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Acquisition and construction of capital assets	(44,187)	(84,072)	(128,259)
Special assessments received	164,195	183,050	347,245
Interest on special assessments	179,293	8,526	187,819
Capital contributions	7,547	7,547	15,094
Principal paid on long-term debt	(225,000)	(998,377)	(1,223,377)
Interest paid on long-term debt	(157,779)	(4,403)	(162,182)
	<u>(75,931)</u>	<u>(887,729)</u>	<u>(963,660)</u>
<b><u>Net Cash Flows from Capital and Related Financing Activities</u></b>			
<b><u>Cash Flows from Investing Activities</u></b>			
Investment income	1,644	1,643	3,287
	<u>1,644</u>	<u>1,643</u>	<u>3,287</u>
<b><u>Net Decrease in Cash and Cash Equivalents</u></b>			
	(336,585)	(647,207)	(983,792)
Cash and Cash Equivalents - Beginning of Year	1,765,047	1,248,606	3,013,653
	<u>1,765,047</u>	<u>1,248,606</u>	<u>3,013,653</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,428,462</u>	<u>\$ 601,399</u>	<u>\$ 2,029,861</u>

See accompanying notes to financial statements.

**VILLAGE OF BLOOMFIELD UTILITY DEPARTMENT**  
**STATEMENT OF CASH FLOWS - CONTINUED**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
<b><u>Reconciliation of Operating Loss to Net</u></b>			
<b><u>Cash Provided by Operating Activities</u></b>			
Operating loss	\$ (462,614)	\$ (354,095)	\$ (816,709)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	245,821	379,011	624,832
Depreciation charged to sewer	5,540	(5,540)	-
Waived tax equivalent	225,252	-	225,252
Changes in assets and liabilities:			
Accounts receivable	(8,800)	(9,698)	(18,498)
Receivable from municipality	31,744	86,853	118,597
Prepayments	(3,402)	(3,402)	(6,804)
Materials and supplies	(372)	-	(372)
Pension and deferred outflows/inflows	(2,020)	(2,626)	(4,646)
Payable to municipality	2,661	2,661	5,322
Accounts payable and accrued liabilities	990	(7,592)	(6,602)
Accrued compensated absences	(11,162)	(11,162)	(22,324)
Net Cash Flows from Operating Activities	<u>23,638</u>	<u>74,410</u>	<u>98,048</u>
<b><u>Reconciliation of Cash and Cash Equivalents to</u></b>			
<b><u>Statements of Net Position</u></b>			
Cash and cash equivalents reported in current assets	728,172	-	728,172
Cash and cash equivalents reported in restricted assets	<u>700,290</u>	<u>601,399</u>	<u>1,301,689</u>
Total Cash and Cash Equivalents	<u>\$ 1,428,462</u>	<u>\$ 601,399</u>	<u>\$ 2,029,861</u>

See accompanying notes to financial statements.

**VILLAGE OF BLOOMFIELD**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2015**

	<u>Agency Funds</u>		<u>Totals</u>
	<u>Tax Collections</u>	<u>Municipal Court</u>	
<b><u>Assets</u></b>			
Cash and investments	\$ 2,831,201	\$ 163	\$ 2,831,364
Taxes receivable	3,965,967	-	3,965,967
Total Assets	<u>6,797,168</u>	<u>163</u>	<u>6,797,331</u>
<b><u>Liabilities</u></b>			
Due to other governments	6,797,168	-	6,797,168
Deposits held	-	163	163
	<u>6,797,168</u>	<u>163</u>	<u>6,797,331</u>
<b>Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**VILLAGE OF BLOOMFIELD**  
**INDEX TO NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

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**VILLAGE OF BLOOMFIELD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**Note 1 - Summary Of Significant Accounting Policies**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles of state and local governments, except the Management's Discussion and Analysis has not been presented. Statement No. 34 of the Governmental Accounting Standards Board calls for the inclusion of this information as required supplementary information.

**A. Reporting Entity**

The reporting entity for the village is based upon criteria set forth by GASB Statement No. 61, "The Financial Reporting Entity: Omnibus" The reporting entity 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.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. 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 is a separately elected governing body that is legally separate and fiscally independent. The accompanying financial statements do not contain any component units.

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

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 properly included among program revenues are reported instead as *general revenues*.

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.

## **Note 1 - Summary Of Significant Accounting Policies - Continued**

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Funds are organized as either major funds or non-major funds within the governmental, proprietary, and fiduciary statements. A fund is considered major if it is the primary operating fund of the government or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
3. In addition, any other governmental or proprietary fund that the government considers to be particularly important to financial statement users may be reported as a major fund.

#### ***Major Funds***

The village reports the following major governmental funds:

*General Fund* - the village's primary operating fund. It accounts for all financial resources of the village except those required to be accounted for in another fund.

*Impact Fees Fund Capital Projects Fund* - The capital projects fund is used to account for financial resources segregated for related expenditures. The village chose to classify this fund as major although it did not meet the criteria indicated above.

## **Note 1 - Summary Of Significant Accounting Policies - Continued**

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

The village reports the following major proprietary funds:

*Water utility enterprise fund* - accounts for the activities of operating the water distribution system.

*Sewer utility enterprise fund* - accounts for the activities of operating the sewage treatment plant, sewage pumping stations and collections system.

#### ***Non-Major Funds***

Additionally, the village reports the following fund type:

*Agency Funds* - Trust and agency funds are used to account for assets held by the government in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. For the village, the agency funds are:

Tax Collections  
Municipal Court

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function 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.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise funds are charges to customers for sales and services. The water and sewer enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **Note 1 - Summary Of Significant Accounting Policies - Continued**

### **D. Assets, Liabilities, and Net Position or Equity**

#### ***1. Cash and Investments***

The village's cash and investments are considered to be cash on hand, demand deposits, the Wisconsin local government investment pool and certain bonds. A pooled bank account that is shared between the village's various accounting funds is maintained. Each fund's cash balance represents the residual cash available to it after all other transactions. For purposes of the statement of cash flows for the enterprise funds, cash equivalents are temporary cash investments with a maturity of three months or less at the date of purchase.

Deposit of government funds are restricted by state statutes. Permitted investments for the village include any of the following:

(1) Time deposits maturing within three years in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to do business in Wisconsin. (2) Bonds or securities issued or guaranteed by the federal government and its agencies. (3) The Wisconsin Local Government Investment Pool and Wisconsin Investment Trust. (4) Bonds or securities of any county, village, drainage district, technical college district, local exposition district, local professional baseball park district, village, town, or school district of the state and the University of Wisconsin Hospitals and Clinics Authority. (5) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by a nationally recognized rating agency or if that security is senior to, or on parity with, a security of the same issuer which has such a rating. (6) Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities. (7) Securities of open-end management companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds or securities issued by the federal government or a commission, board or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds and securities.

#### ***2. Receivable and Payables***

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectable amounts.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**Note 1 - Summary Of Significant Accounting Policies - Continued**

**D. Assets, Liabilities, and Net Position or Equity - Continued**

**2. Receivable and Payables - Continued**

Property taxes are levied in December on the assessed value as of the prior January 1. Property taxes are recorded as a receivable and deferred revenue in the appropriate fund in the year levied because the taxes are restricted to funding the succeeding year's budget appropriations. 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 districts and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred revenues and due to other governments on the statement of net position. Property tax payments received prior to year end are reflected in the agency fund. Interest on delinquent property taxes is recognized as revenue when received.

Details of the village's property tax calendar for the 2015 tax levy follows:

Lien and levy dates	December 2015
Real estate collection due dates:	
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property tax due in full	January 31, 2016
Final settlement with county	August 2016
Tax sale of 2015 delinquent real estate taxes	October 2018

**3. Inventories and Prepaid Items**

Inventories of the utility enterprise fund are generally used in the operation and maintenance of the water utility. The inventories are valued at cost (first-in, first-out method), which is not in excess of market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**4. Restricted Assets**

Cash and equivalents of the village governmental activities have been restricted for the following:

Impact fee collections	<u>\$ 56,015</u>
------------------------	------------------

Cash and equivalents of the village business-type activities (utilities) have been restricted by bond resolution for the following purposes:

	<u>Water Utility</u>	<u>Sewer Utility</u>
Debt service (special assessment) funds:		
Water	\$ 700,290	\$ - - -
Sewer equipment replacement fund	- - -	601,399
	<u>\$ 700,290</u>	<u>\$ 601,399</u>

**Note 1 - Summary Of Significant Accounting Policies - Continued**

**D. Assets, Liabilities, and Net Position or Equity - Continued**

**5. Capital Assets**

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are generally defined by the village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years, except for certain assets of the water and sewer utilities which may be capitalized at a lower cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The village has elected to report infrastructure of its governmental activities prospectively. Consequently, non-utility infrastructure acquired prior to 2004 is not included in the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed.

Property, plant, and equipment of the village is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20 - 100
Machinery and equipment	3 - 40
Vehicles	5 - 15
Water and sewer utility systems	3 - 100
Roads and sidewalks	30

**6. Compensated Absences**

Village employees earn sick, vacation and compensatory time in varying amounts. Employees are generally required to use their available vacation time by the end of the year in which it was earned or forfeit it. Sick leave benefits begin to accumulate immediately upon full time employment, with a maximum of 80 days. Certain police union employees are paid an amount equal to 50% of all remaining sick days at the employee's rate of pay at termination, or at the employee's option, the money may be used to offset health insurance premiums. Village employees may also accumulate compensatory time for overtime hours worked but not used as vacation at year end. At December 31, 2015, the total sick, vacation and compensatory time benefits payable were \$71,799 for the governmental activities and \$15,200 for the business-type activities.

## **Note 1 - Summary Of Significant Accounting Policies - Continued**

### **D. Assets, Liabilities, and Net Position or Equity - Continued**

#### ***7. Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The village has one item that qualifies for reporting in this category. The item is related to the village's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The village has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The village also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental fund reports unavailable revenues from special charges and assessments. This amount is deferred and recognized as an inflow of resources in the period the amount become available.

#### ***8. Long-Term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### ***9. Pensions***

For purposes of measuring the net pension 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.

#### ***10. Fund Equity***

Accounting principles generally accepted require the classification of net position into various components. The components used by the village are defined as follows:

**Note 1 - Summary Of Significant Accounting Policies - Continued**

**D. Assets, Liabilities, and Net Position or Equity - Continued**

**10. Fund Equity- Continued**

Nonspendable - This component of fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts.

Restricted - This component of fund balance is used when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Assigned - This component of fund balance represents amounts that are constrained by the village’s *intent* to be used for specific purposes.

Unassigned - This component of fund balance is the residual classification for the general fund.

In the government-wide financial statements, equity is classified in three components, invested in capital assets, net of related debt; restricted; and unrestricted. 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.

**11. Utility User Rates**

Water utility user rates currently in place were approved by the Wisconsin Public Service Commission on January 30, 2012, following the village’s incorporation which took place on December 20, 2011. The public fire protection collected as direct charges on the water bills using the equivalent service method was authorized beginning on September 30, 2013. Sewer utility rates currently in place were approved by the village board on August 4, 2014.

**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements**

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

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

The village’s proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:

Net pension asset	\$ 126,983
Deferred outflows of resources	141,371
Deferred inflows of resources	<u>(6,654)</u>
Total restricted for pension benefits	<u>\$ 261,700</u>



**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements - Continued**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position - Continued**

Another element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund” The details of this difference is as follows:

Land	\$ 116,536
Construction in progress	216,697
Capital assets	1,132,157
Accumulated depreciation	<u>(199,315)</u>
Net adjustment	<u>\$ 1,266,075</u>

Another element of that reconciliation explains that “certain receivables are not currently available and are reported as deferred revenue in the fund financial statements, but are recognized as revenue when earned in the government-wide statements. ” The details of this difference is as follows:

Accounts receivable	<u>\$ 9,877</u>
---------------------	-----------------

Another element of that reconciliation explains that “certain accrued expenses are recorded in the government-wide financial statements but not in the funds” The details of this difference is as follows:

Accrued interest on long-term debt	<u>\$ (24,506)</u>
------------------------------------	--------------------

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Bonds and notes payable	\$ (1,006,506)
Compensated absences	<u>(71,799)</u>
Net adjustment	<u>\$ (1,078,305)</u>

**Note 3 - Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

The village reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying financial statements is comprised of the originally approved budget plus or minus approved revisions of budgeted revenues and expenditures. These budgets are adopted on a basis consistent with accounting principles generally accepted. Management control of the budgetary process has been established at the departmental level of expenditure. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances.

The budget is amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the village board. The village amended its budget during the year.

**Note 3 - Stewardship, Compliance, and Accountability - Continued**

**B. General Fund Assigned and Nonspendable Fund Balances**

The fund balance of the general fund has been restricted for the following purpose at December 31, 2015.

Prepaid expenditures	<u>\$ 80,091</u>
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The fund balance of the general fund has been assigned at December 31, 2015 for the following:

Fire and 2% dues	\$ 34,972
EMT Act 102	5,263
Highway	98,012
Recycling	<u>14,680</u>
Total general fund assigned fund balances	152,927
Less: amount required to eliminate deficit unassigned balance	<u>(144,209)</u>
Net general fund assigned fund balances	<u>\$ 8,718</u>

**C. Excess of Expenditures Over Appropriations**

Actual expenditures of the general fund for the year ended December 31, 2015 of \$2,802,911 exceeded their budget of \$2,542,395 by \$260,516.

**Note 4 - Detailed Notes on All Funds**

**A. Cash and Investments**

The village's cash and investments at December 31, 2015 consisted of the following:

	<u>Carrying</u>	<u>Amounts</u>	<u>Uncollateralized/ Uninsured</u>
	<u>Amount</u>	<u>Deposited</u>	<u>Deposits</u>
Cash and Cash Equivalents:			
Checking and savings accounts	\$ 3,864,141	\$ 2,865,681	\$ 1,770,887
Local Government Investment Pool	1,748,125	1,748,125	---
Petty cash	<u>750</u>	<u>N/A</u>	<u>N/A</u>
Total	<u>\$ 5,613,016</u>	<u>\$ 4,613,806</u>	<u>\$ 1,770,887</u>

Total cash and investments above reconcile to the financial statements as follows:

Statement of net position:

Cash and cash equivalents	\$ 2,725,637
Restricted cash and cash equivalents	<u>56,015</u>
Total reported on statement of net position	2,781,652
Fiduciary funds statement of net position	<u>2,831,364</u>
Total Cash and Investments	<u>\$ 5,613,016</u>

## **Note 4 - Detailed Notes on All Funds - Continued**

### **A. Cash and Investments - Continued**

Village deposits are insured by the FDIC for up to \$250,000 for time and savings deposits (including interest-bearing NOW accounts), and an additional \$250,000 of FDIC insurance is available for demand (non-interest bearing checking accounts) for each bank used. All village deposits are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses of the pool may not be significant to individual municipalities.

For all investments shown, the fair value at the balance sheet date is substantially the same as the carrying value. The difference between the amounts reported as bank deposits and the carrying amounts above is due to the effect of outstanding checks and deposits in transit on the village's cash balances.

Deposits exceed the amount of FDIC insurance available at certain times during the year due primarily to the collection of property taxes pending settlement with the other taxing districts.

The village addresses the following risks related to its cash and investments:

#### **Custodial Credit Risk**

Custodial credit risk represents the risk that in the event of a financial institution failure, the village's deposits may not be recovered. The village maintains an agreement with its financial institutions to collateralize its deposits. At December 31, 2015, \$1,770,887 of the village's bank deposits were above the combined FDIC insured amount and the amount of the collateral agreement with the village's banks. Those deposits were exposed to custodial credit risk.

#### **Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the investment. The village has deposits in the Local Government Investment Pool which is not rated, however, consists of investments in federal government securities.

#### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At December 31, 2015 the village's investment in the Local Government Investment Pool (LGIP) had a fair value balance of \$1,748,125. The LGIP had a weighted average maturity of 49 days at December 31, 2015.

The Local Government Investment Pool (LGIP) is an investment fund managed by the State of Wisconsin Investment Board. The LGIP accepts deposits from governmental units within the State of Wisconsin. The objectives of the LGIP are to provide safety of principal, liquidity and a reasonable rate of return. The LGIP is regulated by sections 25.14 and 25.17 of the Wisconsin Statutes and is not a SEC registered investment. The yield of the LGIP changes daily and its participants may invest or withdraw any or all amounts at par value at any time. The LGIP balance reported in the financial statements at December 31, 2015 is \$1,748,125 at cost basis. The fair value of the LGIP investment at December 31, 2015 did not materially differ from its cost basis. A surety bond issued by Financial Security, Inc. insures the investments of the LGIP. This bond provides unlimited coverage on all of the LGIP's investments except U.S. Government and agency securities.

**Note 4 - Detailed Notes on All Funds - Continued**

**B. Receivables**

Receivables as of yearend for the village's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectable accounts, are as follows:

	<u>General</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Tax Roll Fiduciary Fund</u>	<u>Totals</u>
Receivables:					
Taxes - current	\$ 1,826,797	\$ ---	\$ ---	\$ 2,832,205	\$ 4,659,002
Accounts	36,870	107,908	120,536	---	265,314
Special assessments	---	3,350,804	346,660	---	3,697,464
Other	---	15,689	15,690	---	31,379
Net total receivables	<u>\$ 1,863,667</u>	<u>\$ 3,474,401</u>	<u>\$ 482,886</u>	<u>\$ 2,832,205</u>	<u>\$ 8,653,159</u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report *deferred inflows of resources* 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 revenue* and *deferred inflows of resources* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes	\$ ---	\$ 1,826,797
Accounts and special charges	9,877	---
Total deferred/unearned revenue for governmental funds	<u>\$ 9,877</u>	<u>\$ 1,826,797</u>

The village utilities levied special assessments during 1995 and 1997 to provide funds for the design and construction of portions of the water and sewer utilities. Summary information on the special assessments receivable as of December 31, 2015 follows.

<u>Assessment</u>	<u>Balance</u>	<u>Term of Levy</u>
1995 special assessment levy:		
Water system	\$ 3,350,804	40 years
1997 special assessment levy:		
Sewer system	346,660	20 years
Total special assessments receivable	<u>\$ 3,697,464</u>	

There is no penalty for prepaying these special assessments.

**Note 4 - Detailed Notes on All Funds - Continued**

**C. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 116,536	\$ ---	\$ ---	\$ 116,536
Construction in progress	---	216,697	---	216,697
Total capital assets, not being depreciated	<u>116,536</u>	<u>216,697</u>	<u>---</u>	<u>333,233</u>
Capital assets, being depreciated:				
Buildings and improvements	486,098	---	---	486,098
Machinery and equipment	339,203	306,856	---	646,059
Total capital assets being depreciated	<u>825,301</u>	<u>306,856</u>	<u>---</u>	<u>1,132,157</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,722)	(19,444)	---	(29,166)
Machinery and equipment	(79,114)	(91,035)	---	(170,149)
Total accumulated depreciation	<u>(88,836)</u>	<u>(110,479)</u>	<u>---</u>	<u>(199,315)</u>
Total capital assets, being depreciated, net	<u>736,465</u>	<u>196,377</u>	<u>---</u>	<u>932,842</u>
Governmental activities capital assets, net	<u>\$ 853,001</u>	<u>\$ 413,074</u>	<u>\$ ---</u>	<u>\$ 1,266,075</u>
<b>Business Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 353,140	\$ ---	\$ ---	\$ 353,140
Total capital assets, not being depreciated	<u>353,140</u>	<u>---</u>	<u>---</u>	<u>353,140</u>
Capital assets, being depreciated:				
Source of supply - water	903,644	---	---	903,644
Pumping - water	661,989	---	---	661,989
Water treatment - water	373,320	---	---	373,320
Transmission and distribution - water	11,055,032	5,360	(420)	11,059,972
General - water	1,224,919	38,827	(59,892)	1,203,854
Collection system - sewer	9,433,640	9,176	---	9,442,816
Pumping - sewer	1,699,124	26,002	(14,000)	1,711,126
Treatment and disposal - sewer	7,208,393	31,252	(14,400)	7,225,245
General - sewer	458,899	17,642	---	476,541
Total capital assets being depreciated	<u>33,018,960</u>	<u>128,259</u>	<u>(88,712)</u>	<u>33,058,507</u>
Less: accumulated depreciation	<u>(9,122,825)</u>	<u>(624,832)</u>	<u>88,712</u>	<u>(9,658,945)</u>
Total capital assets, being depreciated, net	<u>23,896,135</u>	<u>(496,573)</u>	<u>---</u>	<u>23,399,562</u>
Business-type activities capital assets, net	<u>\$ 24,249,275</u>	<u>\$ (496,573)</u>	<u>\$ ---</u>	<u>\$ 23,752,702</u>

**Note 4 - Detailed Notes on All Funds - Continued**

**C. Capital Assets**

Accumulated depreciation by capital asset category for the business type activities is not available.

Depreciation expense was charged to functions/programs of the village as follows:

Governmental activities:		
General government	\$	6,219
Public safety		52,270
Highways and streets, including depreciation of general infrastructure assets		<u>51,990</u>
Total depreciation expense - governmental activities	\$	<u>110,479</u>
Business-type activities:		
Water	\$	245,821
Sewer		<u>379,011</u>
Total depreciation expense - business-type activities	\$	<u>624,832</u>

The village has elected to report infrastructure of its governmental activities prospectively. Consequently, non-utility infrastructure acquired prior to 2014 is not included in the financial statements.

**D. Interfund Receivables, Payables and Advances**

The composition of interfund balances as of December 31, 2015, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water utility	\$ 5,322
Water utility	General	299,423
Sewer utility	General	<u>200,333</u>
		<u>\$ 505,078</u>

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenses occur; transactions are recorded in the accounting system; and payments between funds are made. Balances between the general fund and water and sewer utilities include special assessments and delinquent charges on the tax roll. Balances between the water and sewer utilities consist of payments made by the water utility on behalf of the sewer utility that will be repaid by anticipated future positive cash flows.

**Note 4 - Detailed Notes on All Funds - Continued**

**Interfund Receivables, Payables and Advances - Continued**

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water utility	Sewer utility	\$ 1,384,515
Water utility	General fund	126,000
		<u>\$ 1,510,515</u>

The advance between the water and sewer utilities represent amounts provided to the sewer utility for working capital. Repayment of the advance is expected to be accomplished with future positive cash flows after the scheduled final payment of revenue bonds outstanding. The advance between the water utility and the general fund is expected to be repaid in 2016.

**E. Long-Term Obligations**

Outstanding debt and other long-term obligations of the village was comprised of the following issues at December 31, 2015:

<u>Issue</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Outstanding Principal At 12/31/15</u>		<u>Current Portion</u>
			<u>General</u>	<u>Proprietary</u>	
<u>General obligation debt:</u>					
1998 Clean Water Fund sewer notes	.344%	\$ 1,829,306	\$ - - -	\$ 83,469	\$ 27,717
2002 Clean Water Fund sewer notes	.344%	87,561	- - -	15,826	5,257
2007 water refunding bonds	3.7 4.5%	5,170,000	- - -	3,590,000	235,000
2014 state trust fund loan	3.0%	600,000	600,000	- - -	293,550
2015A state trust fund loan	3.0%	200,000	200,000	- - -	65,008
2015B state trust fund loan	3.0%	60,831	60,831	- - -	11,876
2015C state trust fund loan	3.25%	145,675	145,675	- - -	16,966
Total general obligation debt			<u>1,006,506</u>	<u>3,689,295</u>	<u>655,374</u>
<u>Utility revenue debt:</u>					
1998 Clean Water Fund sewer bonds	.344%	4,000,000	- - -	182,421	60,609
<u>Other long-term obligations:</u>					
Compensated absences			<u>71,799</u>	<u>15,200</u>	<u>- - -</u>
Total long-term obligations			<u>\$ 1,078,305</u>	<u>\$ 3,886,916</u>	<u>\$ 715,983</u>

**A. General Obligation Debt**

General village indebtedness represented by general obligation bonds and notes totaled \$4,695,801 on December 31, 2015. The village's full faith and credit back the bonds and notes. Transactions for 2015 are summarized as follows:

	<u>General Village</u>	<u>Proprietary Funds</u>	<u>Total</u>
Balance - January 1, 2015	\$ 600,000	\$ 4,231,181	\$ 4,831,181
Proceeds from borrowing	406,506	- - -	406,506
Principal reductions	- - -	(541,886)	(541,886)
Balance - December 31, 2015	<u>\$ 1,006,506</u>	<u>\$ 3,689,295</u>	<u>\$ 4,695,801</u>

**Note 4 - Detailed Notes on All Funds - Continued**

**E. Long-Term Obligations - Continued**

Annual debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 655,374	\$ 184,775	\$ 840,149
2017	682,512	157,917	840,429
2018	389,199	135,430	524,629
2019	298,487	121,526	420,013
2020	309,552	109,223	418,775
2021-2025	1,625,677	344,345	1,970,022
2026-2027	735,000	33,323	768,323
Totals	<u>\$ 4,695,801</u>	<u>\$ 1,086,539</u>	<u>\$ 5,782,340</u>

**B. Revenue Bonds - Proprietary Fund**

Revenue bonds are pledged by the assets and revenues of the issuing utility. The village's full faith and credit do not back these revenue bonds. Transactions of the village proprietary fund utility revenue bonds for 2015 are summarized as follows:

	<u>Revenue Bonds</u>
Balance - January 1, 2015	\$ 863,911
Proceeds from borrowing	- - -
Principal reductions	<u>(681,490)</u>
Balance - December 31, 2015	<u>\$ 182,421</u>

Scheduled annual debt service requirements to maturity are as follows:

<u>Year</u>	<u>Revenue Bonds</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 60,609	\$ 633	\$ 61,242
2017	60,818	425	61,243
2018	60,994	216	61,210
Totals	<u>\$ 182,421</u>	<u>\$ 1,274</u>	<u>\$ 183,695</u>

**C. Margin of Indebtedness**

The Wisconsin Statutes restrict the village's general obligation debt to 5% of the equalized value of all property in the village. This amount is compared below with the outstanding debt on December 31, 2015.

Equalized Value - 2015	<u>\$ 369,209,200</u>
Margin of Indebtedness: 5% of Equalized Value	18,460,460
Outstanding General Obligation Debt - December 31, 2015	<u>4,695,801</u>
Margin of Indebtedness	<u>\$ 13,764,659</u>



## **Note 4 - Detailed Notes on All Funds - Continued**

### **E. Long-Term Obligations - Continued**

#### **D. Bond Restrictions and Agreements**

There are a number of limitations and restrictions contained in the various loan agreements and bond resolutions. The utility's ordinances relating to the revenue bonds provide for the establishment of accounts into which the utility is to pay periodically all income and revenue from operations of the water utility together with installments collected from the 1995 water special assessment and the 1997 sewer special assessment levies. Those accounts are funded and reported in Note 1.D.4. The utility's agreement for its Clean Water Fund loans includes certain minimum net revenues for debt coverage compliance. The utility did not meet the minimum debt coverage requirement in 2015.

#### **E. Capital Lease Obligations**

The village was obligated under the lease of one squad car accounted for as a capital lease that commenced in 2014. The lease was paid in full during 2015.

## **Note 5 - Other Information**

### **A. Risk Management**

The village has purchased commercial insurance policies for various risks of loss related to litigation, theft, damage or destruction of assets, errors or omissions, injuries to employees, or acts of God. Payments of premiums for these policies are recorded as expenditures or expenses in the various funds of the village.

### **B. WRS Pension Plan**

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating Village of Bloomfield 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.

## **Note 5 - Other Information**

### **B. WRS Pension Plan**

**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%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

**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.

**Note 5 - Other Information**

**B. WRS Pension Plan**

During the reporting period, the WRS recognized \$81,112 in contributions from the employer.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General (including teachers)	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.63%
Protective without Social Security	6.8%	13.23%

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

At December 31, 2015, the Village of Bloomfield reported an asset of \$164,912 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

The village's proportion of the net pension asset was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the village's proportion was 0.00671391% , which was an increase of 0.00066262% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the village recognized pension expense of \$59,647.

**Note 5 - Other Information**

**B. WRS Pension Plan**

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	\$23,907	\$0
Changes in assumptions	\$0	\$0
Net differences between projected and actual earnings on pension plan investments	\$79,858	\$0
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$0	\$0
Employer contributions subsequent to the measurement date	\$79,836	\$0
<b>Total</b>	<b>\$183,601</b>	<b>\$0</b>

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

\$79,836 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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflow of Resources	Deferred Inflow of Resources
2015	\$20,410	\$0
2016	\$20,410	\$0
2017	\$20,410	\$0
2018	\$20,410	\$0
2019	\$20,410	\$0
Thereafter	\$1,715	\$0

## **Note 5 - Other Information**

### **B. WRS Pension Plan**

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

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

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

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

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

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

## **Note 5 - Other Information - Continued**

### **B. WRS Pension Plan - Continued**

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

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
Proportionate share of the net pension liability (asset)	\$465,245	\$(164,912)	\$(662,585)

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

*Payable to the WRS.* At December 31, 2015 the village reported a payable of \$20,767 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2015.

### **C. Property Tax Levy Limit**

Wisconsin statutes limit the amount of property taxes that the state's cities, villages, towns and counties may levy. For 2015, the increase in the allowable maximum tax levy is limited to the change in the equalized value resulting from net new construction and certain other adjustments. The village's levy limit for 2015 (2014 tax levy) was \$1,073,885, an increase of \$6,876, or .64 % from the prior year. The actual amount levied by the village was \$1,071,388.

### **D. Related Party Transactions**

The village transacted business totaling \$4,146 during 2015 with an enterprise owned by its village president. The village believes the transactions were made at arms-length.

## **Note 5 - Other Information - Continued**

### **E. Jointly Governed Organization**

The Village of Bloomfield, Village of Genoa City, and the Town of Bloomfield jointly operate the Bloomfield - Genoa City Fire and Rescue. The costs of these entities are shared by the municipalities based on their proportionate share of the village's and town's equalized values. The department is governed by board members of the municipalities, and by appointed citizen members of each municipality.

### **F. Litigation and Contingencies**

The village attorney and village management are unaware of any pending or threatened litigation against the village that would have a material effect on the financial statements.

### **G. Subsequent Events**

Management has evaluated the need for disclosure or recording of transactions resulting from subsequent events through July 21, 2016, the date the financial statements were available to be issued; and concluded the following matters required disclosure:

On April 20, 2016, the village issued \$4,910,000 in general obligation corporate purpose bonds, Series 2016A. The bonds are payable beginning February 1, 2017 and ending February 1, 2027 with variable principal payments. Interest on the loan varies from 1.0% to 2.50%.

On June 6, 2016 the village authorized an advance between the Bloomfield utility department and the village in the amount of \$140,000 to be repaid over a period of 5 years at an interest rate of 2.50%. The loan will be repaid in four payments, with the last payment due March 15, 2018.

### **H. Cumulative Effect of a Change in Accounting Principle**

The village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. Financial statements for the year ended December 31, 2014 have not been restated. The cumulative effect of this change was to increase the December 31, 2015 net position of the governmental and business-type activities by \$319,684.

**REQUIRED SUPPLEMENTARY INFORMATION**



*Schedules of Required Supplementary Information*

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**

Wisconsin Retirement System  
Last 10 Fiscal Years\*

	2014
Proportion of the net pension asset	0.00671391%
Proportionate share of the net pension asset	\$164,912
Covered-employee payroll	\$980,450
Plan fiduciary net position as a percentage of the total pension asset	102.74%

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

**SCHEDULE OF CONTRIBUTIONS**

Wisconsin Retirement System  
Last 10 Fiscal Years\*

	2014
Contractually required contributions	\$81,112
Contributions in relation to the contractually required contributions	\$81,112
Contribution deficiency (excess)	\$0
Covered-employee payroll	\$980,450
Contributions as a percentage of covered-employee payroll	8.27%

**Notes to Required Supplementary Information  
for the Year Ended December 31, 2015**

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

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

**SUPPLEMENTARY INFORMATION**

**VILLAGE OF BLOOMFIELD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b><u>Taxes</u></b>				
General property	\$ 1,071,388	\$ 1,071,388	\$ 1,071,388	\$ -
<b><u>Intergovernmental Revenues</u></b>				
State aids:				
Shared revenues	41,591	41,591	41,582	(9)
Transportation	115,143	115,143	115,143	-
Local road improvement grant	-	-	23,975	23,975
Fire insurance from state	12,111	12,111	12,021	(90)
Other law enforcement	-	-	1,985	1,985
Other public safety state grant	-	-	5,264	5,264
DNR miscellaneous grant	-	-	1,221	1,221
Municipal services aid	-	-	755	755
Exempt computer aid	690	690	694	4
Recycling	10,000	10,000	9,870	(130)
Total Intergovernmental Revenues	179,535	179,535	212,510	32,975
<b><u>Licenses and Permits</u></b>				
Business and occupational licenses	4,500	4,500	9,001	4,501
Dog licenses	1,300	1,300	1,233	(67)
Building permits	40,000	40,000	37,076	(2,924)
Zoning permits	15,000	15,000	10,630	(4,370)
Other regulatory permits	-	-	2,370	2,370
Cable TV franchise fees	40,000	40,000	45,263	5,263
Total Licenses and Permits	100,800	100,800	105,573	4,773
<b><u>Fines and Forfeitures</u></b>				
Law and ordinance violations	120,000	120,000	44,000	(76,000)
<b><u>Charges for Services</u></b>				
Garbage and recycling	347,000	347,000	343,933	(3,067)
General government fees	1,600	1,600	6,041	4,441
Law enforcement fees	1,000	1,000	764	(236)
Building razing fees	56,755	56,755	4,683	(52,072)
Highway maintenance fees	2,420	2,420	255	(2,165)
Total Charges for Services	\$ 408,775	\$ 408,775	\$ 355,676	\$ (53,099)

**VILLAGE OF BLOOMFIELD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b><u>Intergovernmental Charges for Services</u></b>				
General government	\$ 7,843	\$ 7,843	\$ 7,843	\$ -
Law enforcement	163,355	163,355	163,355	-
Highway	109,901	109,901	109,901	-
Other local departments	18,795	18,795	15,844	(2,951)
Other local governments (including court)	9,430	9,430	9,430	-
 Total Intergovernmental Charges for Services	 <u>309,324</u>	 <u>309,324</u>	 <u>306,373</u>	 <u>(2,951)</u>
<b><u>All Other</u></b>				
Donations - July 4th	5,000	5,000	12,825	7,825
Donations - Kids Day Out	10,000	10,000	12,096	2,096
Investment income	700	700	2,559	1,859
Insurance recoveries	-	-	179	179
Refunds and reimbursements	-	-	2,457	2,457
Miscellaneous	2,000	2,000	142	(1,858)
 Total Miscellaneous	 <u>17,700</u>	 <u>17,700</u>	 <u>30,258</u>	 <u>12,558</u>
 Total Revenues	 <u><u>\$ 2,207,522</u></u>	 <u><u>\$ 2,207,522</u></u>	 <u><u>\$ 2,125,778</u></u>	 <u><u>\$ (81,744)</u></u>

**VILLAGE OF BLOOMFIELD**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b><u>General Government</u></b>				
Village board wages	\$ 28,500	\$ 28,500	\$ 28,500	\$ -
Village board benefits	2,180	2,180	2,175	5
Village board other	800	800	2,150	(1,350)
Municipal court wages	42,671	42,671	40,420	2,251
Municipal court benefits	31,527	31,527	34,805	(3,278)
Municipal court other	7,520	7,520	4,566	2,954
Legal	25,000	25,000	14,074	10,926
General administration wages	39,000	39,000	34,360	4,640
General administration benefits	17,220	17,220	16,470	750
General administration other	29,600	29,600	21,723	7,877
Elections	5,000	5,000	2,341	2,659
Financial administration wages	34,000	34,000	25,972	8,028
Financial administration benefits	15,300	15,300	16,197	(897)
Financial administration other	7,028	7,028	9,001	(1,973)
Accounting and audit	10,000	10,000	8,350	1,650
Assessor and board of review	20,000	20,000	20,939	(939)
General buildings	41,000	41,000	37,130	3,870
Insurance	100,000	100,000	83,432	16,568
Annexation taxes	11,955	11,955	11,955	-
Total General Government	468,301	468,301	414,560	53,741
<b><u>Public Safety</u></b>				
Law enforcement wages	440,800	440,800	434,687	6,113
Law enforcement benefits	208,089	208,089	178,372	29,717
Law enforcement other	61,350	61,350	50,969	10,381
Building inspection (housing)	90,355	90,355	27,425	62,930
Fire protection	249,204	249,204	237,093	12,111
Correction and detention (jail)	5,000	5,000	270	4,730
Total Public Safety	\$ 1,054,798	\$ 1,054,798	\$ 928,816	\$ 125,982

**VILLAGE OF BLOOMFIELD**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b><u>Public Works</u></b>				
Road maintenance wages	\$ 198,000	\$ 198,000	\$ 167,544	\$ 30,456
Road maintenance benefits	90,509	90,509	69,197	21,312
Road maintenance other	302,262	302,262	271,482	30,780
Refuse and garbage	248,000	248,000	253,479	(5,479)
Street lighting	2,200	2,200	2,834	(634)
Solid waste disposal	700	700	1,344	(644)
Recycling	109,000	109,000	110,603	(1,603)
Total Public Works	<u>950,671</u>	<u>950,671</u>	<u>876,483</u>	<u>74,188</u>
<b><u>Health and Human Services</u></b>				
Senior citizen programs	225	225	225	-
Cemetery	800	800	-	800
Total Health and Human Services	<u>1,025</u>	<u>1,025</u>	<u>225</u>	<u>800</u>
<b><u>Culture and Recreation</u></b>				
Lakes and parks	2,500	2,500	2,645	(145)
Special events - July 4th	5,000	5,000	8,158	(3,158)
Special events - Kids Day Out	10,000	10,000	12,927	(2,927)
Special events - other	-	-	511	(511)
Total Culture and Recreation	<u>17,500</u>	<u>17,500</u>	<u>24,241</u>	<u>(6,741)</u>
<b><u>Conservation and Development</u></b>				
Engineering	3,000	3,000	8,983	(5,983)
Zoning and land use	12,100	12,100	7,557	4,543
Total Conservation and Development	<u>15,100</u>	<u>15,100</u>	<u>16,540</u>	<u>(1,440)</u>
<b>Capital Lease Squad Car</b>	<u>-</u>	<u>-</u>	<u>18,493</u>	<u>(18,493)</u>
<b><u>Capital Outlay</u></b>				
Public safety building	-	-	185,851	(185,851)
Law enforcement	-	-	111,951	(111,951)
Highway	-	35,000	189,085	(154,085)
Parks	-	-	36,666	(36,666)
Total Capital Outlay	<u>-</u>	<u>35,000</u>	<u>523,553</u>	<u>(488,553)</u>
Total Expenditures	<u>\$ 2,507,395</u>	<u>\$ 2,542,395</u>	<u>\$ 2,802,911</u>	<u>\$ (260,516)</u>

**VILLAGE OF BLOOMFIELD**

**WATER UTILITY PLANT**

**DECEMBER 31, 2015**

	Balance 1/1/15	Additions	Retirements	Balances 12/31/15
<b><u>Source of Supply Plant</u></b>				
Land and land rights	\$ 4,771	\$ -	\$ -	\$ 4,771
Wells and springs	903,644	-	-	903,644
Total Source of Supply Plant	908,415	-	-	908,415
<b><u>Pumping Plant</u></b>				
Land and land rights	4,770	-	-	4,770
Structures and improvements	259,278	-	-	259,278
Electric pumping equipment	402,711	-	-	402,711
Total Pumping Plant	666,759	-	-	666,759
<b><u>Water Treatment Plant</u></b>				
Structures and improvements	29,577	-	-	29,577
Water treatment equipment	343,743	-	-	343,743
Water treatment plant	373,320	-	-	373,320
<b><u>Transmission and Distribution Plant</u></b>				
Land and land rights	13,080	-	-	13,080
Distribution reservoirs and standpipes	449,256	-	-	449,256
Transmission and distribution mains	7,849,391	-	-	7,849,391
Services	1,296,236	3,300	-	1,299,536
Meters	183,768	2,060	420	185,408
Hydrants	1,276,381	-	-	1,276,381
Total Transmission and Distribution Plant	11,068,112	5,360	420	11,073,052
<b><u>General Plant</u></b>				
Land and land rights	81,726	-	-	81,726
Structures and improvements	834,993	16,526	9,000	842,519
Office furniture and equipment	4,233	-	-	4,233
Computer equipment	30,446	-	-	30,446
Transportation equipment	75,904	22,301	50,892	47,313
Tools, shop and garage equipment	11,638	-	-	11,638
Laboratory equipment	13,025	-	-	13,025
Power operated equipment	9,660	-	-	9,660
Communication equipment	708	-	-	708
Miscellaneous equipment	4,852	-	-	4,852
SCADA equipment	239,460	-	-	239,460
Total General Plant	1,306,645	38,827	59,892	1,285,580
TOTAL WATER UTILITY PLANT	\$ 14,323,251	\$ 44,187	\$ 60,312	\$ 14,307,126

**VILLAGE OF BLOOMFIELD**  
**SEWER UTILITY PLANT**  
**DECEMBER 31, 2015**

	Balance 1/1/2015	Additions	Retirements	Balances 12/31/15
<b><u>Collection System Plant</u></b>				
Land and land rights	\$ 348	\$ -	\$ -	\$ 348
Service laterals	1,036,843	3,301	-	1,040,144
Collection mains	8,084,031	-	-	8,084,031
Force mains	311,381	-	-	311,381
Other equipment	1,385	5,875	-	7,260
<b>Total Collection System</b>	<b>9,433,988</b>	<b>9,176</b>	<b>-</b>	<b>9,443,164</b>
<b><u>Collection System Pumping Plant</u></b>				
Land and land rights	4	-	-	4
Structures and improvements	1,251,864	-	-	1,251,864
Electric pumping equipment	447,260	26,002	14,000	459,262
<b>Total Collection System Pumping Plant</b>	<b>1,699,128</b>	<b>26,002</b>	<b>14,000</b>	<b>1,711,130</b>
<b><u>Treatment and Disposal Plant</u></b>				
Land and land rights	248,441	-	-	248,441
Structures and improvements	6,614,694	18,333	10,000	6,623,027
Preliminary treatment equipment	33,762	3,024	1,800	34,986
Secondary treatment equipment	220,602	2,230	1,200	221,632
Advance treatment equipment	18,742	-	-	18,742
Other treatment equipment	8,165	5,542	-	13,707
Chlorination equipment	275,213	-	-	275,213
Sludge treatment & disp. equipment	1,143	-	-	1,143
Plant site piping	32,498	-	-	32,498
Flow metering and monitoring	3,574	2,123	1,400	4,297
<b>Total Treatment and Disposal Plant</b>	<b>7,456,834</b>	<b>31,252</b>	<b>14,400</b>	<b>7,473,686</b>
<b><u>General Plant</u></b>				
Structures and improvements	63,778	-	-	63,778
Office furniture and equipment	6,802	-	-	6,802
Computers	39,795	-	-	39,795
Transportation equipment	51,150	-	-	51,150
Other general equipment	297,374	17,642	-	315,016
<b>Total General Plant</b>	<b>458,899</b>	<b>17,642</b>	<b>-</b>	<b>476,541</b>
<b>TOTAL SEWER UTILITY PLANT</b>	<b>\$ 19,048,849</b>	<b>\$ 84,072</b>	<b>\$ 28,400</b>	<b>\$ 19,104,521</b>



**VILLAGE OF BLOOMFIELD**  
**SCHEDULE OF OPERATING REVENUES AND EXPENSES**  
**WATER UTILITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2015**

**Operating Revenues**

Residential metered sales	\$ 276,262
Multi-family metered sales	1,963
Commercial metered sales	8,258
Public authority metered sales	2,657
Public fire protection	<u>151,158</u>
Total Sales of Water	440,298
Forfeited discounts	4,185
Miscellaneous service revenues	4,604
Other water revenues	<u>4,522</u>
Total Operating Revenues	<u>453,609</u>

**Operating Expenses**

Operation and Maintenance Expenses:

Pumping Expenses:

Power purchased for pumping	28,847
Maintenance of pumping plant	<u>963</u>
Total Pumping Expenses	<u>29,810</u>

Source of Supply Expenses:

Operation labor	14,129
Operation supplies	<u>272</u>
Total Source of Supply Expenses	<u>14,401</u>

Water Treatment Expenses:

Operation labor	26,811
Chemicals	30,288
Maintenance of water treatment plant	3,767
Operation Supplies	<u>25,277</u>
Total Water Treatment Expenses	<u>\$ 86,143</u>

**VILLAGE OF BLOOMFIELD**  
**SCHEDULE OF OPERATING REVENUES AND EXPENSES - CONTINUED**  
**WATER UTILITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2015**

**Operating Expenses - Continued**

Transmission and Distribution Expenses:	
Operation labor	\$ 25,102
Maintenance of reservoirs and standpipes	131,600
Maintenance of mains	771
Maintenance of services	926
Maintenance of meters	1,081
Maintenance of hydrants	618
	<hr/>
Total Transmission and Distribution Expenses	160,098
Customer Accounting Expenses:	
Meter reading labor	232
Accounting and collecting	2,319
Operation supplies and expenses	89
	<hr/>
Total Customer Accounting Expenses	2,640
Administrative and General Expenses:	
Administrative and general salaries	19,496
Office supplies and expenses	13,990
Outside services employed	7,235
Insurance expense	18,390
Employee pensions and benefits	61,556
Miscellaneous general expenses	18,898
Transportation expenses	2,434
	<hr/>
Total Administrative and General Expenses	141,999
Total Operation and Maintenance Expenses	435,091
Depreciation Expense	245,821
Taxes	235,311
	<hr/>
Total Operating Expenses	916,223
Operating Loss	<u><u>\$ (462,614)</u></u>

**VILLAGE OF BLOOMFIELD**  
**SCHEDULE OF OPERATING REVENUES AND EXPENSES**  
**SEWER UTILITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2015**

**Operating Revenues**

Residential metered sales	\$ 467,584
Multi-family metered sales	2,630
Commercial sales	11,065
Public authority sales	<u>2,754</u>
Total Sales of Sewer Service	484,033
Miscellaneous service revenues	3,195
Forfeited discounts	5,854
Other sewer revenues	<u>7,927</u>
Total Operating Revenues	<u>501,009</u>

**Operating Expenses**

Operation and Maintenance Expenses:	
Plant Operation and Maintenance Expenses:	
Power for pumping	63,600
Chemicals	43,309
Sludge hauling	28,260
Operating supplies and expenses	17,274
Transportation expenses	3,318
Maintenance of sewage collection system	5,264
Maintenance of treatment and disposal equipment	18,968
Maintenance of general plant	<u>18,088</u>
Total Plant Operation and Maintenance Expenses	<u>198,081</u>
General Expenses:	
Administrative and general salaries	130,120
Meter reading	232
Office supplies and expenses	12,036
Outside services employed	7,235
Insurance expense	20,162
Employee pensions and benefits	91,547
Other general expenses	<u>4,708</u>
Total Administrative and General Expenses	<u>266,040</u>
Total Operation and Maintenance Expenses	464,121
Depreciation Expense	379,011
Taxes	<u>11,972</u>
Total Operating Expenses	<u>855,104</u>
Operating Loss	<u><u>\$ (354,095)</u></u>