Life comes here

City of Oconomowoc, Wisconsin

Comprehensive Annual Financial Report

For The Fiscal Year Ended December 31, 2015

Introductory Section

CITY OF OCONOMOWOC, WISCONSIN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

Prepared by
Finance Department

CITY OF OCONOMOWOC, WISCONSIN
Comprehensive Annual Financial Report
December 31, 2015

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June 23, 2016

To the Honorable Mayor, Members of the City Council and Citizens of the City of Oconomowoc:

The comprehensive annual financial report for the City of Oconomowoc for the year ended December 31, 2015, is hereby submitted. This report consists of management's representations concerning the finances of the City of Oconomowoc. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City Council retained the accounting firm of Schenck SC to perform an audit of the City's financial statements. Schenck SC has issued an unmodified ("clean") opinion on the City of Oconomowoc's financial statements for the year ended December 31, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City, first incorporated as a village in 1865, and then as a city in 1875, is located in western Waukesha County, in the southeastern part of Wisconsin, 30 miles west of downtown Milwaukee. The City currently has a land area of approximately 13 square miles and a population of 16,293. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City has operated under a mayor-council form of government since its incorporation. Policymaking and legislative authority is vested in the City Council, which consists of a mayor and an eight-member council. This governing council is responsible, among other things, for passing ordinances, adopting the budget, and hiring the City's administrator. The city administrator is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operations of the City government. The mayor is responsible for appointing committees, boards and commissions, subject to the approval of the City Council. The mayor and the council are elected on a non-partisan basis. Council members are elected from within their respective districts to two-year staggered terms, with four council members elected every year. The mayor is elected at large to two-year terms.

Early in its history, Oconomowoc attracted wealthy individuals from Chicago, Milwaukee, St. Louis and other midwestern cities that came to this area to enjoy its lakes and stay in its prospering resort hotels. By the 1880's, six luxury resorts and 26 grand Victorian homes dotted the landscape and lakeshores. As the years passed, the City grew in population and business prospered. Today, Oconomowoc continues to attract visitors, new businesses, and new residents with its natural beauty, favorable location, diverse and thriving businesses and industries, fine services, and year-round recreational activities.

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The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of streets, highways, and other infrastructure; recreational activities and cultural events. In addition to the general activities, the City Council exercises control over the Wastewater, Water, and Electric Utilities and therefore they have been included as an integral part of the City's financial statements. The Oconomowoc Area School District is an autonomous entity and has not met the established criteria for inclusion in the reporting entity and accordingly, is excluded from this report.

The annual budget serves as the foundation for the City of Oconomowoc's financial planning and controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, and the debt service fund are included in the annual appropriated budget. Project-length budgets are prepared for capital project funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the function level within the department and individual fund.

Local Economy

The City's growth tends to follow the pattern of the national economy trends, however, the city's growth has outpaced the average growth within our county eight out of the last 10 years. Over the long-term, the City is likely to continue to experience significant residential and commercial growth in the years ahead as development from the Milwaukee area edges toward Oconomowoc. Because of its easy access to points east and west, provided by Interstate Highway I-94 and the four-lane State Highway 16, a significant portion of the City's population commutes to work in the Milwaukee area. In 2015 the City had net new construction growth of 1.89 % or $35.2 million.

The City is home to a diverse business base. The 145-acre Oconomowoc Corporate Center features office and light industrial sites for several area companies. The City is also expecting continued industrial and commercial development in the 1,100 acre Pabst Farms area. The Pabst Farms development is a mixed-use development with industrial, commercial, residential, school and institutional uses with open space preservation. The Pabst Farms development will have a major impact on western Waukesha County.

The Roundy's Distribution Center and Target Distribution Center are located in the City near Interstate 94 and State Highway 67 interchange. The Roundy's Distribution Center, located within Pabst Farms, was completed in 2005 and comprises 1.065 million square feet and employs approximately 480 people. Target Distribution Center opened in 1994 and underwent an expansion in 2002. The Target facility is 1.5 million square feet and employs about 690 people.

The City's 2014 overall net property tax rate of $16.65 per $1,000 of estimated actual value ranks 182 out of all 190 Wisconsin cities. In 2015 the City's overall net property tax rate decreased to $16.38. The decrease is primarily the result of a decrease in the total tax levy. Rankings are not available for 2015 but it is expected to be comparable to 2014.

As a public power community, the City is able to provide its residential customers with electric rates averaging approximately 20 percent lower than the rates charged by the large investor-owned utility that services the surrounding communities. Oconomowoc's average 2015 annual sewer and water charge per household was $566 compared to $680, the average for area communities.

Local economic indicators continued their favorable trends. For example Waukesha County's unemployment rate continued to compare favorably to the state and national average rates as well as the City's adjusted gross income per tax return compared favorably to Wisconsin's average. We expect these trends to remain favorable in the future.

Long-term Financial Planning

The City continues to focus on how to improve Oconomowoc's services and vitality. The City has committed to improving Oconomowoc through various actions and continues to improve their long-term financial planning efforts.

The City uses both its Zoning Ordinance and 2030 Comprehensive Land Use Plan, adopted in 2010 to manage development until the year 2030. In addition to the Comprehensive Land Use Plan, the City has also adopted plans relating to Downtown revitalization, parking, waterfronts, the Southwest Summit Avenue area, and the River West Neighborhood. These plans focus on the applicable specific areas within the City and the unique characteristics each area encompasses. Together, these documents serve as guides to growth and development in the City and the surrounding area. As long range planning tools, these documents are concerned with a wide variety of environmental, economic and social factors for areas currently within the City's corporate limits and beyond. City officials use these land use plans as a policy guide to direct community development decisions, to assist with community facility budgeting, and to focus and stimulate private housing, business, and industrial investment decisions. These plans contain detailed recommendations for community character, land use, transportation, recreation, community facilities, and utilities, as well as extensive recommendations to ensure the implementation of the plans.

While the City closed TIF No. 3 during 2014, the City continues to promote and encourage development within the Pabst Farms area. It is expected that the City will see future commercial and residential growth within the area. To further support development the City is participating in the highway 67 project with the Wisconsin Department of transportation. This project is expected to conclude in the fall of 2016, and adds supporting infrastructure to the area, including additional lanes for traffic flow and dedicated bicycle paths.

The City of Oconomowoc has established the revitalization of the downtown and adjoining neighborhoods as a top priority. It is a goal of the City to maintain the downtown as a healthy, vibrant area and a center of community activities. As a result of this effort the Common Council approved and created TIF No. 4 during 2003. The district was created to finance public works improvements, provide incentives to the private sector to assist in the elimination of blighted conditions and lastly to stimulate planned commercial, housing and mixed-use development within the district. In 2006 the Common Council amended TIF No. 4 to address the increased scope of the public infrastructure investments in the downtown. The TIF amendment changed the boundaries as well as increased the project costs. In 2012 the Common Council again amended TIF No. 4 to create consistent taxing jurisdictions with TIF No. 3. Overall the estimated costs within the district are estimated to be $22.6 million with the district funding approximately $13.2 million and the remaining funds to come from various other sources. When the district is terminated it is expected to bring approximately $66.7 million of value onto the tax rolls.

Other examples in which the City continues to take an active role in the downtown development and redevelopment include the implementation of the downtown revitalization plan and market analysis in partnership with the CDA (Community Development Authority). This plan, which was approved in 2004, serves as a tool and vision for the future of Oconomowoc's downtown image. One of the key recommendations within the Plan was for the City to encourage additional rooftops in the Downtown. During the past several years the City has approved over 100 apartment units directly in the City's Downtown and an additional 55 units in the former Middle School, located just several blocks from the Downtown. The most recent downtown residential project included a land acquisition which gave the City additional land adjacent to our downtown park. This expanded park area is expected to bring expanded use, programming and visitors into the heart of our downtown.

In conjunction with these efforts the City adopted a redevelopment plan for a block within the downtown area. The redevelopment plan gives the CDA the ability to exercise certain powers to remove blight in the designated project area. In 2009, the City adopted the Downtown Waterfront and Parking Solutions plan. The Plan goal is to create the most compelling, memorable, and beloved waterfront destination in the Heart of Lake Country – Downtown Oconomowoc. Through the implementation of these efforts the downtown will continue to attract businesses, residents, and visitors to our community. In addition, the City is working with the Oconomowoc Area

Chamber of Commerce, as well as independently, in soliciting new and appropriate retail to our downtown and in establishing initiatives to ensure the downtown vitality for years to come.

In addition to the efforts detailed above, the City annually updates and adopts a five-year long-term financial plan/capital improvement plan. This plan focuses on the strategic initiatives of the City and addresses the City's capital and operating needs over five years. This document assists the Council in setting the priorities of the City as well as determining how we will finance the needs of the City in the future.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Oconomowoc for its comprehensive annual financial report (CAFR) for the year ended December 31, 2014. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state or local government financial reports. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Oconomowoc received its first Certificate of Achievement in 1994, and has received it in all subsequent years except for 1997 when a report was not submitted. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible through the dedicated services of the Finance Department staff, other City departments, and our independent auditors. We express our appreciation to all the City staff that assisted and contributed to the preparation of this report. We also thank the Mayor, the City Council, and the City Administrator – without their leadership and continuing support, preparation of this report would not have been possible.

Sincerely,

Sarah Kitsembel

Sarah Kitsembel, CPA
Director of Finance and Administration

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

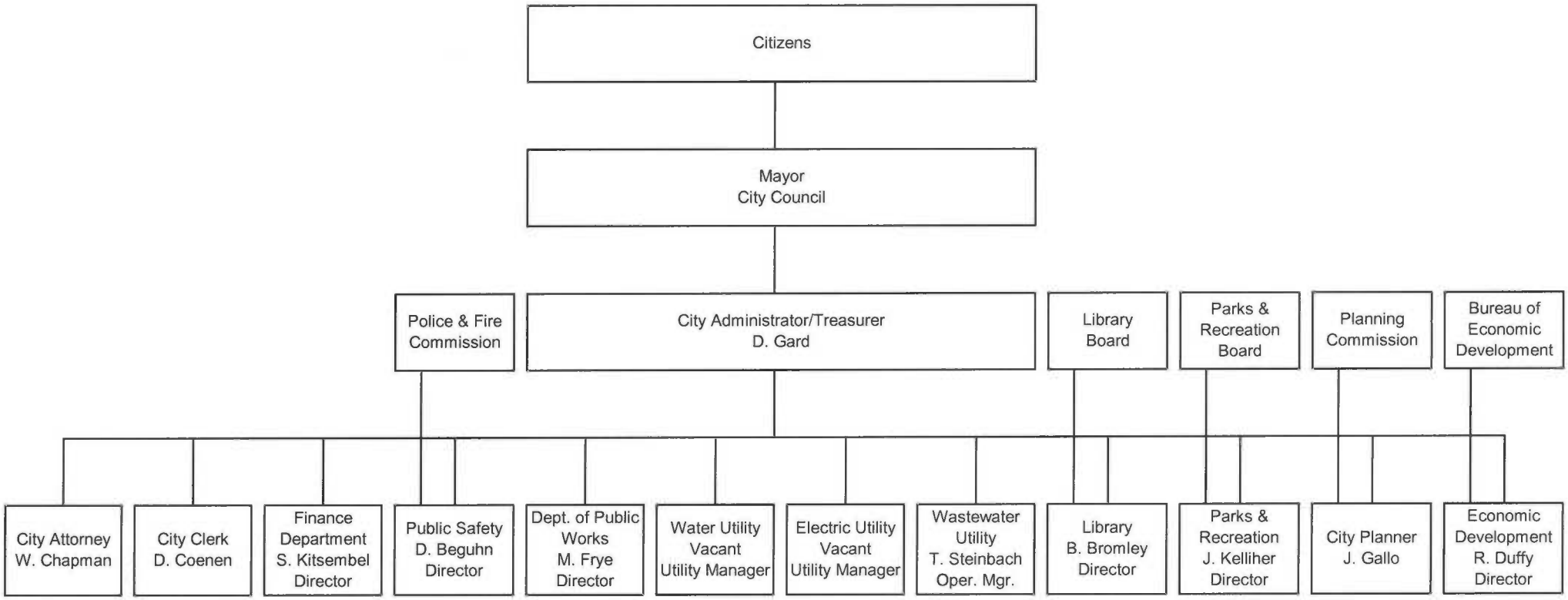
City of Oconomowoc
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

City of Oconomowoc
Organizational Chart



CITY OF OCONOMOWOC, WISCONSIN
List of Elected and Appointed Officials
December 31, 2015

ELECTED OFFICIALS

Mayor		David Nold
Council Member	District 1	Derek Zwart
	District 1	Jeff Schmidt
	District 2	Ken Herro
	District 2	Tom Strey
	District 3	Michael Miller
	District 3	Matt Rosek
	District 4	Charlie Shaw
	District 4	John Gross
Municipal Court Judge		Timothy Kay

APPOINTED OFFICIALS

Administrator/Treasurer	Diane Gard
Attorney	George W. Chapman
Assistant Attorney	Jeffrey Ek
Clerk	Diane Coenen
Finance Director	Sarah Kitsembel
Public Safety Director	David Beguhn
Deputy Fire Chief	Glenn Leidel
Public Works Director	Mark Frye
City Engineer	Stanley Sugden
Library Director	Betsy Bromley
Parks and Recreation Director	John Kelliher
Economic Development Director	Robert Duffy
City Planner	Jason Gallo
Wastewater Operations Manager	Thomas Steinbach
Electric & Water Operations Manager	Vacant

Financial Section

Schenck sc
CPAs AND SO MUCH MORE.

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Oconomowoc, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oconomowoc, Wisconsin ("the City") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis of Matter

As discussed in Note D.6., the City 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.* Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions on pages 13 through 22 and 63 and 64 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Schenck SC

Certified Public Accountants
Green Bay, Wisconsin
June 23, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Oconomowoc (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 4 – 7 of this report.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public services, health and welfare, culture and recreation and conservation and development. Business-type activities include electric, water and wastewater utilities.

The government-wide financial statements include not only the City of Oconomowoc itself, but also any component units. Component units are legally separate entities for which a primary government is financially accountable. The City has not identified any component units that are required to be included.

The government-wide financial statements can be found on pages 23-24 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Budgetary comparison statements are included in the basic financial statements for the general fund. Budgetary comparison schedules for special revenue funds and other capital projects funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements can be found on pages 25-33 of this report.

Proprietary funds. Proprietary funds generally report services for which the City charges customers a fee. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Services such as the electric, water and wastewater utilities are provided to customers external to the City organization. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its data processing, risk management, and fleet maintenance systems. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water and wastewater utilities, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 34-36 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Oconomowoc's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 37 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 38 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain additional supplementary information. The required supplementary information presents information related to pension benefits. The combining statements referred to earlier in connection with nonmajor governmental funds and individual fund statements and schedules. The City has also included a statistical section with 10 years of comparative financial, demographic, and operational data.

The supplementary information can be found on pages 63-112 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by $192,360,878 at the close of the most recent fiscal year.

City of Oconomowoc's Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Assets:						
Non-Capital assets	30,189,794	$51,044,232 *	29,967,540	$28,344,265	$60,157,334	$79,388,497
Capital assets	65,360,678	66,714,680	98,009,677	97,153,730	163,370,355	163,868,410
Total assets	95,550,472	117,758,912	127,977,217	122,616,342	223,527,689	243,256,907
Deferred Outflows of Resources:						
Deferred outflows related to pension	1,170,917	-	444,660	-	1,615,577	-
Deferred charge on refunding	-	-	143,953			
Total deferred inflows	1,170,917	-	444,660	-	1,615,577	-
Liabilities:						
Current and other liabilities	3,438,597	26,696,210 *	2,587,213	3,137,940	6,025,810	29,834,150
Long-term liabilities	12,012,971	13,004,128	4,231,788	5,378,939	16,244,759	18,383,067
Total liabilities	15,451,568	39,700,338	6,819,001	10,457,127	22,270,569	48,217,217
Deferred Inflows of Resources:						
Property taxes	10,655,772	10,246,508	-	-	10,655,772	10,246,508
Total deferred inflows	10,655,772	10,246,508	-	-	10,655,772	10,246,508
Net Position:						
Net investment in capital assets	54,189,854	54,635,803	94,129,414	92,159,016	148,319,268	146,794,819
Restricted	2,245,194	13,278	9,032,271	318,302	11,277,465	331,580
Unrestricted	14,179,001	13,162,985	18,585,144	24,503,798	32,764,145	37,666,783
Total net position	$ 70,614,049	$ 67,812,066	$ 121,746,829	$ 116,981,116	$ 192,360,878	$ 184,793,182

* - Decrease in governmental non-capital assets relates to reclassification of cash and current liabilities held for other taxing jurisdictions to a fiduciary fund during 2015.

The largest portion of the City's net position (77.1%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens and they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (5.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($32,764,145) may be used to meet the government's ongoing obligations to citizens and creditors.

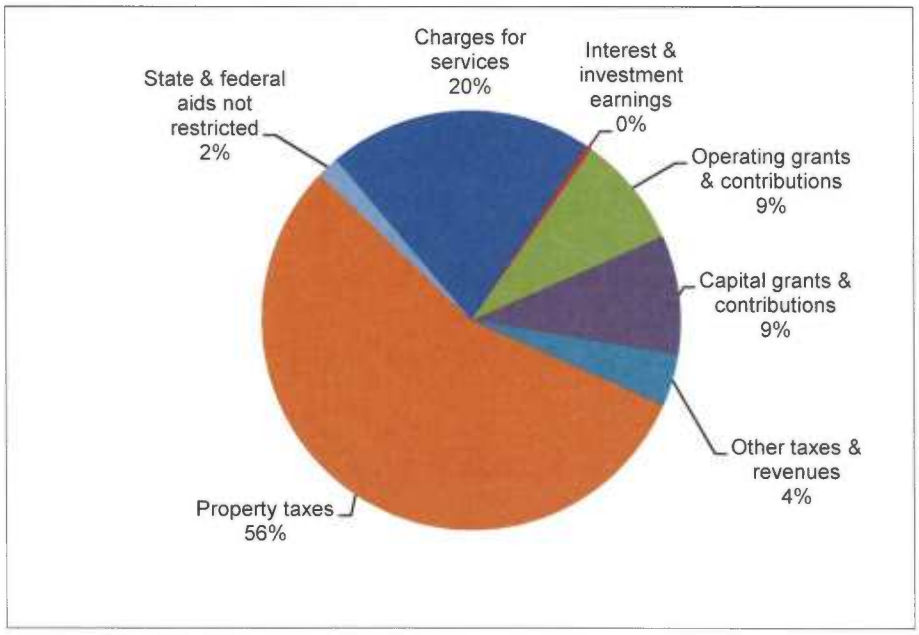
The following table provides a summary of the City's changes in net position.

City of Oconomowoc's Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Revenues:						
Program Revenues						
Charges for services	$3,754,844	$3,880,293	$32,271,374	$32,026,365	$36,026,218	$35,906,658
Operating grants and contributions	1,584,185	1,529,070	-	-	1,584,185	1,529,070
Capital grants and contributions	1,699,734	2,015,696	1,872,161	1,261,085	3,571,895	3,276,781
General Revenues						
Property taxes	10,228,149	12,754,228	-	-	10,228,149	12,754,228
Other taxes	436,126	402,925	-	-	436,126	402,925
State & federal aids not restricted to specific functions	317,364	412,679	-	-	317,364	412,679
Interest & investment earnings	92,685	100,417	325,784	318,377	418,469	418,794
Miscellaneous	238,144	189,023	-	-	238,144	189,023
Total Revenues	18,351,231	21,284,331	34,469,319	33,605,827	52,820,550	54,890,158
Expenses:						
General government	1,133,667	1,114,912	-	-	1,133,667	1,114,912
Public safety	6,537,553	6,839,962	-	-	6,537,553	6,839,962
Public works	6,420,900	5,562,184	-	-	6,420,900	5,562,184
Sanitation	921,556	1,238,375	-	-	921,556	1,238,375
Health and human services	81,262	67,238	-	-	81,262	67,238
Culture and recreation	3,102,567	2,694,682	-	-	3,102,567	2,694,682
Conservation and development	739,394	3,551,540	-	-	739,394	3,551,540
Interest on debt	297,667	415,205	-	-	297,667	415,205
Electric Utility	-	-	23,340,476	23,311,331	23,340,476	23,311,331
Water Utility	-	-	2,467,765	2,495,849	2,467,765	2,495,849
Wastewater Utility	-	-	3,322,953	3,084,401	3,322,953	3,084,401
Total Expenses	19,234,566	21,484,098	29,131,194	28,891,581	48,365,760	50,375,679
Increase (decrease) in net position before transfers	(883,335)	(199,767)	5,338,125	4,714,246	4,454,790	4,514,479
Transfers	1,500,376	1,556,837	(1,500,376)	(1,556,837)	-	-
Change in net position	617,041	1,357,070	3,837,749	3,157,409	4,454,790	4,514,479
Beginning net position	67,812,066	66,454,996	116,981,116	113,823,707	184,793,182	180,278,703
Cumulative effect of change in accounting principle	2,184,942	-	927,964	-	3,112,906	-
Ending net position	$70,614,049	$67,812,066	$121,746,829	$116,981,116	$192,360,878	$184,793,182

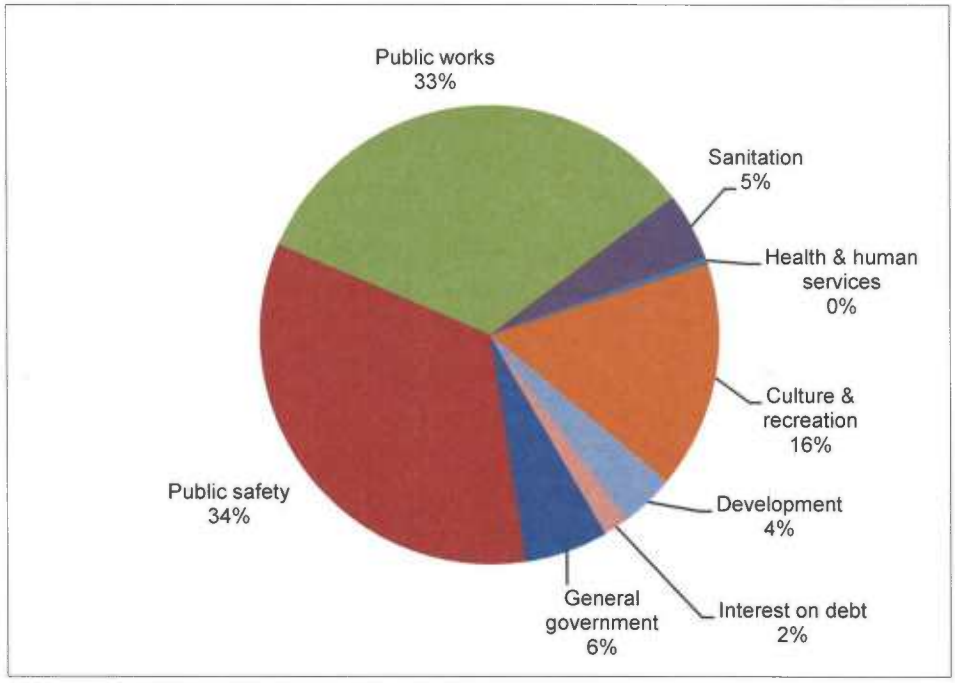
Governmental activities. Total net position for the governmental activities increased approximately $617,000 during the current fiscal year. Net investment in capital assets decreased 1% (approximately $446,000). Capital assets purchased and contributed during the year totaled approximately $1.9 million. See the discussion regarding capital assets later in this analysis for further details. Restricted net position increased 168% (approximately 2.2 million) due to the implementation of GASB 68, and recognition of the City's allocation of the net pension asset and related deferred outflows.

GOVERNMENTAL ACTIVITIES REVENUES



As graphically portrayed above, in 2015 the City received a significant amount of its revenue from property taxes (56%). This percentage decreased from the prior year due to the termination of Tax Increment District 3. The City also received a significant amount of its revenue from charges for services, this percentage increased slightly from the prior year due to a reduction in capital contributions related to developer financed infrastructure.

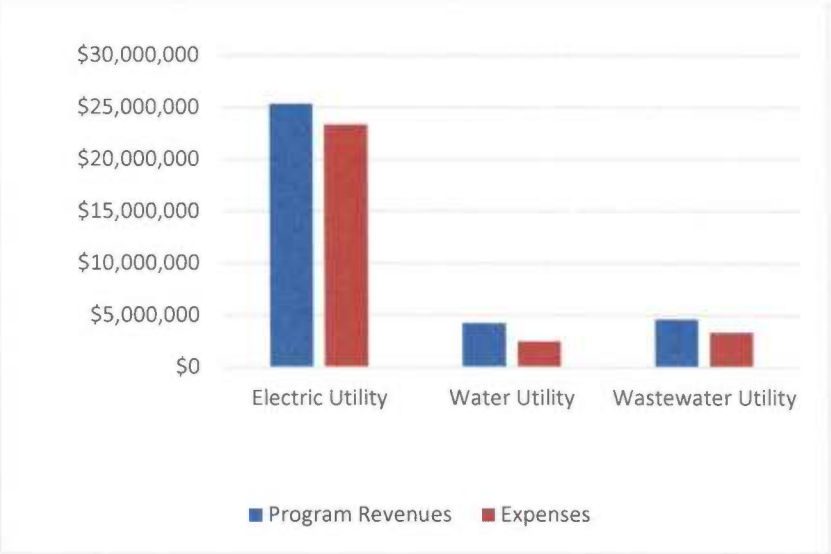
GOVERNMENTAL ACTIVITIES FUNCTIONAL EXPENSES



This graph shows the distribution by function of the total governmental activities cost of $19,280,951. Of the total amount, public safety accounts for 34% in costs, public works 33%, and culture and recreation 16%. The cost of public works increased from the prior year primarily due to increased spending on maintenance projects which are not capitalized and also due to the reduction in the development expenses due to a one time donation of land in the prior year. All other categories remained relatively comparable to the prior year.

Business-type activities. Total net position for the business-type activities increased approximately $4.8 million during the current fiscal year. This increase is more than previous years due to increased development, differences in capital contributions received by the each of the utilities and also the increase in the electric utility's rates and usage in 2015. See the discussion regarding capital assets later in this analysis for further details.

BUSINESS TYPE ACTIVITIES
Program Revenues vs. Expenses



Business-type activities are shown above comparing costs to revenues generated by related services. Operating income from the electric, water and wastewater utilities totaled $3,046,616. This is a slight decrease from 2014 primarily caused by increasing expenses outpacing rate increases, particularly within the wastewater utility.

Financial Analysis of the Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $14.1 million. Of this amount $.7 million is considered nonspendable based on form and $1.4 million is restricted by outside parties for specific purposes. The Council committed a total of $4.1 million in fund balance for future projects and spending. These commitments are not legally obligated but can only be reversed by future Council action. The Council, City Administrator and/or Finance Director assigned $.9 million for future budget items, including the City's portion of future construction projects and carryovers of certain budget surpluses into the next year.

Total unassigned fund balance for governmental funds totals $6.9 million. The general fund portion of the unassigned fund balance is the largest segment at $7.3 million. The City Council adopted a reserve policy that requires an emergency reserve of 25% of the general operating fund and capital projects fund expenditures. As of the end of the year, the fund balance required under the reserve policy was $4.0 million; therefore the remaining unassigned fund balance was $3.0 million. The general fund unassigned fund balance is offset by the negative fund balance in the TID #4 capital projects fund and the fire and EMS impact fee special revenue fund. Both are the result of internal advances that will be paid with future revenues.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the general fund was $9.1 million, which is comparable to prior years. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund

balance represents 60% of total general fund expenditures, while total fund balance represents 75% of that same amount. Both of these percentages are also comparable to prior year.

The TID #4 capital projects fund experienced a slight decrease in fund balance (approximately $53,000) during the current year. This decrease is due to capital expenditures in excess of increment collected.

The capital improvements fund is used to account for general City capital improvement transactions. At the end of 2015 the fund balance of the capital improvements fund was $2.4 million, an increase of $.25 million from the prior year. This increase is due to current capital projects not yet completed and carried over.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the electric, water and wastewater utilities at the end of the year were $18.58 million, which decreased from the prior year mainly due a reclassification relating to impact fees collected which resulted in moving unrestricted fund balance to restricted fund balance. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The net revision of the original 2015 budget for the General Fund expenditures was $254,321. Supplemental appropriations or authorized budget amendments were approved as follows:

- Increase in General Fund Expenditure Budget
  - The Council approved $143,259 in continuing appropriations from the 2014 budget.
  - The Council approved revenue and expenditure budget adjustments of $1,797 for donation and grant proceeds.
  - The Council approved a transfer of $105,000 from the General Fund to the Capital Projects Fund, which represents the use of General Fund fund balance for the Fowler Flume project.
  - The Council approved a transfer of $6,062 from the General Fund to the Capital Projects Fund, which represents the use of General Fund fund balance for police camera systems.

The General Fund ended the year with a budget surplus of $808,446. The surplus is composed of unfavorable revenue and favorable expenditure variances. The significant items composing the revenue deficit are as follows:

- Intergovernmental aid – transportation aids $58,871 favorable variance: The general transportation aid received from the state is based on a formula.
- Intergovernmental aid – local road improvement program $21,953 favorable variance: The aid received is based on specific project reimbursement. The project was completed during 2014 however the revenue was not received within the period of availability and was subsequently received and recognized in 2015.
- Licenses and Permits - Cable TV franchise payment $24,477 favorable variance: Revenue received is a percentage of cable fees within the area and can be unpredictable.
- Licenses and permits – building permits $42,599 unfavorable variance: There were less large commercial projects or multi-unit residential permits issued during the year than budgeted.
- Fines and forfeits – court penalties and fines $128,687 unfavorable variance: There was an overall decrease in the number and composition of citations made during 2015.
- Public charges for service – park and recreation fees $24,351 favorable variance: Enrollment and rentals were higher in 2015 than projected.
- Miscellaneous revenues – Interest on investments $17,499 favorable variance: Slight increases in interest rates and improved market conditions during the year allowed revenues to surpass the budget.
- Miscellaneous revenues – Miscellaneous revenues $17,073 favorable variance: The City received a reimbursement related to a gas main extension for the fire station.
- Other Financing Sources – Transfer from other funds $60,866 favorable variance: The City began a new phosphorous reduction project within Oconomowoc watersheds during 2015. The variance relates to the transfer of funds from the wastewater fund to fund this project.
- Other Financing Sources – transfer for municipal utility PILOT $45,960 favorable variance: The tax rate and assessed value ratio used in the Public Service Commission required calculation was higher than budgeted.

The significant items included in the expenditure favorable variance include:

- Continuing appropriations $314,339 favorable variance: Council approved continuing appropriations and additional designations from the 2015 budget for projects that were not completed in the year budgeted.
- Salaries and benefits allocation $43,654 favorable variance: Certain employees (primarily department heads) have a salary and benefit allocation to TIF District #4.
- Health insurance premiums $68,300 favorable variance: Employees are given the option each year to change health plans. For 2015, turnover resulted in periods of vacancy for positions.
- Police operations $174,034 favorable variance: There were no major police events during 2015 resulting in less overtime and part time wages, additionally in 2015 there was turnover in positions which resulted in vacancies which were filled at lower cost.
- Gasoline costs $53,096 favorable variance: During 2015 gasoline costs fell much lower than projected during the budget preparation.
- Gas and heat $37,518 favorable variance: Mild weather during 2015 contributed to a reduction in the costs of gas and heat.
- Inspections $25,916 favorable variance: The amount we pay to the contracted building inspector is based on the building permits received during the year. See related unfavorable variance in building permit revenue.
- Snow and ice removal $36,877 favorable variance: A very mild winter resulted in lower cost for snow and ice removal.
- Watershed project $80,256 unfavorable variance: During 2015 the City began a new phosphorous reduction project within Oconomowoc watersheds. This variance is partially offset by the transfer of funds from the wastewater fund as mentioned above.
- Legal services $31,550 unfavorable variance: Increased expenses relating to legal matters and pending cases.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to $163,370,355 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, improvements other than buildings, machinery and equipment, and infrastructure such as roads, storm sewers, bridges, and utility mains. The following table provides a summary of the City's capital assets.

City of Oconomowoc's Capital Assets
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Land and land rights	$10,598,644	$10,596,344	$242,294	$242,294	$10,840,938	$10,838,638
Land improvements	726,492	558,090	-	-	726,492	558,090
Buildings	8,730,860	9,076,877	7,101,212	6,978,392	15,832,072	16,055,269
Machinery and equipment	2,586,898	2,818,767	18,885,171	18,852,693	21,472,069	21,671,460
Infrastructure	41,199,646	37,861,661	71,150,628	70,749,031	112,350,274	108,610,692
Construction in progress	1,518,138	5,802,941	630,372	331,320	2,148,510	6,134,261
	$65,360,678	$66,714,680	$98,009,677	$97,153,730	$163,370,355	$163,868,410

Major capital asset events during the current fiscal year are as follows:

- Progress was made on several street projects during the year resulting in additional construction in progress of $308,300 and reclassification of $5,392,361 of infrastructure projects primarily completed in prior years.
- Working with the Wisconsin Department of Transportation the City contributed $749,680 of construction in progress relating to the Highway 67 and Summit Avenue project.
- Completion of the city hall generator and uninterrupted power supply system $238,710.
- Completion of various Community Center projects including the parking lot $175,596, shoreline restoration $36,150, and security system $10,325.
- The Electric Utility added $2,121,646 of infrastructure including cable replacement projects that will assist in reducing outages as well as increase the voltage to eliminate the older 4KV substations in the future.
- The Water Utility added $1,133,378 of infrastructure which was mostly underground distribution mains.
- The Wastewater Utility added $975,321 of infrastructure, which was mostly underground collection system improvements.

Additional information on the City's capital assets can be found in Note C(4) in the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of $16,244,759. Of this amount, $15,233,712 comprises debt backed by the full faith and credit of the government, $19,834 borrowed as an unsecured note, and $716,433 represents debt secured solely by specified revenue sources (i.e. revenue bonds).

City of Oconomowoc's Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
General obligation debt	$11,782,187	$12,744,303	$3,451,525	$384,225	$15,233,712	$13,128,528
Notes	19,834	23,233	-	-	19,834	23,233
Revenue bonds	-	-	716,433	4,994,714	716,433	4,994,714
Subtotal	11,802,021	12,767,536	4,167,958	5,378,939	15,969,979	18,146,475
Premium	210,950	236,592	63,830	-	274,780	236,592
Total	$12,012,971	$13,004,128	$4,231,788	$5,378,939	$16,244,759	$18,383,067

During 2015 the City issued $3.1 million in general obligation debt for the advanced refunding of the Electric Utility Revenue Bonds. No other debt activity outside scheduled payments was conducted during the year.

Wisconsin state statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its equalized valuation. The current debt limitation for the City of Oconomowoc is $95,934,325 of which the City has used $15,233,712 or 16%. The debt limitation is comparable to last year because of relatively flat equalized values. The percentage of debt limitation increased slightly, while the total debt decrease from the prior year due to the issuance of $3.1 million on general obligation debt used to refund the electric revenue bonds.

The City maintains a bond rating of Aa2 from Moody's Investor Service for general obligation debt. The City's credit rating for utility revenue bonds remained unchanged at A2.

Additional information on the City's long-term debt can be found in Note C(6) in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The nation continues to experience a slow recovery from the economic slowdown which continues to have affects locally. The City's overall value increased 3.1% in 2015. The City experienced increases in residential, commercial and manufacturing. The largest percentage increase was in the manufacturing classification, a change of 11%, which is primarily the result of economic adjustments made by the state. The largest dollar change was in residential, which is primarily due to new construction. The City continues to see an increase in development and remains well positioned to grow in the future, as referenced in the transmittal letter.

The City is located within Waukesha County which enjoys a favorable unemployment rate of 3.8% in comparison to the State of Wisconsin's rate of 4.6% and the national average of 5.3%. The City's 2014 adjusted gross income per tax return of $78,130 also compares favorably to Wisconsin's average of $52,050. The data for 2015 is not yet available but it is expected to be comparable to 2014. Also the City's high school graduate rate for 2014-2015 was 97.3%, which compares favorably to Wisconsin's average of 88.4%.

These economic factors were considered in preparing the City's budget for the 2016 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Oconomowoc's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City's Finance Department at 174 E. Wisconsin Avenue, Oconomowoc, Wisconsin 53066.

BASIC FINANCIAL STATEMENTS

CITY OF OCONOMOWOC, WISCONSIN
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 22,531,301	$ 13,766,765	$ 36,298,066
Receivables			
Taxes	5,876,798	-	5,876,798
Accounts (net)	528,637	2,469,889	2,998,526
Special assessments	29,228	770,969	800,197
Interest	56,916	11,584	68,500
Internal balances	(35,765)	35,765	-
Due from other governments	103,446	-	103,446
Inventories and prepaid items	32,617	1,523,846	1,556,463
Restricted cash and investments	-	8,140,312	8,140,312
Impact fees	-	2,741,498	2,741,498
Other assets	-	26,651	26,651
Net pension asset	1,066,616	480,261	1,546,877
Capital Assets			
Land	10,598,644	242,294	10,840,938
Construction in progress	1,518,138	630,372	2,148,510
Land improvements	1,783,005	-	1,783,005
Buildings and improvements	15,345,628	14,175,755	29,521,383
Machinery and equipment	8,497,091	34,066,505	42,563,596
Infrastructure and other improvements	66,975,777	99,799,116	166,774,893
Less: Accumulated depreciation	(39,357,605)	(50,904,365)	(90,261,970)
TOTAL ASSETS	95,550,472	127,977,217	223,527,689
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	1,170,917	444,660	1,615,577
Deferred charge on refunding	-	143,953	143,953
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,170,917	588,613	1,759,530
LIABILITIES			
Accounts payable	1,688,287	1,900,053	3,588,340
Accrued and other current liabilities	358,688	124,777	483,465
Deposits	297,108	75,534	372,642
Accrued interest payable	78,027	22,230	100,257
Due to other governments	95,301	-	95,301
Unearned revenues	921,186	464,619	1,385,805
Long-term Obligations			
Due within one year	999,523	817,692	1,817,215
Due in more than one year	11,013,448	3,414,096	14,427,544
TOTAL LIABILITIES	15,451,568	6,819,001	22,270,569
DEFERRED INFLOWS OF RESOURCES			
Property taxes	10,655,772	-	10,655,772
NET POSITION			
Net investment in capital assets	54,189,854	94,129,414	148,319,268
Restricted for			
Subsequent year projects	7,661	-	7,661
Pension benefits	2,237,533	924,921	3,162,454
Plant replacement	-	8,107,350	8,107,350
Unrestricted	14,179,001	18,585,144	32,764,145
TOTAL NET POSITION	$ 70,614,049	$ 121,746,829	$ 192,360,878

The notes to the basic financial statements are an integral part of this statement.

CITY OF OCONOMOWOC, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
General government	$ 1,133,667	$ 383,964	$ 3,310	$ -	$ (746,393)	$ -	$ (746,393)
Public safety	6,537,553	1,713,420	91,052	48,295	(4,684,786)	-	(4,684,786)
Public works	6,420,900	350,359	980,824	1,560,404	(3,529,313)	-	(3,529,313)
Sanitation	921,556	840,976	112,766	-	32,186	-	32,186
Health and human services	81,262	-	-	-	(81,262)	-	(81,262)
Culture and recreation	3,102,567	456,148	396,233	91,035	(2,159,151)	-	(2,159,151)
Conservation and development	739,394	9,977	-	-	(729,417)	-	(729,417)
Interest and fiscal charges	297,667	-	-	-	(297,667)	-	(297,667)
Total Governmental Activities	19,234,566	3,754,844	1,584,185	1,699,734	(12,195,803)	-	(12,195,803)
Business-type Activities							
Electric utility	23,340,476	25,183,209	-	157,059	-	1,999,792	1,999,792
Water utility	2,467,765	3,361,175	-	850,993	-	1,744,403	1,744,403
Wastewater utility	3,322,953	3,726,990	-	864,109	-	1,268,146	1,268,146
Total Business-type Activities	29,131,194	32,271,374	-	1,872,161	-	5,012,341	5,012,341
Total	$ 48,365,760	$ 36,026,218	$ 1,584,185	$ 3,571,895	(12,195,803)	5,012,341	(7,183,462)
General revenues							
Taxes							
Property taxes, levied for general purposes					6,684,405	-	6,684,405
Property taxes, levied for special revenue funds					120,000	-	120,000
Property taxes, levied for debt service					1,279,035	-	1,279,035
Property taxes, levied for capital projects					2,144,709	-	2,144,709
Other taxes					436,126	-	436,126
Federal and state grants and other contributions not restricted to specific functions					317,364	-	317,364
Interest and investment earnings					92,685	325,784	418,469
Miscellaneous					238,144	-	238,144
Transfers					1,500,376	(1,500,376)	-
Total general revenues and transfers					12,812,844	(1,174,592)	11,638,252
Change in net position					617,041	3,837,749	4,454,790
Net position - January 1, as originally reported					67,812,066	116,981,116	184,793,182
Cumulative effect of change in accounting principle					2,184,942	927,964	3,112,906
Net position - January 1, restated					69,997,008	117,909,080	187,906,088
Net position - December 31					$ 70,614,049	$ 121,746,829	$ 192,360,878

The notes to the basic financial statements are an integral part of this statement.

CITY OF OCONOMOWOC, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 15,040,413	$ 45,476	$ 3,531,530	$ 2,967,075	$ 21,584,494
Receivables					
Taxes	5,876,798	-	-	-	5,876,798
Accounts (net)	415,664	-	-	103,165	518,829
Special assessments	29,228	-	-	-	29,228
Interest	56,916	-	-	-	56,916
Due from other funds	494,000	1,271,767	2,061,500	1,227,422	5,054,689
Due from other governments	4,090	-	99,356	-	103,446
Inventories and prepaid items	14,782	-	-	-	14,782
TOTAL ASSETS	$ 21,931,891	$ 1,317,243	$ 5,692,386	$ 4,297,662	$ 33,239,182
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 547,703	$ -	$ 1,035,351	$ 87,823	$ 1,670,877
Accrued and other current liabilities	340,198	-	-	11,052	351,250
Deposits	297,108	-	-	-	297,108
Due to other funds	4,596,454	-	-	494,000	5,090,454
Due to other governments	95,301	-	-	-	95,301
Unearned revenues	80,286	-	-	840,900	921,186
Total Liabilities	5,957,050	-	1,035,351	1,433,775	8,426,176
Deferred Inflows of Resources					
Property taxes	6,835,877	1,271,767	2,160,856	387,272	10,655,772
Special assessments	29,228	-	-	-	29,228
Total Deferred Inflows of Resources	6,865,105	1,271,767	2,160,856	387,272	10,685,000
Fund Balances (Deficit)					
Nonspendable					
Inventories and prepaid items	14,782	-	-	-	14,782
Long-term receivables	669,000	-	-	-	669,000
Restricted					
Debt service	-	45,476	-	-	45,476
Future improvements	7,661	-	-	1,326,759	1,334,420
Committed					
Subsequent year projects	-	-	2,496,179	1,450,417	3,946,596
Health insurance	196,260	-	-	-	196,260
Assigned					
Subsequent year budget items	946,589	-	-	-	946,589
Unassigned (deficit)	7,275,444	-	-	(300,561)	6,974,883
Total Fund Balances	9,109,736	45,476	2,496,179	2,476,615	14,128,006
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 21,931,891	$ 1,317,243	$ 5,692,386	$ 4,297,662	$ 33,239,182

(Continued)

CITY OF OCONOMOWOC, WISCONSIN
Balance Sheet (Continued)
Governmental Funds
December 31, 2015

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on previous page	$ 14,128,006
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	65,279,909
The City'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	1,066,616
Deferred outflows related to pension	1,170,917
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	29,228
Internal service funds are used by management to charge the costs of data processing, risk management and fleet to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,010,537
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(11,782,187)
Premium on long term debt	(210,950)
Accrued interest on long-term obligations	(78,027)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 23)	$ 70,614,049

The notes to the basic financial statements are an integral part of this statement.

CITY OF OCONOMOWOC, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 7,176,282	$ 1,279,035	$ 2,048,675	$ 216,034	$ 10,720,026
Special assessments	16,054	-	-	7,000	23,054
Intergovernmental	1,739,898	-	-	131,009	1,870,907
Licenses and permits	638,630	-	-	140,636	779,266
Fines and forfeits	303,950	-	-	-	303,950
Public charges for services	531,535	-	-	1,652,009	2,183,544
Intergovernmental charges for services	579,805	-	-	-	579,805
Interdepartmental charges for services	49,188	-	-	-	49,188
Miscellaneous	252,296	821	17,327	29,953	300,397
Total Revenues	11,287,638	1,279,856	2,066,002	2,176,641	16,810,137
Expenditures					
Current					
General government	1,247,000	-	-	-	1,247,000
Public safety	5,175,565	-	-	952,279	6,127,844
Public works	2,355,743	-	-	995,157	3,350,900
Health and human services	67,622	-	-	-	67,622
Culture and recreation	2,624,057	-	-	21,217	2,645,274
Conservation and development	634,126	-	-	112	634,238
Debt service					
Principal	-	962,116	-	-	962,116
Interest and fiscal charges	-	315,774	-	6,738	322,512
Capital outlay	-	-	2,145,560	155,048	2,300,608
Total Expenditures	12,104,113	1,277,890	2,145,560	2,130,551	17,658,114
Excess of Revenues Over (Under) Expenditures	(816,475)	1,966	(79,558)	46,090	(847,977)
Other Financing Sources (Uses)					
Transfers in	1,501,826	9,820	332,861	-	1,844,507
Transfers out	(342,681)	-	-	(1,450)	(344,131)
Total Other Financing Sources (Uses)	1,159,145	9,820	332,861	(1,450)	1,500,376
Net Change in Fund Balances	342,670	11,786	253,303	44,640	652,399
Fund Balances - January 1	8,767,066	33,690	2,242,876	2,431,975	13,475,607
Fund Balances - December 31	$ 9,109,736	$ 45,476	$ 2,496,179	$ 2,476,615	$ 14,128,006

(Continued)

CITY OF OCONOMOWOC, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2015

Reconciliation to the Statement of Activities

Net Change in Fund Balances as shown on previous page		$ 652,399
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital outlay reported in governmental fund statements	$ 1,907,340	
Developer contributed capital assets	2,300	
Loss on disposals	(40,766)	
Depreciation expense reported in the statement of activities, less $29,550 attributable to internal service funds reported below	(3,231,374)	(1,362,500)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments of general obligation debt	$ 962,116	
Amortization of debt premium	25,642	
		987,758
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 pension plan.		52,591
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it occurs.		(709)
Revenue in the fund financial statements that are not revenue in the statement of activities but are a reduction to receivables.		(6,514)
Internal service funds are used by management to charge the costs of data processing and risk management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		294,016
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see page 24)		$ 617,041

The notes to the basic financial statements are an integral part of this statement.

CITY OF OCONOMOWOC, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Revenues and Other Financing Sources
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes				
General property	$ 6,684,405	$ 6,684,405	$ 6,684,405	$ -
General sales	25	25	62	37
Public accommodation	394,000	394,000	420,653	26,653
Payment in lieu of taxes				
Other tax exempt entities	30,645	30,645	30,642	(3)
Other taxes	-	-	15,473	15,473
Interest on taxes	32,500	32,500	25,047	(7,453)
Total Taxes	7,141,575	7,141,575	7,176,282	34,707
Special Assessments				
Water mains	-	-	4,130	4,130
Sidewalks	12,500	12,500	11,924	(576)
Total Special Assessments	12,500	12,500	16,054	3,554
Intergovernmental				
Federal				
Other public safety	850	850	-	(850)
State				
Shared revenues	243,500	243,500	244,980	1,480
Fire insurance tax	68,550	68,550	65,497	(3,053)
Exempt computer aid	27,000	27,000	29,893	2,893
Municipal services	2,800	2,800	3,310	510
Transportation aids	900,000	900,000	958,871	58,871
Other state grants	11,060	11,060	13,478	2,418
Local road improvement program	-	-	21,953	21,953
Boat safety	6,900	6,900	5,683	(1,217)
Rivershed	-	-	3,717	3,717
County				
Library	394,040	394,040	392,516	(1,524)
Total Intergovernmental	1,654,700	1,654,700	1,739,898	85,198
Licenses and Permits				
Licenses				
Liquor and malt beverages	38,500	38,500	30,525	(7,975)
Cigarette	1,700	1,700	1,600	(100)
Operators	7,950	7,950	10,960	3,010
Soft drink	-	-	5	5
Sundry	2,500	2,500	2,965	465
Dog	2,600	2,600	3,029	429
Cable TV franchise payment	240,000	240,000	264,477	24,477

(Continued)

CITY OF OCONOMOWOC, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Revenues and Other Financing Sources (Continued)
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Licenses and Permits (Continued)				
Permits				
Fireworks	$ 100	$ 100	$ -	$ (100)
Building	267,490	267,490	224,891	(42,599)
Building plan review	2,030	2,030	2,310	280
Plat review fees	255	255	-	(255)
Electrical	39,160	39,160	38,329	(831)
Plumbing	48,195	48,195	49,474	1,279
Zoning and conditional use	6,000	6,000	4,925	(1,075)
Miscellaneous	6,950	6,950	5,140	(1,810)
Total Licenses and Permits	663,430	663,430	638,630	(24,800)
Fines and Forfeits				
Court penalties and fines	378,000	378,000	249,313	(128,687)
Parking violations	50,500	50,500	54,637	4,137
Total Fines and Forfeits	428,500	428,500	303,950	(124,550)
Public Charges for Services				
License publication fees	945	945	1,140	195
Other general government	29,200	29,200	31,241	2,041
Vending machine commissions	1,500	1,500	1,817	317
Copying	10,440	10,440	12,840	2,400
Animal pound	125	125	96	(29)
Fire service fees	-	-	570	570
Hazardous material disposal fee	4,900	4,900	5,493	593
Parking permits	4,100	4,100	3,655	(445)
Weed and nuisance control	3,000	3,000	2,742	(258)
Park and recreation fees	431,715	431,715	456,066	24,351
Planning review fees	3,500	3,500	15,875	12,375
Total Public Charges for Services	489,425	489,425	531,535	42,110
Intergovernmental Charges for Services				
Police service - CSO	6,000	6,000	6,546	546
Police service - radio	22,000	22,000	22,000	-
Police service - other	9,600	9,600	10,120	520
Police water patrol	1,700	1,700	1,466	(234)
Fire services	190,000	190,000	192,969	2,969
Non-resident sanitary district	345,000	345,000	346,704	1,704
Total Intergovernmental Charges for Services	574,300	574,300	579,805	5,505

(Continued)

CITY OF OCONOMOWOC, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Revenues and Other Financing Sources (Continued)
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Interdepartmental Charges for Services				
Police service - radio	$ 38,450	$ 38,450	$ 38,493	$ 43
Library plowing	3,675	3,675	3,675	-
Electric and Water Utility				
Attorney	4,680	4,680	4,680	-
Wastewater Utility				
Attorney	2,340	2,340	2,340	-
Total Interdepartmental Charges for Services	49,145	49,145	49,188	43
Miscellaneous				
Interest on investments	26,000	26,000	43,499	17,499
Rent of city buildings	73,535	73,535	75,676	2,141
Rent of city land	700	700	2,350	1,650
Sale of city property	21,000	21,000	24,257	3,257
Donations from individuals/organizations	47,300	49,097	50,456	1,359
Donations - youth baseball	3,600	3,600	3,000	(600)
Donations - athletic fields	18,000	18,000	15,780	(2,220)
Miscellaneous revenue	20,205	20,205	37,278	17,073
Total Miscellaneous	210,340	212,137	252,296	40,159
Total Revenues	11,223,915	11,225,712	11,287,638	61,926
Other Financing Sources				
Transfer from other funds	225,000	225,000	285,866	60,866
Transfer for Municipal Utility PILOT	1,170,000	1,170,000	1,215,960	45,960
Total Other Financing Sources	1,395,000	1,395,000	1,501,826	106,826
Total Revenue and Other Financing Sources	$ 12,618,915	$ 12,620,712	$ 12,789,464	$ 168,752

The notes to the basic financial statements are an integral part of this schedule.

CITY OF OCONOMOWOC, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Expenditures and Other Financing Uses
For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
General Government				
Council	$ 102,636	$ 77,046	$ 29,570	$ 47,476
Mayor	22,774	22,774	16,243	6,531
Legal	184,340	184,340	205,876	(21,536)
Codification of ordinances	2,000	2,000	1,471	529
City administrator	94,083	94,083	79,061	15,022
Clerk	193,596	193,596	190,067	3,529
Licenses and permits	20,956	20,956	20,986	(30)
Elections	52,694	52,694	54,845	(2,151)
General accounting	216,070	216,070	206,518	9,552
Payroll/human resources	62,190	68,190	68,116	74
Treasury	84,856	84,856	83,138	1,718
Property assessment	100,775	100,775	100,590	185
City buildings	196,337	196,337	190,519	5,818
Total General Government	1,333,307	1,313,717	1,247,000	66,717
Public Safety				
Police				
Administration	648,744	648,744	647,888	856
Dispatch	582,811	572,991	560,446	12,545
Operations	2,188,170	2,203,901	1,992,479	211,422
Training and travel	19,140	19,140	10,464	8,676
Water safety patrol	12,697	12,697	4,513	8,184
Fire				
Administration	252,280	254,235	254,274	(39)
Suppression/hydrants	968,256	968,256	969,118	(862)
Prevention	153,171	153,171	154,584	(1,413)
Training	114,847	114,847	109,522	5,325
Maintenance	205,362	205,362	213,568	(8,206)
Fire Station #1	18,655	22,055	23,249	(1,194)
Fire Station #2	41,019	41,019	25,849	15,170
Inspections	220,680	220,680	196,672	24,008
Sealer of weights and measures	6,400	6,400	6,400	-
Emergency government	530	530	268	262
Dam maintenance	12,171	12,171	6,271	5,900
Total Public Safety	5,444,933	5,456,199	5,175,565	280,634
Public Works				
Engineering administration	317,400	322,990	327,124	(4,134)
DPW administration	503,934	503,934	375,173	128,761
Municipal garage	62,934	62,934	97,654	(34,720)
Machine and equipment maintenance	35,550	49,372	48,582	790

(Continued)

CITY OF OCONOMOWOC, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Expenditures and Other Financing Uses (Continued)
For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Works (Continued)				
Street maintenance	$ 168,762	$ 168,762	$ 248,437	$ (79,675)
Bridges and culverts	21,670	21,670	5,660	16,010
Curb and gutter	2,873	2,873	13,735	(10,862)
Street cleaning	124,520	124,520	90,679	33,841
Snow and ice removal	486,932	486,932	450,055	36,877
Street signs and marking	59,107	59,107	48,511	10,596
Tree and brush control	106,117	106,117	91,212	14,905
Traffic control	5,205	5,205	5,824	(619)
Street lighting	385,000	385,000	383,605	1,395
Sidewalks and crosswalks	21,652	21,652	31,747	(10,095)
Storm sewers	113,329	113,329	112,340	989
Parking lots	22,126	22,126	25,405	(3,279)
Total Public Works	2,437,111	2,456,523	2,355,743	100,780
Health and Human Services				
Animal pound	10,936	10,936	9,535	1,401
Elderly transportation	6,000	6,000	6,000	-
Cemetery	48,694	48,694	52,087	(3,393)
Total Health and Human Services	65,630	65,630	67,622	(1,992)
Culture and Recreation				
Library	1,229,805	1,292,355	1,115,407	176,948
Community center	130,141	132,676	137,651	(4,975)
Recreation center	-	-	1,794	(1,794)
Parks and playgrounds	604,409	604,409	547,792	56,617
Recreation administration	480,738	480,968	521,029	(40,061)
Public concerts	5,000	5,000	5,237	(237)
Recreation programs	299,656	306,951	295,147	11,804
Total Culture and Recreation	2,749,749	2,822,359	2,624,057	198,302
Conservation and Development				
Weed control	20,975	20,975	15,905	5,070
Lakes	66,657	66,657	70,064	(3,407)
Planning and zoning	240,926	240,926	233,641	7,285
Watershed Project	-	-	80,256	(80,256)
Tourism and economic development	271,082	300,821	234,260	66,561
Total Conservation and Development	599,640	629,379	634,126	(4,747)
Total Expenditures	12,630,370	12,743,807	12,104,113	639,694
Other Financing Uses				
Transfer to other funds	200,000	342,681	342,681	-
Total Expenditures and Other Financing Uses	$ 12,830,370	$ 13,086,488	$ 12,446,794	$ 639,694

The notes to the basic financial statements are an integral part of this schedule.

CITY OF OCONOMOWOC, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Wastewater Utility	Total	
ASSETS					
Current Assets					
Cash and investments	$ 6,227,458	$ 1,917,793	$ 5,621,514	$ 13,766,765	$ 946,807
Accounts receivable	1,945,448	247,236	277,205	2,469,889	9,808
Special assessments receivable	-	630,853	140,116	770,969	-
Due from other funds	24,361	5,298	6,106	35,765	-
Accrued interest	-	-	11,584	11,584	-
Inventories and prepaid items	1,276,409	148,216	99,221	1,523,846	17,835
Current portion of advances	226,498	-	118,797	345,295	-
Restricted assets					
Cash and investments	32,962	178,566	7,928,784	8,140,312	-
Total Current Assets	9,733,136	3,127,962	14,203,327	27,064,425	974,450
Noncurrent Assets					
Advance to other funds	1,856,043	-	1,681,585	3,537,628	-
Impact fees	-	-	2,741,498	2,741,498	-
Other assets	-	26,651	-	26,651	-
Net pension asset	242,029	119,304	118,928	480,261	-
Capital Assets					
Land	123,062	58,625	60,607	242,294	-
Construction in progress	480,824	146,390	3,158	630,372	4,061
Buildings	2,940,897	1,219,607	10,015,251	14,175,755	-
Machinery and equipment	15,744,798	7,846,534	10,475,173	34,066,505	186,576
Improvements other than buildings	35,083,985	29,673,188	35,041,943	99,799,116	-
Accumulated depreciation	(22,039,486)	(9,802,192)	(19,062,687)	(50,904,365)	(109,868)
Total Noncurrent Assets	34,432,152	29,288,107	41,075,456	104,795,715	80,769
TOTAL ASSETS	44,165,288	32,416,069	55,278,783	131,860,140	1,055,219
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	226,153	108,846	109,661	444,660	-
Deferred charged on refunding	143,953	-	-	143,953	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	370,106	108,846	109,661	588,613	-
LIABILITIES					
Current Liabilities					
Accounts payable	1,667,723	70,500	161,830	1,900,053	17,410
Accrued payroll	65,447	27,753	31,577	124,777	7,438
Deposits	74,786	-	748	75,534	-
Accrued interest	17,185	686	4,359	22,230	-
Unearned revenue	52,118	294,404	118,097	464,619	-
General obligation debt - current	437,535	7,140	9,660	454,335	-
Revenue bonds - current	-	-	353,144	353,144	-
Promissory notes - current	-	-	-	-	3,400
Advances - current	-	345,295	-	345,295	-
Premium on debt - current	10,213	-	-	10,213	-
Total Current Liabilities	2,325,007	745,778	679,415	3,750,200	28,248
Noncurrent Liabilities					
General obligation debt	2,841,990	65,960	89,240	2,997,190	-
Revenue bonds	-	-	363,289	363,289	-
Promissory notes	-	-	-	-	16,434
Advances	-	3,537,628	-	3,537,628	-
Premium on debt	53,617	-	-	53,617	-
Total Noncurrent Liabilities	2,895,607	3,603,588	452,529	6,951,724	16,434
TOTAL LIABILITIES	5,220,614	4,349,366	1,131,944	10,701,924	44,682
NET POSITION					
Net investment in capital assets	29,170,250	29,142,152	35,817,012	94,129,414	56,874
Restricted for					
Pension benefits	468,182	228,150	228,589	924,921	-
Plant replacement	-	178,566	7,928,784	8,107,350	-
Unrestricted (deficit)	9,676,348	(1,373,319)	10,282,115	18,585,144	953,663
TOTAL NET POSITION	$ 39,314,780	$ 28,175,549	$ 54,256,500	$ 121,746,829	$ 1,010,537

The notes to the basic financial statements are an integral part of this statement.

CITY OF OCONOMOWOC, WISCONSIN
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Wastewater Utility	Total	
Operating Revenues					
Charges for services	$ 25,054,208	$ 3,227,442	$ 3,240,584	$ 31,522,234	$ 1,639,370
Other	27,574	129,800	29,210	186,584	36,094
Total Operating Revenues	25,081,782	3,357,242	3,269,794	31,708,818	1,675,464
Operating Expenses					
Source of supply	-	4,992	-	4,992	-
Pumping	-	258,766	-	258,766	-
Purchased power	18,488,580	-	-	18,488,580	-
Water treatment	-	82,388	-	82,388	-
Collection	-	-	235,117	235,117	-
Treatment and disposal system	-	-	906,346	906,346	-
Transmission and distribution	1,098,270	587,603	-	1,685,873	-
Customer accounts	432,714	52,661	-	485,375	-
Sales	8,000	8,468	-	16,468	-
Administrative and general	1,298,192	553,950	943,474	2,795,616	1,354,960
Depreciation	1,582,109	706,731	1,187,984	3,476,824	29,550
Taxes	192,338	33,519	-	225,857	-
Total Operating Expenses	23,100,203	2,289,078	3,272,921	28,662,202	1,384,510
Operating Income (Loss)	1,981,579	1,068,164	(3,127)	3,046,616	290,954
Nonoperating Revenues (Expenses)					
Interest revenue	134,654	7,419	183,711	325,784	3,062
Sewer availability charge	-	-	457,196	457,196	-
Interest and fiscal charges	(226,982)	(178,687)	(50,032)	(455,701)	-
Merchandising and jobbing	88,136	3,933	-	92,069	-
Total Nonoperating Revenues (Expenses)	(4,192)	(167,335)	590,875	419,348	3,062
Income Before Contributions and Transfers	1,977,387	900,829	587,748	3,465,964	294,016
Capital contributions	157,059	850,993	864,109	1,872,161	-
Transfers out	(793,387)	(497,573)	(209,416)	(1,500,376)	-
Change in Net Position	1,341,059	1,254,249	1,242,441	3,837,749	294,016
Net Position - January 1, as originally reported	37,506,655	26,688,660	52,785,801	116,981,116	716,521
Cumulative effect of change in accounting principle	467,066	232,640	228,258	927,964	-
Net position - January 1, restated	37,973,721	26,921,300	53,014,059	117,909,080	716,521
Net Position - December 31	$ 39,314,780	$ 28,175,549	$ 54,256,500	$ 121,746,829	$ 1,010,537

The notes to the basic financial statements are an integral part of this statement.

CITY OF OCONOMOWOC, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Wastewater Utility	Total	
Cash Flows from Operating Activities					
Cash received from customers	$ 25,344,142	$ 3,347,448	$ 3,252,507	$ 31,944,097	$ 1,671,605
Cash paid to suppliers	(19,641,947)	(562,812)	(1,330,738)	(21,535,497)	(1,138,087)
Cash paid to and on behalf of employees	(1,934,825)	(965,449)	(696,616)	(3,596,890)	(211,926)
Net Cash Provided by Operating Activities	3,767,370	1,819,187	1,225,153	6,811,710	321,592
Cash Flows from Non-Capital Financing Activities					
Repayment of advances to other funds	197,033	-	98,181	295,214	-
Principal paid on unfunded pension liability bonds	(16,700)	(6,800)	(9,200)	(32,700)	-
Interest paid on unfunded pension liability bonds	(6,988)	(2,846)	(3,851)	(13,685)	-
Transfers to municipality	(793,387)	(497,573)	(209,416)	(1,500,376)	-
Net Cash Used by Non-Capital Financing Activities	(620,042)	(507,219)	(124,286)	(1,251,547)	-
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(2,401,950)	(441,406)	(157,921)	(3,001,277)	(38,048)
Proceeds from issuance of debt	3,100,000	-	-	3,100,000	-
Bond premium issued	69,787	-	-	69,787	-
Principal paid on long term debt	(3,935,000)	-	(343,281)	(4,278,281)	(3,399)
Interest paid on long term debt	(183,160)	-	(47,893)	(231,053)	-
Interest paid on advances	-	(175,892)	-	(175,892)	-
Repayment of advances from other funds	-	(295,214)	-	(295,214)	-
Capital contributions	-	76,518	588,399	664,917	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,350,323)	(835,994)	39,304	(4,147,013)	(41,447)
Cash Flows from Investing Activities					
Interest received on investments	134,654	7,419	184,211	326,284	3,062
Increase (Decrease) in Cash and Cash Equivalents	(68,341)	483,393	1,324,382	1,739,434	283,207
Cash and Cash Equivalents - January 1	6,328,761	1,612,966	12,225,916	20,167,643	663,600
Cash and Cash Equivalents - December 31	$ 6,260,420	$ 2,096,359	$ 13,550,298	$ 21,907,077	$ 946,807
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income (loss)	$ 1,981,579	$ 1,068,164	$ (3,127)	$ 3,046,616	$ 290,954
Adjustments to reconcile operating income to net cash provided by operations					
Depreciation and amortization	1,582,109	706,731	1,187,984	3,476,824	29,550
Depreciation charged directly to operating expenses	125,432	92,295	22,048	239,775	-
Merchandising and jobbing	88,136	3,933	-	92,069	-
Change in pension related assets and deferred outflows	(1,116)	4,490	(333)	3,041	-
Changes in assets and liabilities					
Accounts receivable	268,147	(3,943)	(19,594)	244,610	1,365
Due from other funds	4,987	1,310	2,307	8,604	-
Inventories and prepaid items	170,169	50,591	9,113	229,873	(5,986)
Other assets	-	(5,125)	-	(5,125)	-
Accounts payable	(376,627)	(101,952)	19,242	(459,337)	3,827
Accrued payroll	4,093	4,779	7,057	15,929	1,882
Unearned revenue	(10,774)	(2,036)	-	(12,810)	-
Deposits	(68,765)	(50)	456	(68,359)	-
Net Cash Provided by Operating Activities	$ 3,767,370	$ 1,819,187	$ 1,225,153	$ 6,811,710	$ 321,592
Reconciliation of cash and cash equivalents to the statement of net position:					
Unrestricted cash and investments	$ 6,227,458	$ 1,917,793	$ 5,621,514	$ 13,766,765	$ 946,807
Restricted cash and investments	32,962	178,566	7,928,784	8,140,312	-
Total Cash and Cash Equivalents	$ 6,260,420	$ 2,096,359	$ 13,550,298	$ 21,907,077	$ 946,807
Noncash Capital Activites					
Cost of Utility plant installed and/or financed by external parties	$ 204,146	$ 850,993	$ 864,109	$ 1,919,248	$ -

The notes to the basic financial statements are an integral part of this statement.

CITY OF OCONOMOWOC, WISCONSIN
Statement of Fiduciary Net Position
Property Tax Collection Agency Fund
December 31, 2015

ASSETS	
Cash and investments	$11,384,120
Taxes receivable	12,717,984
TOTAL ASSETS	$24,102,104
LIABILITIES	
Due to other governments	$24,102,104

The notes to the basic financial statements are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Oconomowoc, Wisconsin ("the City"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

1. Reporting Entity
   The City of Oconomowoc is a municipal corporation governed by an elected eight-member council. Included in the City's operations (the primary government) are the City's electric, water and wastewater utilities. In accordance with GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

2. Government-Wide and Fund Financial Statements
   The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. 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.

   The statement of activities demonstrates the degree to which the direct expenses of a given function 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. 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. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

   The City reports the following major governmental funds:

   GENERAL FUND

   This is the City's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

   DEBT SERVICE FUND

   This fund is used to account for financial resources to be used for the payment of general obligation bonds and notes issued by the City, other than those being repaid by the electric utility enterprise fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND

This fund is used to account for general City capital improvements transactions.

The City reports the following major enterprise funds:

ELECTRIC UTILITY

This fund accounts for the provision of electric service to residents, public authorities and business entities.

WATER UTILITY

This fund accounts for the provision of water service to residents, public authorities and business entities.

WASTEWATER UTILITY

This fund accounts for the provision of wastewater collection and treatment services to residents, public authorities, business entities and surrounding sanitary districts.

Additionally, the government reports the following fund types:

Internal service funds account for data processing services, risk management and fleet maintenance services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

The Property Tax Collection *agency fund* is used to account for tax collections to be remitted to other taxing jurisdictions.

3. Measurement Focus and Basis of Accounting
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 agency 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 revenues 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 City 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.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, other fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 City's water, electric and wastewater functions and various other functions of the City. 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, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. 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 City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

a. Cash and Investments
Cash and investments are combined on the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of the investments in the Wisconsin Local Government Investment Pool are considered the same as the value of the pool shares. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

b. Accounts Receivable
Accounts receivable has been shown as net of allowance for uncollectible accounts of $54,855.

c. Interfund Receivables and Payables
During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental activities and business-type activities.

d. Inventories
Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

f. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or higher and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-type Activities
	Years	
Assets		
Land improvements	15 - 20	-
Buildings	30 - 40	12 - 47
Machinery and equipment	2 - 20	5 - 45
Improvements other than buildings	-	26 - 77
Infrastructure and other improvements	20 - 40	-

g. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Employees earn vacation time after one year of continuous service to the City. Any amounts earned must be used by the employee's anniversary date. Sick leave is earned at the rate of one and one half days for each month of service and may be accumulated to a maximum of 90 days.

h. 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/expenditure) until then. The City has two items that qualify for reporting in this category in the government-wide statement of net position. The first is the deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is related to the City'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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 City has one item that qualifies for reporting in this category in the government-wide statement of net position. The item is related to property taxes, which will be recognized as an inflow of resources in the subsequent year for which it was levied. The City also has an additional type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

i. Long-term Obligations

In the government-wide financial statements, and proprietary funds 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 statement of net position. Bond premiums and discounts, where material, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds 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.

j. Pensions

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the City Council through the passage of a resolution. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of City management. As part of the City's adopted fund balance policy, the City Council has authorized the City Administrator and Finance Director to assign fund balance.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City adopted a fund balance spend-down policy which addresses the order in which fund balance will be utilized. The policy indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

The City has adopted a minimum fund balance policy. The policy establishes the minimum general fund balance equal to 25% of the subsequent year's budgeted expenditures of the General Fund and the Capital Improvements Capital Projects Fund. The minimum fund balance at December 31, 2015 is $4,011,764.

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - Amount of net position that are subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets.

l. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting
   The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

   a. Prior to September 15, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.

   b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue, debt service and capital projects funds. Budget is defined as the originally approved budget plus or minus approved amendments. Budget amendments totaling $290,542 for revenues and $1,401,728 for expenditures were made during the year. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

   c. The budget as enacted includes total expenditures at the function level. A function can be a department, fund, program or other activity. For example, the General Fund reports budget information by various departments, and programs and activities within some departments. Special revenue funds generally report budget information by program of the fund. Capital projects funds generally report budget information by activity. Expenditures cannot legally exceed appropriations at this level. The General Fund, Ambulance, Garbage and Refuse, Park Land Acquisition, Park Land Improvement, Transportation Impact Fees, Police Impact Fees, Fire & EMS Impact Fees, Park Facilities Impact Fees, Woodcreek Stormwater, Concert Series, and Community Development Special Revenue Funds, Debt Service Fund, TID #4, and Capital Improvements Capital Projects Funds have legally adopted budgets.

   d. Transfers from contingency or between functions require initial approval by management and are subsequently authorized by the City Council.

   e. During the year, formal budgetary integration is employed as a management control device for the general fund, certain special revenue funds, the debt service fund, and certain capital projects funds. Management control for the capital projects funds is achieved through project authorizations included in debt issue resolutions.

   The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2015.

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

2. Excess of Expenditures Over Budget Appropriations
The following expenditure accounts of the general, special revenue, and capital projects funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2015 as follows:

Fund	Excess Expenditures
General Fund	
General Government	
Legal	$ 21,536
Licenses and permits	30
Elections	2,151
Public Safety	
Fire administration	39
Fire suppression/hydrants	862
Fire prevention	1,413
Fire maintenance	8,206
Fire station #1	1,194
Public Works	
Engineering administration	4,134
Municipal garage	34,720
Street maintenance	79,675
Curb and gutter	10,862
Traffic control	619
Sidewalks and crosswalks	10,095
Parking lots	3,279
Health and Human Services	
Cemetery	3,393
Culture and Recreation	
Community center	4,975
Recreation center	1,794
Recreation administration	40,061
Public concerts	237
Conservation and Development	
Watershed project	80,256
Lakes	3,407
Police Impact Fees Special Revenue Fund	
Public Safety	142,694
TID #4 Capital Projects Fund	
General government	26,949
Interest and fiscal charges	2,363

The above excess expenditures were funded using favorable revenue variances, and available fund balance in the general, special revenue and capital projects funds.

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

3. Deficit Fund Equity
The following funds had deficit fund equity as of December 31, 2015:

Fund	Deficit Fund Equity
Fire & EMS Impact Fees Special Revenue Fund	$ 100,177
TID #4 Capital Projects Fund	200,384

The City anticipates funding the above deficits from future revenues and tax levies of the funds.

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments
The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as "Cash and investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled $55,822,498 on December 31, 2015 as summarized below:

Petty cash and cash on hand	$ 5,465
Deposits with financial institutions	24,818,443
Investments	30,998,590
	$ 55,822,498

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	$ 36,298,066
Restricted cash and investments	8,140,312
Fiduciary Funds Statement of Net Position	
Agency Fund	11,384,120
	$ 55,822,498

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the specific risks and the City's policy related to the risk.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. City policy requires that any deposits in excess of $500,000 in any single financial institution be approved by the City Council.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for the combined amount of all time and savings deposits and $250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of $250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of $250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2015, $17,178,944 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. All was collateralized with securities held by the agent of the pledging financial institution.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The City does not have an additional credit risk policy. Presented below is the actual rating as of yearend for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Not Rated
Money Market Mutual Funds	$ 87,531	$ -	$ -	$ 87,531
Federal Home Loan Mortgage Corporation	1,643,558	-	1,643,558	-
Federal Home Loan Bank	296,469	-	296,469	-
Federal National Mortgage Association	3,225,900	-	3,225,900	-
Government National Mortgage Association	705,751	705,751	-	-
Small Business Administration	628,580	628,580	-	-
U.S. Treasury Notes	275,239	275,239	-	-
Wisconsin Local Government Investment Pool	24,135,562	-	-	24,135,562
Totals	$30,998,590	$ 1,609,570	$ 5,165,927	$24,223,093

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. The City had investments in Federal National Mortgage Bonds that represent 5% or more of total City investments (other than U.S. Treasury securities, mutual funds, and external investment pools).

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

		Remaining Maturity (in Months)			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Money Market Mutual Funds	$ 87,531	$ 87,531	$ -	$ -	$ -
Federal Home Loan Mortgage Corporation	1,643,558	-	245,918	551,933	845,707
Federal Home Loan Bank	296,469	-	-	296,469	-
Federal National Mortgage Association	3,225,900	1,421,544	-	523,364	1,280,992
Government National Mortgage Association	705,751	-	-	-	705,751
Small Business Administration	628,580	-	42,928	-	585,652
U.S. Treasury Notes	275,239	275,239	-	-	-
Negotiable Certificates of Deposit	6,897,858	2,230,074	2,456,174	2,211,610	-
Wisconsin Local Government Investment Pool	24,135,562	24,135,562	-	-	-
Totals	$37,896,448	$28,149,950	$ 2,745,020	$ 3,583,376	$ 3,418,102

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of $24,135,562 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

2. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in three equal installments on or before January 31, April 30 and July 31. Real estate taxes not paid by July 31 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

The City bills and collects its own property taxes and also collects taxes levied by the Oconomowoc Area School District, Waukesha County, Waukesha County Area Technical College, Lac La Belle Management District, Fowler Lake Management District and the State of Wisconsin. All tax collections and remittances for these taxing jurisdictions are accounted for in the Property Tax Collection Agency Fund.

3. Restricted Assets

Restricted assets on December 31, 2015 totaled $8,140,312 and consisted of cash and investments held for the following purposes:

Enterprise Funds	
Electric Utility	
Customer deposits	$ 32,962
Water Utility	
Expansion reserve	178,566
Wastewater Utility	
Expansion reserve	7,708,102
Replacement reserve	220,682
Total Enterprise Funds	$ 8,140,312

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 10,596,344	$ 2,300	$ -	$ 10,598,644
Construction in progress	5,802,941	1,107,558	5,392,361	1,518,138
Total capital assets, not being depreciated	16,399,285	1,109,858	5,392,361	12,116,782
Capital assets, being depreciated:				
Land improvements	1,571,259	211,746	-	1,783,005
Buildings	15,321,383	24,245	-	15,345,628
Machinery and equipment	8,466,098	379,146	348,153	8,497,091
Infrastructure	61,360,723	5,615,054	-	66,975,777
Subtotals	86,719,463	6,230,191	348,153	92,601,501
Less accumulated depreciation for:				
Land improvements	1,013,169	43,344	-	1,056,513
Buildings	6,244,506	370,262	-	6,614,768
Machinery and equipment	5,647,331	570,249	307,387	5,910,193
Infrastructure	23,499,062	2,277,069	-	25,776,131
Subtotals	36,404,068	3,260,924	307,387	39,357,605
Total capital assets, being depreciated, net	50,315,395	2,969,267	40,766	53,243,896
Governmental activities capital assets, net	$ 66,714,680	$ 4,079,125	$ 5,433,127	65,360,678
Less related long-term debt outstanding and unamortized premium				11,170,824
Net investment in capital assets				$ 54,189,854

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 242,294	$ -	$ -	$ 242,294
Construction in progress	331,320	630,372	331,320	630,372
Total capital assets, not being depreciated	573,614	630,372	331,320	872,666
Capital assets, being depreciated:				
Buildings	13,701,999	473,756	-	14,175,755
Machinery and equipment	33,058,732	1,159,120	151,347	34,066,505
Improvements other than buildings	97,542,368	2,672,036	415,288	99,799,116
Subtotals	144,303,099	4,304,912	566,635	148,041,376
Less accumulated depreciation for:				
Buildings	6,723,607	350,936	-	7,074,543
Machinery and equipment	14,206,039	1,122,925	147,630	15,181,334
Improvements other than buildings	26,793,337	2,242,738	387,587	28,648,488
Subtotals	47,722,983	3,716,599	535,217	50,904,365
Total capital assets, being depreciated, net	96,580,116	588,313	31,418	97,137,011
Business-type activities capital assets, net	$ 97,153,730	$ 1,218,685	$ 362,738	98,009,677
Less related long-term debt outstanding and unamortized premium				3,880,263
Net investment in capital assets				$ 94,129,414

Depreciation expense was charged to functions of the City as follows:

Governmental activities	
General government	$ 51,187
Public safety	317,657
Public works	2,462,287
Culture and recreation	429,793
Total depreciation expense - governmental activities	$ 3,260,924

	Depreciation Charged to Expense	Depreciation Charged to Operations	Total Depreciation
Business-type activities			
Electric utility	$ 1,582,109	$ 125,432	$ 1,707,541
Water utility	706,731	92,295	799,026
Wastewater utility	1,187,984	22,048	1,210,032
Total depreciation expense - business-type activities	$ 3,476,824	$ 239,775	$ 3,716,599

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2015 are detailed below:

	Interfund Receivables	Interfund Payables
Operating Accounts Between Funds		
General Fund	$ 494,000	$ -
Nonmajor Governmental Funds	-	494,000
Subtotal	494,000	494,000
Tax Roll Items to be Paid		
Debt Service Fund	1,271,767	-
Capital Improvements Capital Projects Fund	2,061,500	-
Nonmajor Governmental Funds	1,227,422	-
Enterprise Funds		
Electric utility	24,361	-
Water utility	5,298	-
Wastewater utility	6,106	-
General Fund	-	4,596,454
Subtotal	4,596,454	4,596,454
Totals	$ 5,090,454	$ 5,090,454
Long-term Advances		
Electric utility	$ 2,082,541	$ -
Wastewater utility	1,800,382	-
Water utility	-	3,882,923
	$ 3,882,923	$ 3,882,923

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The amount of advances scheduled to be collected in the subsequent year is $345,295.

Interfund transfers for the year ended December 31, 2015 were as follows:

	Transfer to:			
	General Fund	Debt Service Fund	Capital Improvements Fund	Totals
Transfers from:				
General Fund	$ -	$ 9,820	$ 332,861	$ 342,681
Concert Series Fund	1,450	-	-	1,450
Electric Utility	793,387	-	-	793,387
Water Utility	497,573	-	-	497,573
Wastewater Utility	209,416	-	-	209,416
Totals	$ 1,501,826	$ 9,820	$ 332,861	$ 1,844,507

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

The transfers from the Electric, Water and Wastewater Utilities to the General Fund are for annual payments in lieu of tax. The transfer from the Concert Series Special Revenue Fund to the General Fund was made to close the fund. The remaining transfers were budgeted transfers.

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2015:

	Outstanding 1/1/15	Issued	Retired	Outstanding 12/31/15	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	$ 10,375,775	$ -	$ 842,300	$ 9,533,475	$ 740,665
Notes	2,368,528	-	119,816	2,248,712	229,816
Total General Obligation Debt	12,744,303	-	962,116	11,782,187	970,481
WPPI Note payable	23,233	-	3,399	19,834	3,400
Premium on long-term debt	236,592	-	25,642	210,950	25,642
Governmental activities					
Long-term obligations	$ 13,004,128	$ -	$ 991,157	$ 12,012,971	$ 999,523
Business-type activities:					
General Obligation Debt					
Bonds	$ 384,225	$ -	$ 32,700	$ 351,525	$ 34,335
Notes	-	3,100,000	-	3,100,000	420,000
Total General Obligation Debt	384,225	3,100,000	32,700	3,451,525	454,335
Revenue bonds					
Sewer mortgage	1,059,714	-	343,281	716,433	353,144
Electric mortgage	3,935,000	-	3,935,000	-	-
Total Revenue Bonds	4,994,714	-	4,278,281	716,433	353,144
Premium on long-term debt	-	69,787	5,957	63,830	10,213
Business-type activities					
Long-term obligations	$ 5,378,939	$ 3,169,787	$ 4,316,938	$ 4,231,788	$ 817,692

Total interest paid during the year on long-term debt totaled $476,102.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds	
$2,525,000 street improvement bonds issued 7/7/11; $150,000 to $220,000 due annually through 2026; interest 2.5% to 3.75%	$ 2,015,000
$4,285,000 general obligation bonds issued 12/18/12; $195,000 to $275,000 due annually through 2031; interest 2.00% to 2.875%	3,680,000
$1,270,000 general obligation bonds issued 8/21/13; $105,000 to $140,000 due annually through 2024; interest 3.00% to 4.50%	1,075,000
$3,880,000 general obligation bonds issued 11/01/13; $325,000 to $400,000 due annually through 2024; interest 2.00% to 3.00%	3,230,000
Total Bonds	10,000,000
Notes	
$1,250,000 general obligation notes issued 8/21/13; $115,000 to $140,000 due annually through 2023; interest 2.00% to 3.00%	1,025,000
$78,528 promissory notes issued 2014; $9,816 due annually through 2022; interest 0.0%	68,712
$1,150,000 general obligation notes issued 12/16/14; $105,000 to $130,000 due annually through 2024; interest 1.50% to 2.50%	1,040,000
$3,100,000 general obligation notes issued 5/20/2015; $420,000 to $475,000 due annually through 2022; interest 2.00%	3,100,000
Total Notes	5,233,712
Total Outstanding General Obligation Debt	$ 15,233,712

Annual principal and interest maturities of the outstanding general obligation debt of $15,233,712 on December 31, 2015 are detailed below:

Year Ended	Governmental Activities		Business-type Activities		Totals	
December 31	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 970,481	$ 302,035	$ 454,335	$ 70,479	$ 1,424,816	$ 372,514
2017	985,481	281,348	454,335	61,051	1,439,816	342,399
2018	1,023,846	259,704	470,970	51,446	1,494,816	311,150
2019	1,042,211	235,466	482,605	41,448	1,524,816	276,914
2020	1,067,211	208,461	487,605	31,181	1,554,816	239,642
2021-2025	4,922,957	580,970	1,101,675	34,468	6,024,632	615,438
2026-2030	1,495,000	134,756	-	-	1,495,000	134,756
2031	275,000	3,953	-	-	275,000	3,953
	$11,782,187	$ 2,006,693	$ 3,451,525	$ 290,073	$15,233,712	$ 2,296,766

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2015 was $80,746,089 as follows:

Equalized valuation of the City		$ 1,918,686,500
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		95,934,325
Total outstanding general obligation debt applicable to debt limitation	$ 15,233,712	
Less amount available in debt service fund	45,476	
		15,188,236
Legal Margin for New Debt		$ 80,746,089

WPPI Note Payable

The City entered into a loan agreement with WPPI Energy, a Wisconsin municipal electric company to upgrade the City's accounting software. The loan was recorded in the Data Processing Services internal service fund. The loan is payable monthly in the amount of $283 with no interest being charged. The annual principal payments are detailed below:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2016	$ 3,400	$ -	$ 3,400
2017	3,400	-	3,400
2018	3,400	-	3,400
2019	3,400	-	3,400
2020	3,400	-	3,400
2021	2,834	-	2,834
	$ 19,834	$ -	$ 19,834

Revenue Bonds

Revenue bonds outstanding on December 31, 2015 totaled $716,433 and were composed of the following:

$5,449,057 State of Wisconsin Clean Water Fund Loan issued 6/25/97; $353,144 due in 2016 and $363,289 due in 2017; interest 2.873%	$ 716,433

Annual principal and interest maturities of the outstanding revenue bonds on December 31, 2015 are as detailed below:

Year Ended December 31	Business-type Activities		
	Principal	Interest	Total
2016	$ 353,144	$ 15,510	$ 368,654
2017	363,289	5,219	368,508
	$ 716,433	$ 20,729	$ 737,162

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

The City has issued mortgage revenue bonds, the proceeds of which were used to provide financing for the construction or acquisition capital assets used by the wastewater enterprise fund. The City has pledged future net customer revenues, (generally defined as operating income plus depreciation expense), to repay the wastewater and electric system revenue bonds. The net customer revenues pledged would be 125% of the annual debt service requirements. The bonds are payable solely from customer net revenues.

The total principal and interest remaining to be paid on the wastewater bonds is $737,162 and annual net customer revenues have been pledged through 2017. Principal and interest paid for the current year and total customer net revenues for the wastewater bonds were $368,795 and $1,368,568, respectively.

Advance Refunding
On May 20, 2015, the City issued $3,100,000 General Obligation Refunding Bonds to advance refund the outstanding balance of the 2007 Electric System Mortgage Revenue Bonds. As a result, the bonds are considered to be defeased and the liability has been removed from the Statement of Net Position. The advance refunding was undertaken to reduce total debt service payments by $759,912 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) of $719,856.

As of December 31, 2015, $3,510,000 of the 2007 Electric System Mortgage Revenue Bonds are considered to be defeased.

7. Conduit Debt Obligations
From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2015 there were seven Industrial Revenue Bond issues outstanding with an aggregate principal amount payable of $11,142,913.

8. Pension Plan

a. Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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 C - DETAILED NOTES ON ALL FUNDS (Continued)

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.

b. 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%

c. Contributions

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

During the reporting period, the WRS recognized $615,410 in contributions from the City.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Contribution rates as of December 31, 2015 are:

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

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

At December 31, 2015, the City reported an asset of $1,546,877 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the City's proportion was 0.06297662%, which was a decrease of 0.00037143% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the City recognized pension expense of $609,793.

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

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 224,249
Net differences between projected and actual earnings on pension plan investments	749,073
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,133
Employer contributions subsequent to the measurement date	630,122
Total	$ 1,615,577

$630,122 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflow of Resources
2015	$ 224,672
2016	224,672
2017	224,672
2018	224,672
2019	86,767

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

e. Actuarial Assumption

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

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension 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 C - DETAILED NOTES ON ALL FUNDS (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 City's proportionate share of the net pension asset to changes in the discount rate. The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
City's proportionate share of the net pension asset (liability)	$ (4,364,009)	$ 1,546,877	$ 6,215,058

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.

f. Payable to the WRS

At December 31, 2015 the City reported a payable of $89,795 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2015.

NOTE D - OTHER INFORMATION

1. Risk Management
The City has purchased commercial insurance policies for various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; or acts of God. The cost of insurance premiums is recorded as an expenditure or expense in various funds of the City. Settlements have not exceeded insurance coverage for each of the past three years. There have also been no significant changes in insurance coverage from the prior year.

2. Tax Incremental District
The City has established a separate capital project fund for Tax Incremental District No. 4 (TID 4) created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base is used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements.

NOTE D - OTHER INFORMATION (Continued)

Since creation of the above District, the City has provided various financing sources. Detail of the amounts recoverable by the City as of December 31, 2015 from future excess tax increment revenues follows:

	TID No. 4
Eligible recoverable project costs financed and recorded in capital projects fund	$ 200,384

The intent of the City is to recover the above amount from future TID tax increments, if any, prior to termination of the District. TID 4 has a statutory termination date of September 2, 2030.

3. WPPI Energy Contract (WPPI)

The City of Oconomowoc Electric Utility purchases its electric requirements from WPPI Energy (WPPI). WPPI is a municipal electric company and political subdivision of the State of Wisconsin created by contract by its members on September 5, 1980 pursuant to the Municipal Electric Company Act, Sec. 66.0825 of the Wisconsin Statutes (the Act). WPPI's purposes include providing an adequate, economical and reliable supply of electric energy to its members.

The City of Oconomowoc Electric Utility is one of 51 members of WPPI located throughout the State of Wisconsin and Upper Michigan and Iowa. On December 31, 1989, each of WPPI's members, including the City of Oconomowoc, commenced purchasing electric service from WPPI under a new Long-term Power Supply Contract for Participating Members (the Long-term Contract) under which WPPI has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements of the members for an initial thirty-five (35) year term. The contract was amended during 2002 to extend the term of the contract through 2037. A subsequent amendment has extended the contract through 2055.

Under the Long-term Contract, the City of Oconomowoc Electric Utility and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirement which includes power supply costs, administrative expenses and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its Board of Directors, which consists of representatives from each member municipality.

The City of Oconomowoc Electric Utility has agreed to charge rates to the retail ratepayers of its electric system sufficient to meet its obligations to WPPI. The Long-term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the City of Oconomowoc Electric Utility payable from any operating and maintenance fund established by the City of Oconomowoc Electric Utility.

The Long-term Contract may be terminated by either party upon five years prior written notice effective at the end of the initial thirty-five year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

Total purchases under this arrangement amounted to $18,488,580 in 2015.

NOTE D - OTHER INFORMATION (Continued)

4. Property Tax Levy Limit
Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2015 and 2016 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2015 budget was 1.88%. The actual limit for the City for the 2016 budget was 1.89%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

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

6. Cumulative Effect of Change in Accounting Principles
The City has adopted 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*, 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. The cumulative effect of this change is summarized below:

		Business-type Activities				
	Governmental Activities	Electric Utility	Water Utility	Sewer Utility	Total	Total
Net Pension Asset	$ 1,753,370	$374,648	$186,093	$183,385	$744,126	$2,497,496
Deferred Outflows of Resources	431,572	92,418	46,547	44,873	183,838	615,410
Total Cumulative Effect of Change in Accounting Principle	$ 2,184,942	$467,066	$232,640	$228,258	$927,964	$3,112,906

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Proportionate Share of the Net Pension Asset
Wisconsin Retirement System
Last 10 Fiscal Years*

	2015
Proportion of the net pension asset	0.06297662%
Proportionate share of the net pension asset	$ 1,546,877
Covered-employee payroll	$ 7,751,645
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 of the prior year.

See Notes to Required Supplementary Information.

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Contributions
Wisconsin Retirement System
Last 10 Fiscal Years*

		2015
Contractually required contributions	$	615,410
Contributions in relation to the contractually required contributions	$	615,410
Contribution deficiency (excess)	$	-
Covered-employee payroll	$	7,751,645
Contributions as a percentage of covered-employee payroll		7.94%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

The City 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* for the fiscal year ended December 31, 2015. Information for prior years is not available.

NOTE B - WISCONSIN RETIREMENT SYSTEM

There were no changes of benefit terms or assumptions for any participating employer in WRS.

SUPPLEMENTARY INFORMATION

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	$ 1,279,035	$ 1,279,035	$ 1,279,035	$ -
Miscellaneous	46,935	46,935	821	(46,114)
Total Revenues	1,325,970	1,325,970	1,279,856	(46,114)
Expenditures				
Debt service				
Principal	985,000	994,820	962,116	32,704
Interest and fiscal charges	340,970	340,970	315,774	25,196
Total Expenditures	1,325,970	1,335,790	1,277,890	57,900
Excess of Revenues Over (Under) Expenditures	-	(9,820)	1,966	11,786
Other Financing Sources				
Transfers in	-	9,820	9,820	-
Net Change in Fund Balance	-	-	11,786	11,786
Fund Balance - January 1	33,690	33,690	33,690	-
Fund Balance - December 31	$ 33,690	$ 33,690	$ 45,476	$ 11,786

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Improvements Capital Projects Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 2,048,675	$ 2,048,675	$ 2,048,675	$ -
Intergovernmental	200,000	235,000	-	(235,000)
Miscellaneous	6,350	6,350	17,327	10,977
Total Revenues	2,255,025	2,290,025	2,066,002	(224,023)
Expenditures				
Capital Outlay				
General government	100,000	318,901	97,510	221,391
Public safety	845,200	1,017,103	202,398	814,705
Public works	1,257,500	1,716,872	1,518,345	198,527
Health and human services	13,725	13,725	13,725	-
Culture and recreation	247,000	468,991	313,582	155,409
Total Expenditures	2,463,425	3,535,592	2,145,560	1,390,032
Excess of Revenues Under Expenditures	(208,400)	(1,245,567)	(79,558)	1,166,009
Other Financing Sources				
Transfers in	200,000	332,861	332,861	-
Net Change in Fund Balance	(8,400)	(912,706)	253,303	1,166,009
Fund Balance - January 1	2,242,876	2,242,876	2,242,876	-
Fund Balance - December 31	$ 2,234,476	$ 1,330,170	$ 2,496,179	$ 1,166,009

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The City utilizes Special Revenue Funds to record financial transactions pertaining to the following activities:

Ambulance Fund - This fund is used to account for transactions relating to the operation of the City's ambulance service.

Garbage and Refuse Fund - This fund is used to account for charges to property owners for the cost of garbage and refuse collection.

Park Land Acquisition Fund - This fund is used to account for charges to developers and property owners for park development.

Park Land Improvement Fund - This fund is used to account for charges to developers and property owners for park improvements.

Police Forfeitures Fund - This fund is used to account for the collection of police department forfeitures and related expenditures.

Woodcreek Stormwater Fund - This fund is used to account for charges to developers for stormwater system improvements.

Concert Series Fund - This fund is used to account for transactions relating to the City's summer concert series.

Community Development Fund - This fund is used to account for transactions relating to economic development.

Library Trust Fund - This fund is used to account for donations made to the library to be used for library related activity.

Transportation Impact Fees - This fund is used to account for charges to property owners for expanded transportation costs associated with the growth of the City.

Police Impact Fees - This fund is used to account for charges to property owners for expanded police costs associated with the growth of the City.

Fire and EMS Impact Fees - This fund is used to account for charges to property owners for expanded fire and EMS costs associated with the growth of the City.

Park Facilities Impact Fees - This fund is used to account for charges to property owners for expanded park facilities associated with the growth of the City.

CAPITAL PROJECTS FUND

TID No. 4 Capital Projects Fund - This fund is used to account for TID No. 4 capital projects. Financing is provided by general property taxes and debt proceeds.

CITY OF OCONOMOWOC, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Funds							
	Ambulance Fund	Garbage and Refuse Fund	Park Land Acquisition Fund	Park Land Improvement Fund	Police Forfeitures	Woodcreek Stormwater Fund	Concert Series Fund	Community Development Fund
ASSETS								
Cash and investments	$ 1,102,673	$ 287,406	$ 14,011	$ 66,596	$ 12,906	$ 84,992	$ -	$ 54,749
Receivables								
Accounts receivable (net)	103,165	-	-	-	-	-	-	-
Due from other funds	120,000	840,150	-	-	-	7,450	-	-
TOTAL ASSETS	$ 1,325,838	$ 1,127,556	$ 14,011	$ 66,596	$ 12,906	$ 92,442	$ -	$ 54,749
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities								
Accounts payable	$ 3,188	$ 83,933	$ -	$ -	$ -	$ 633	$ -	$ -
Accrued and other current liabilities	9,596	109	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenues	-	840,900	-	-	-	-	-	-
Total Liabilities	12,784	924,942	-	-	-	633	-	-
Deferred Inflows of Resources								
Property taxes	120,000	-	-	-	-	7,450	-	-
Fund Balances (Deficit)								
Restricted								
Future improvements	-	-	14,011	66,596	12,906	84,359	-	-
Committed								
Subsequent year projects	1,193,054	202,614	-	-	-	-	-	54,749
Unassigned (deficit)	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	1,193,054	202,614	14,011	66,596	12,906	84,359	-	54,749
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,325,838	$ 1,127,556	$ 14,011	$ 66,596	$ 12,906	$ 92,442	$ -	$ 54,749

(Continued)

CITY OF OCONOMOWOC, WISCONSIN
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Funds (Continued)							
	Library Trust Fund	Transportation Impact Fees	Police Impact Fees	Fire & EMS Impact Fees	Park Facilities Impact Fees	Total Special Revenue Funds	TID #4 Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS								
Cash and investments	$ 38,346	$ 437,106	$ 57,294	$ 8,823	$ 616,141	$ 2,781,043	$ 186,032	$ 2,967,075
Receivables								
Accounts receivable (net)	-	-	-	-	-	103,165	-	103,165
Due from other funds	-	-	-	-	-	967,600	259,822	1,227,422
TOTAL ASSETS	$ 38,346	$ 437,106	$ 57,294	$ 8,823	$ 616,141	$ 3,851,808	$ 445,854	$ 4,297,662
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 87,754	$ 69	$ 87,823
Accrued and other current liabilities	-	-	-	-	-	9,705	1,347	11,052
Due to other funds	-	-	-	109,000	-	109,000	385,000	494,000
Unearned revenues	-	-	-	-	-	840,900	-	840,900
Total Liabilities	-	-	-	109,000	-	1,047,359	386,416	1,433,775
Deferred Inflows of Resources								
Property taxes	-	-	-	-	-	127,450	259,822	387,272
Fund Balances (Deficit)								
Restricted								
Future improvements	38,346	437,106	57,294	-	616,141	1,326,759	-	1,326,759
Committed								
Subsequent year projects	-	-	-	-	-	1,450,417	-	1,450,417
Unassigned (deficit)	-	-	-	(100,177)	-	(100,177)	(200,384)	(300,561)
Total Fund Balances (Deficit)	38,346	437,106	57,294	(100,177)	616,141	2,676,999	(200,384)	2,476,615
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 38,346	$ 437,106	$ 57,294	$ 8,823	$ 616,141	$ 3,851,808	$ 445,854	$ 4,297,662

CITY OF OCONOMOWOC, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Special Revenue Funds							
	Ambulance Fund	Garbage and Refuse Fund	Park Land Acquisition Fund	Park Land Improvement Fund	Police Forfeitures	Woodcreek Stormwater Fund	Concert Series Fund	Community Development Fund
Revenues								
Taxes	$ 120,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special assessments	-	-	-	-	-	7,000	-	-
Intergovernmental	6,394	112,766	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Public charges for services	812,246	839,763	-	-	-	-	-	-
Miscellaneous	17,531	3,051	144	211	37	248	6	155
Total Revenues	956,171	955,580	144	211	37	7,248	6	155
Expenditures								
Current								
Public safety	809,497	-	-	-	-	-	-	-
Public works	-	923,083	-	-	-	4,807	-	-
Culture and recreation	-	-	15,710	5,000	-	-	-	-
Conservation and development	-	-	-	-	-	-	-	112
Debt service								
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	809,497	923,083	15,710	5,000	-	4,807	-	112
Excess of Revenues Over (Under) Expenditures	146,674	32,497	(15,566)	(4,789)	37	2,441	6	43
Other Financing Uses								
Transfers out	-	-	-	-	-	-	(1,450)	-
Net Change in Fund Balances	146,674	32,497	(15,566)	(4,789)	37	2,441	(1,444)	43
Fund Balances (Deficit) - January 1	1,046,380	170,117	29,577	71,385	12,869	81,918	1,444	54,706
Fund Balances (Deficit) - December 31	$ 1,193,054	$ 202,614	$ 14,011	$ 66,596	$ 12,906	$ 84,359	$ -	$ 54,749

(Continued)

CITY OF OCONOMOWOC, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Special Revenue Funds (Continued)							
	Library Trust Fund	Transportation Impact Fees	Police Impact Fees	Fire & EMS Impact Fees	Park Facilities Impact Fees	Total Special Revenue Funds	TID #4 Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ 120,000	$ 96,034	$ 216,034
Special assessments	-	-	-	-	-	7,000	-	7,000
Intergovernmental	-	-	-	-	-	119,160	11,849	131,009
Licenses and permits	-	24,719	22,868	25,177	67,872	140,636	-	140,636
Public charges for services	-	-	-	-	-	1,652,009	-	1,652,009
Miscellaneous	4,436	1,388	241	46	1,651	29,145	808	29,953
Total Revenues	4,436	26,107	23,109	25,223	69,523	2,067,950	108,691	2,176,641
Expenditures								
Current								
Public safety	-	-	142,694	88	-	952,279	-	952,279
Public works	-	67,267	-	-	-	995,157	-	995,157
Culture and recreation	-	-	-	-	507	21,217	-	21,217
Conservation and development	-	-	-	-	-	112	-	112
Debt service								
Interest and fiscal charges	-	-	-	-	-	-	6,738	6,738
Capital outlay	-	-	-	-	-	-	155,048	155,048
Total Expenditures	-	67,267	142,694	88	507	1,968,765	161,786	2,130,551
Excess of Revenues Over (Under) Expenditures	4,436	(41,160)	(119,585)	25,135	69,016	99,185	(53,095)	46,090
Other Financing Uses								
Transfers out	-	-	-	-	-	(1,450)	-	(1,450)
Net Change in Fund Balances	4,436	(41,160)	(119,585)	25,135	69,016	97,735	(53,095)	44,640
Fund Balances (Deficit) - January 1	33,910	478,266	176,879	(125,312)	547,125	2,579,264	(147,289)	2,431,975
Fund Balances (Deficit) - December 31	$ 38,346	$ 437,106	$ 57,294	$ (100,177)	$ 616,141	$ 2,676,999	$ (200,384)	$ 2,476,615

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Ambulance Special Revenue Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	$ 120,000	$ 120,000	$ 120,000	$ -
Intergovernmental	5,780	5,780	6,394	614
Public charges for services	780,500	780,500	812,246	31,746
Miscellaneous	2,670	2,670	17,531	14,861
Total Revenues	908,950	908,950	956,171	47,221
Expenditures				
Public safety	1,103,665	1,106,923	809,497	297,426
Net Change in Fund Balance	(194,715)	(197,973)	146,674	344,647
Fund Balance - January 1	1,046,380	1,046,380	1,046,380	-
Fund Balance - December 31	$ 851,665	$ 848,407	$ 1,193,054	$ 344,647

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Garbage and Refuse Special Revenue Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 113,000	$ 113,000	$ 112,766	$ (234)
Public charges for services	837,750	837,750	839,763	2,013
Miscellaneous	5,040	5,040	3,051	(1,989)
Total Revenues	955,790	955,790	955,580	(210)
Expenditures				
Public works	953,771	953,771	923,083	30,688
Net Change in Fund Balance	2,019	2,019	32,497	30,478
Fund Balance - January 1	170,117	170,117	170,117	-
Fund Balance - December 31	$ 172,136	$ 172,136	$ 202,614	$ 30,478

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Park Land Acquisition Special Revenue Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	$ 125	$ 125	$ 144	$ 19
Expenditures				
Culture and recreation	15,000	44,455	15,710	28,745
Net Change in Fund Balance	(14,875)	(44,330)	(15,566)	28,764
Fund Balance - January 1	29,577	29,577	29,577	-
Fund Balance - December 31	$ 14,702	$ (14,753)	$ 14,011	$ 28,764

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Park Land Improvement Special Revenue Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	$ 80	$ 80	$ 211	$ 131
Expenditures				
Culture and recreation	20,000	20,000	5,000	15,000
Net Change in Fund Balance	(19,920)	(19,920)	(4,789)	15,131
Fund Balance - January 1	71,385	71,385	71,385	-
Fund Balance - December 31	$ 51,465	$ 51,465	$ 66,596	$ 15,131

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Woodcreek Stormwater Special Revenue Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	$ 7,000	$ 7,000	$ 7,000	$ -
Miscellaneous	135	135	248	113
Total Revenues	7,135	7,135	7,248	113
Expenditures				
Public works	5,341	5,341	4,807	534
Net Change in Fund Balance	1,794	1,794	2,441	647
Fund Balance - January 1	81,918	81,918	81,918	-
Fund Balance - December 31	$ 83,712	$ 83,712	$ 84,359	$ 647

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Concert Series Special Revenue Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	$ 5,010	$ 5,010	$ 6	$ (5,004)
Expenditures				
Culture and recreation	5,003	5,003	-	5,003
Excess of Revenues Over Expenditures	7	7	6	(1)
Other Financing Uses				
Transfers out	-	-	(1,450)	(1,450)
Net Change in Fund Balance	7	7	(1,444)	(1,451)
Fund Balance - January 1	1,444	1,444	1,444	-
Fund Balance - December 31	$ 1,451	$ 1,451	$ -	$ (1,451)

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Community Development Special Revenue Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	$ 200	$ 200	$ 155	$ (45)
Expenditures				
Conservation and development	10,000	10,000	112	9,888
Net Change in Fund Balance	(9,800)	(9,800)	43	9,843
Fund Balance - January 1	54,706	54,706	54,706	-
Fund Balance - December 31	$ 44,906	$ 44,906	$ 54,749	$ 9,843

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Transportation Impact Fees Special Revenue Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Licenses and permits	$ 12,000	$ 12,000	$ 24,719	$ 12,719
Miscellaneous	500	500	1,388	888
Total Revenues	12,500	12,500	26,107	13,607
Expenditures				
Public works	400,000	400,000	67,267	332,733
Net Change in Fund Balance	(387,500)	(387,500)	(41,160)	346,340
Fund Balance - January 1	478,266	478,266	478,266	-
Fund Balance - December 31	$ 90,766	$ 90,766	$ 437,106	$ 346,340

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Police Impact Fees Special Revenue Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits	$ 17,000	$ 17,000	$ 22,868	$ 5,868
Miscellaneous	400	400	241	(159)
Total Revenues	17,400	17,400	23,109	5,709
Expenditures				
Public safety	-	-	142,694	(142,694)
Net Change in Fund Balance	17,400	17,400	(119,585)	(136,985)
Fund Balance - January 1	176,879	176,879	176,879	-
Fund Balance - December 31	$ 194,279	$ 194,279	$ 57,294	$ (136,985)

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire & EMS Impact Fees Special Revenue Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Licenses and permits	$ 20,000	$ 20,000	$ 25,177	$ 5,177
Miscellaneous	5	5	46	41
Total Revenues	20,005	20,005	25,223	5,218
Expenditures				
Public safety	270	270	88	182
Net Change in Fund Balance	19,735	19,735	25,135	5,400
Fund Balance (Deficit) - January 1	(125,312)	(125,312)	(125,312)	-
Fund Balance (Deficit) - December 31	$ (105,577)	$ (105,577)	$ (100,177)	$ 5,400

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Park Facilities Impact Fees Special Revenue Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	$ 50,000	$ 50,000	$ -	$ (50,000)
Licenses and permits	55,000	55,000	67,872	12,872
Miscellaneous	600	600	1,651	1,051
Total Revenues	105,600	105,600	69,523	(36,077)
Expenditures				
Current				
Culture and recreation	600,000	630,907	507	630,400
Net Change in Fund Balance	(494,400)	(525,307)	69,016	594,323
Fund Balance - January 1	547,125	547,125	547,125	-
Fund Balance - December 31	$ 52,725	$ 21,818	$ 616,141	$ 594,323

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
TID #4 Capital Projects Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 90,000	$ 90,000	$ 96,034	$ 6,034
Intergovernmental	11,000	11,000	11,849	849
Miscellaneous	500	500	808	308
Total Revenues	101,500	101,500	108,691	7,191
Expenditures				
Debt service				
Interest and fiscal charges	4,375	4,375	6,738	(2,363)
Capital Outlay				
General government	150	150	27,099	(26,949)
Conservation and development	320,250	320,250	127,949	192,301
Total Expenditures	324,775	324,775	161,786	162,989
Net Change in Fund Balance	(223,275)	(223,275)	(53,095)	170,180
Fund Balance (Deficit) - January 1	(147,289)	(147,289)	(147,289)	-
Fund Balance (Deficit) - December 31	$ (370,564)	$ (370,564)	$ (200,384)	$ 170,180

INTERNAL SERVICE FUNDS

Internal service funds account for services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The City utilizes internal service funds to record financial transactions pertaining to the following activities:

Data Processing Services - This fund is used to account for data processing services provided to other departments or agencies of the City.

Risk Management - This fund is used to account for the risk management services provided to other departments or agencies of the City.

Fleet - This fund is used to account for the fleet operation and maintenance services provided to other departments or agencies of the City.

CITY OF OCONOMOWOC, WISCONSIN
Combining Statement of Net Position
Internal Service Funds
December 31, 2015

	Data Processing Services	Risk Management	Fleet	Total
ASSETS				
Current Assets				
Cash and investments	$ 384,935	$ 205,950	$ 355,922	$ 946,807
Accounts receivable	-	9,808	-	9,808
Inventories and prepaid items	17,835	-	-	17,835
Total Current Assets	402,770	215,758	355,922	974,450
Capital Assets				
Machinery and equipment	186,576	-	-	186,576
Construction in progress	4,061	-	-	4,061
Accumulated depreciation	(109,868)	-	-	(109,868)
Total Capital Assets	80,769	-	-	80,769
TOTAL ASSETS	483,539	215,758	355,922	1,055,219
LIABILITIES				
Current Liabilities				
Accounts payable	10,383	1,777	5,250	17,410
Accrued payroll	1,164	217	6,057	7,438
Promissory notes - current	3,400	-	-	3,400
Total Current Liabilities	14,947	1,994	11,307	28,248
Noncurrent Liabilities				
Promissory notes	16,434	-	-	16,434
TOTAL LIABILITIES	31,381	1,994	11,307	44,682
NET POSITION				
Net investment in capital assets	56,874	-	-	56,874
Unrestricted	395,284	213,764	344,615	953,663
TOTAL NET POSITION	$ 452,158	$ 213,764	$ 344,615	$ 1,010,537

CITY OF OCONOMOWOC, WISCONSIN
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2015

	Data Processing Services	Risk Management	Fleet	Total
Operating Revenues				
Charges for services	$ 506,020	$ 538,490	$ 594,860	$ 1,639,370
Other	1,915	30,998	3,181	36,094
Total Operating Revenues	507,935	569,488	598,041	1,675,464
Operating Expenses				
Administrative and general	406,758	569,358	378,844	1,354,960
Depreciation	29,550	-	-	29,550
Total Operating Expenses	436,308	569,358	378,844	1,384,510
Operating Income	71,627	130	219,197	290,954
Nonoperating Revenues				
Interest revenue	956	497	1,609	3,062
Change in Net Position	72,583	627	220,806	294,016
Net Position - January 1	379,575	213,137	123,809	716,521
Net Position - December 31	$ 452,158	$ 213,764	$ 344,615	$ 1,010,537

CITY OF OCONOMOWOC, WISCONSIN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2015

	Data Processing Services	Risk Management	Fleet	Total
Cash Flows from Operating Activities				
Cash received from customers	$ 507,260	$ 569,350	$ 594,995	$ 1,671,605
Cash paid to suppliers	(375,944)	(561,362)	(200,781)	(1,138,087)
Cash paid to and on behalf of employees	(36,622)	(7,036)	(168,268)	(211,926)
Net Cash Provided by Operating Activities	94,694	952	225,946	321,592
Cash Flows from Capital and Related Financing Activities				
Net acquisition of capital assets	(38,048)	-	-	(38,048)
Principal paid on notes	(3,399)	-	-	(3,399)
Net Cash Used by Capital and Related Financing Activities	(41,447)	-	-	(41,447)
Cash Flows from Investing Activities				
Interest received on investments	956	497	1,609	3,062
Increase in Cash and Cash Equivalents	54,203	1,449	227,555	283,207
Cash and Cash Equivalents - January 1	330,732	204,501	128,367	663,600
Cash and Cash Equivalents - December 31	$ 384,935	$ 205,950	$ 355,922	$ 946,807
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	$ 71,627	$ 130	$ 219,197	$ 290,954
Adjustments to reconcile operating income to net cash provided by operations				
Depreciation	29,550	-	-	29,550
Changes in assets and liabilities				
Accounts receivable	1,240	-	125	1,365
Inventories and prepaid items	(5,986)	-	-	(5,986)
Accounts payable	(1,994)	773	5,048	3,827
Accrued payroll	257	49	1,576	1,882
Net Cash Provided by Operating Activities	$ 94,694	$ 952	$ 225,946	$ 321,592

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Governmental Capital Assets - By Source
December 31, 2015

Governmental Capital Assets		
Land	$	10,598,644
Land improvements		1,783,005
Buildings		15,345,628
Machinery and equipment		8,497,091
Infrastructure		66,975,777
Construction in progress		1,518,138
Total Governmental Capital Assets	$	104,718,283
Investment in Governmental Capital Assets by Source		
General fund	$	6,213,763
Special revenue funds		4,612,626
Capital projects funds		58,142,785
Contributions		35,749,109
Total Investment in Governmental Capital Assets	$	104,718,283

CITY OF OCONOMOWOC, WISCONSIN
Schedule of Changes in Governmental Capital Assets - By Function and Activity
For the Year Ended December 31, 2015

Function and Activity	Balance 1/1/15	Additions	Deletions	Balance 12/31/15
General Government	$ 2,634,469	$ 38,048	$ -	$ 2,672,517
Public Safety				
Police	1,433,411	90,141	-	1,523,552
Fire	5,174,959	16,174	-	5,191,133
Ambulance	596,678	-	205,236	391,442
Public Works	73,122,037	1,521,445	17,693	74,625,789
Culture and Recreation	18,633,138	281,880	125,224	18,789,794
Conservation and Development	1,524,056	-	-	1,524,056
Total Governmental Capital Assets	$ 103,118,748	$ 1,947,688	$ 348,153	$ 104,718,283

CITY OF OCONOMOWOC, WISCONSIN

Schedule of Governmental Capital Assets - By Function and Activity

December 31, 2015

Function and Activity	Land	Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Construction In Progress	Total
General Government	$ 412,234	$ 287,755	$ 1,710,840	$ 257,627	$ -	$ 4,061	$ 2,672,517
Public Safety							
Police	-	-	425,241	1,098,311	-	-	1,523,552
Fire	237,762	-	3,259,503	1,677,694	-	16,174	5,191,133
Ambulance	-	-	-	391,442	-	-	391,442
Public Works	1,789,924	840,008	626,570	2,957,639	66,921,145	1,490,503	74,625,789
Culture and Recreation	6,681,766	655,242	9,323,474	2,067,280	54,632	7,400	18,789,794
Conservation and Development	1,476,958	-	-	47,098	-	-	1,524,056
Total Governmental Capital Assets	$ 10,598,644	$ 1,783,005	$ 15,345,628	$ 8,497,091	$ 66,975,777	$ 1,518,138	$ 104,718,283

Statistical Section

STATISTICAL SECTION

This part of the City of Oconomowoc's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends (Tables 1 thru 4)

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity (Tables 5 thru 11)

These schedules contain information to help the reader assess the government's most significant local revenue sources, electric charges for service and property tax.

Debt Capacity (Tables 12 thru 16)

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information (Tables 17 thru 18)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information (Tables 19 thru 21)

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF OCONOMOWOC, WISCONSIN
Table 1 - Net Position by Category
Last Ten Years
(accrual basis of accounting)

	2006		2007		2008		2009		2010	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Governmental Activities										
Net Investment in Capital Assets	$ 19,425,659	97.7%	$ 22,392,934	85.2%	$ 33,060,020 (1)	85.7%	$ 32,866,700	76.3%	$ 45,061,189 (8)	85.8%
Restricted	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Unrestricted	466,444	2.3%	3,900,606 (2)	14.8%	5,507,757	14.3%	10,227,345 (3)	23.7%	7,445,919 (3)	14.2%
Total Governmental Activities Net Position	19,892,103	100.0%	26,293,540	100.0%	38,567,777	100.0%	43,094,045	100.0%	52,507,108	100.0%
Business-Type Activities										
Net Investment in Capital Assets	61,731,031 (4)	67.5%	60,504,639 (5)	62.5%	73,683,862 (6)	72.1%	80,652,170	75.8%	83,042,758	76.2%
Restricted for										
Debt Service	173,220	0.2%	- (7)	0.0%	-	0.0%	-	0.0%	-	0.0%
Plant Replacement	155,255	0.2%	159,187	0.2%	185,096	0.2%	194,382	0.2%	215,188	0.2%
Unrestricted	29,381,380	32.1%	36,125,531	37.3%	28,313,393	27.7%	25,515,132	24.0%	25,748,921	23.6%
Total Business-Type Activities Net Position	91,440,886	100.0%	96,789,357	100.0%	102,182,351	100.0%	106,361,684	100.0%	109,006,867	100.0%
Primary Government										
Net Investment in Capital Assets	81,156,690	72.9%	82,897,573	67.4%	106,743,882	75.8%	113,518,870	76.0%	128,103,947	79.3%
Restricted										
Subsequent Year Projects									-	
Debt Service	173,220	0.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Plant Replacement	155,255	0.1%	159,187	0.1%	185,096	0.1%	194,382	0.1%	215,188	0.1%
Unrestricted	29,847,824	26.8%	40,026,137	32.5%	33,821,150	24.0%	35,742,477	23.9%	33,194,840	20.6%
Total Primary Government Net Position	111,332,989	100.0%	123,082,897	100.0%	140,750,128	100.0%	149,455,729	100.0%	161,513,975	100.0%

	2011		2012		2013		2014		2015	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Governmental Activities										
Net Investment in Capital Assets	$ 46,495,683	81.8%	$ 49,653,615 (9)	78.3%	$ 51,289,093	77.2%	$ 54,635,803 (12)	80.6%	$ 54,189,854	76.7%
Restricted										
Subsequent year projects	15,000 (10)	0.0%	14,954 (10)	0.0%	13,278 (10)	0.0%	13,278 (10)	0.0%	7,661 (10)	0.0%
Pension Benefits									2,237,533 (13)	
Unrestricted	10,352,407	18.2%	13,758,833	21.7%	15,152,625	22.8%	13,162,985	19.4%	14,179,001	20.1%
Total Governmental Activities Net Position	56,863,090	100.0%	63,427,402	100.0%	66,454,996	100.0%	67,812,066	100.0%	70,614,049	96.8%
Business-Type Activities										
Net Investment in Capital Assets	83,382,106	76.0%	90,129,144 (11)	80.4%	90,641,286	79.6%	92,159,016	78.8%	94,129,414	77.3%
Restricted for										
Debt Service	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Pension Benefits	-	0.0%	-	0.0%	-	0.0%	-	0.0%	924,921 (13)	0.8%
Plant Replacement	277,451	0.3%	271,182	0.2%	295,227	0.3%	318,302	0.3%	8,107,350 (14)	6.7%
Unrestricted	26,075,528	23.8%	21,758,889 (11)	19.4%	22,887,194	20.1%	24,503,798	20.9%	18,585,144 (14)	15.3%
Total Business-Type Activities Net Position	109,735,085	100.0%	112,159,215	100.0%	113,823,707	100.0%	116,981,116	100.0%	121,746,829	100.0%
Primary Government										
Net Investment in Capital Assets	129,877,789	78.0%	139,782,759	79.6%	141,930,379	78.7%	146,794,819	79.4%	148,319,268	77.1%
Restricted for										
Subsequent Year Projects	-	0.0%	14,954	0.0%	13,278	0.0%	13,278	0.0%	7,661	0.0%
Debt Service	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Pension Benefits									3,162,454	1.6%
Plant Replacement	277,451	0.2%	271,182	0.2%	295,227	0.2%	318,302	0.2%	8,107,350	4.2%
Unrestricted	36,427,935	21.9%	35,517,722	20.2%	38,039,819	21.1%	37,666,783	20.4%	32,764,145	17.0%
Total Primary Government Net Position	166,583,175	100.0%	175,586,617	100.0%	180,278,703	100.0%	184,793,182	100.0%	192,360,878	100.0%

Notes:
(1) Increase in governmental activities net investment in capital assets from 2007 to 2008 due to asset contribution from STH 16 jurisdictional transfer from the State of Wisconsin that does not have any related debt.
(2) Increase in unrestricted governmental activities net position due to current year surplus.
(3) Increase in 2009 and decrease in 2010 primarily due to carryover of approximately $3 million in debt proceeds for two year street maintenance program issued in 2009 and spent in 2010.
(4) Increases in business-type activities net investment in capital assets from 2005 to 2006, due to capital additions financed by charges for services and reserves (not by debt).
(5) New debt issuance in the electric utility in 2007 related to capital assets.
(6) Increases in business-type activities net investment in capital assets from 2007 to 2008, due to new development infrastructure for $2.7 million, $2.4 million in new machinery and equipment primarily due to new Automated Meter Reading system, $3.6 million in infrastructure improvements to Electric, Water, and Wastewater distribution systems, $2.1 million for Wastewater Tertiary filter replacement, and other smaller capital additions that were not financed with debt.
(7) Revenue bonds requiring restricted net assets for debt service were satisfied in 2007.
(8) Increase primarily due to street projects, jurisdictional transfer of portion of STH 16, property purchase for new community center, and building of new fire station.
(9) Increase due to completion of new community center building in 2012 and construction of Southeast Arterial Road.
(10) Maintenance fund for Imagination Station playground funded by outside grantors.
(11) Wastewater Treatment Facility expansion project incurred $6.1 million in spending in 2012.
(12) Increase due to early redemption of TID #4 related debt.
(13) Increase due to implementation of GASB 68 and 71 and recognition of the City's portion of the Net Pension Asset through WRS.
(14) Increase due to reclassification of balances related to impact fees collected from unrestricted to restricted.

CITY OF OCONOMOWOC, WISCONSIN
Table 2 - Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
General Government	$ 1,580,361	$ 1,320,768	$ 1,734,840	$ 1,417,110	$ 1,717,894	$ 2,002,530	$ 1,686,098	$ 1,722,233	$ 1,114,912	$ 1,133,667
Public Safety	4,450,734	4,818,069	5,133,204	5,250,239	5,216,917	5,725,215	6,124,308	6,200,876	6,839,962	6,537,553
Public Works	2,849,762	3,294,800	4,570,339 (1)	7,035,365 (2)	5,485,728	4,999,037	5,157,208	5,251,866	5,562,184	6,420,900 (15)
Sanitation	839,897	895,395	957,109	1,027,870	1,059,573	1,145,997	1,187,665	1,206,549	1,238,375	921,556 (16)
Health & Human Services	51,253	54,516	55,490	44,066	47,846	53,193	51,639	65,396	67,238	81,262
Culture & Recreation	2,353,402	2,504,750	2,574,813	2,558,067	2,657,723	2,769,148	2,956,094	3,037,207	2,694,682	3,102,567
Conservation & Development	377,326	556,341	678,834	554,573	630,122	494,693	211,363	479,290	3,551,540 (12)	739,394
Interest on Long-Term Debt	786,779	993,937	941,625	1,046,927	1,030,837	1,063,375	961,798	865,729	415,205 (13)	297,667 (13)
Total Governmental Activities	13,289,514	14,438,576	16,646,254	18,934,217	17,846,640	18,253,188	18,336,173	18,829,146	21,484,098	19,234,566
Business-Type Activities:										
Electric Utility	15,328,257	17,277,428 (3)	19,437,258 (3)	19,553,523	22,388,184 (3)	22,864,613	23,457,389	23,203,140	23,311,332	23,340,476
Water Utility	1,568,803	1,531,917	1,935,284	2,116,428	2,147,650	2,408,769	2,269,042	2,288,830	2,495,848	2,467,765
Wastewater Utility	2,362,889	2,460,629	2,564,093	2,682,741	2,781,547	2,751,028	2,765,639	2,896,853	3,084,401	3,322,953
Total Business-Type Activities Expenses	19,259,949	21,269,974	23,936,635	24,352,692	27,317,381	28,024,410	28,492,070	28,388,823	28,891,581	29,131,194
Total Primary Government Expenses	$ 32,549,463	$ 35,708,550	$ 40,582,889	$ 43,286,909	$ 45,164,021	$ 46,277,598	$ 46,828,243	$ 47,217,969	$ 50,375,679	$ 48,365,760
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 411,983	$ 408,880	$ 415,923	$ 350,031	$ 788,228	$ 864,551	$ 877,816	$ 862,810	$ 405,750	$ 383,964
Public Safety	1,722,431	1,961,628	1,787,647	1,514,930	1,418,359	1,687,187	1,559,019	1,829,378	1,604,617	1,713,420
Sanitation	773,772	813,473	852,801	920,809	1,033,112	1,046,298	1,142,594	1,164,153	1,173,835	840,976 (16)
Other Activities	473,393	507,673	607,477	556,442	572,623	626,707	623,901	671,989	696,091	816,484
Operating Grants and Contributions	1,521,335	1,699,778	1,649,035	1,540,331	1,468,424	1,511,971	1,433,184	1,498,010	1,529,070	1,584,185
Capital Grants and Contributions	1,453,400 (4)	1,890,262	9,301,184 (5)	4,028,451	7,167,706 (5)	795,765	4,313,414 (6)	715,030	2,015,696 (14)	1,699,734
Total Governmental Activities Program Revenues	6,356,314	7,281,694	14,614,067	8,910,994	12,448,452	6,532,479	9,949,928	6,741,370	7,425,059	7,038,763
Business-Type Activities:										
Charges For Services:										
Electric Utility	16,163,076	18,544,556 (7)	21,012,751	21,323,094	22,919,822	23,693,501	24,147,335	24,057,575	25,154,540	25,183,209
Water Utility	1,808,703	1,883,420	1,927,837	2,494,171	2,527,357	2,716,239	3,555,142	3,433,380	3,349,615	3,361,175
Wastewater Utility	3,514,211	4,680,780 (8)	3,602,493	2,939,941	3,061,843	3,177,237	3,349,799	3,516,994	3,522,210	3,726,990
Capital Grants and Contributions	7,304,629	784,048 (9)	2,694,911 (10)	2,321,969	2,265,051	2,298	811,825	275,745	1,261,085 (14)	1,872,161 (14)
Total Business-Type Activities Program Revenues	28,790,619	25,892,804	29,237,992	29,079,175	30,774,073	29,589,275	31,864,101	31,283,694	33,287,450	34,143,535
Total Primary Government Program Revenues	35,146,933	33,174,498	43,852,059	37,990,169	43,222,525	36,121,754	41,814,029	38,025,064	40,712,509	41,182,298
Net (Expense)/Revenue:										
Governmental Activities	$ (6,933,200)	$ (7,156,882)	$ (2,032,187)	$ (10,023,223)	$ (5,398,188)	$ (11,720,709)	$ (8,386,245)	$ (12,087,776)	$ (14,059,039)	$ (12,195,803)
Business-type Activities	9,530,670	4,622,830	5,301,357	4,726,483	3,456,692	1,564,865	3,372,031	2,894,871	4,395,869	5,012,341
Total Primary Government Net Expense	$ 2,597,470	$ (2,534,052)	$ 3,269,170	$ (5,296,740)	$ (1,941,496)	$ (10,155,844)	$ (5,014,214)	$ (9,192,905)	$ (9,663,170)	$ (7,183,462)

CITY OF OCONOMOWOC, WISCONSIN
Table 2 - Changes in Net Position (cont)
Last Ten Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	$ 10,091,131 (12)	$ 10,710,650	$ 11,841,415	$ 12,490,952	$ 12,512,323	$ 12,426,047	$ 12,431,797	$ 12,453,379	$ 12,754,228	$ 10,228,149 (17)
Other Taxes	152,903	242,321	306,691	276,638	345,331	348,571	375,828	385,647	402,925	436,126
Unrestricted Grants and Contributions	446,736	464,381	426,264	434,843	374,457	361,378	325,804	336,336	412,679	317,364
Investment Earnings	923,839	1,232,962	647,330	209,519	144,420	119,388	116,693	99,425	100,417	92,685
Special item - gain on sale of asset	28,943	41,235	- (11)	- (11)	- (11)	- (11)	- (11)	- (11)	- (11)	- (11)
Miscellaneous	78,972	46,055	220,481	164,019	281,827	317,154	305,072	299,351	189,023	238,144
Transfers	803,033	820,715	864,243	973,520	1,152,893	1,324,306	1,395,363	1,541,232	1,556,837	1,500,376
Total Governmental Activities	12,525,557	13,558,319	14,306,424	14,549,491	14,811,251	14,896,844	14,950,557	15,115,370	15,416,109	12,812,844
Business-Type Activities:										
Investment Earnings	1,314,233	1,546,356	955,880	426,370	341,384	383,986	447,462	310,853	318,377	325,784
Miscellaneous	-	-	-	-	-	103,673	-	-	-	-
Transfers	(803,033)	(820,715)	(864,243)	(973,520)	(1,152,893)	(1,324,306)	(1,395,363)	(1,541,232)	(1,556,837)	(1,500,376)
Total Business-Type Activities	511,200	725,641	91,637	(547,150)	(811,509)	(836,647)	(947,901)	(1,230,379)	(1,238,460)	(1,174,592)
Total Primary Government	13,036,757	14,283,960	14,398,061	14,002,341	13,999,742	14,060,197	14,002,656	13,884,991	14,177,649	11,638,252
Change in Net Position										
Governmental Activities	$ 5,592,357	$ 6,401,437	$ 12,274,237	$ 4,526,268	$ 9,413,063	$ 3,176,135	$ 6,564,312	$ 3,027,594	$ 1,357,070	$ 617,041
Business-Type Activities	10,041,870	5,348,471	5,392,994	4,179,333	2,645,183	728,218	2,424,130	1,664,492	3,157,409	3,837,749
Total Primary Government	$ 15,634,227	$ 11,749,908	$ 17,667,231	$ 8,705,601	$ 12,058,246	$ 3,904,353	$ 8,988,442	$ 4,692,086	$ 4,514,479	$ 4,454,790

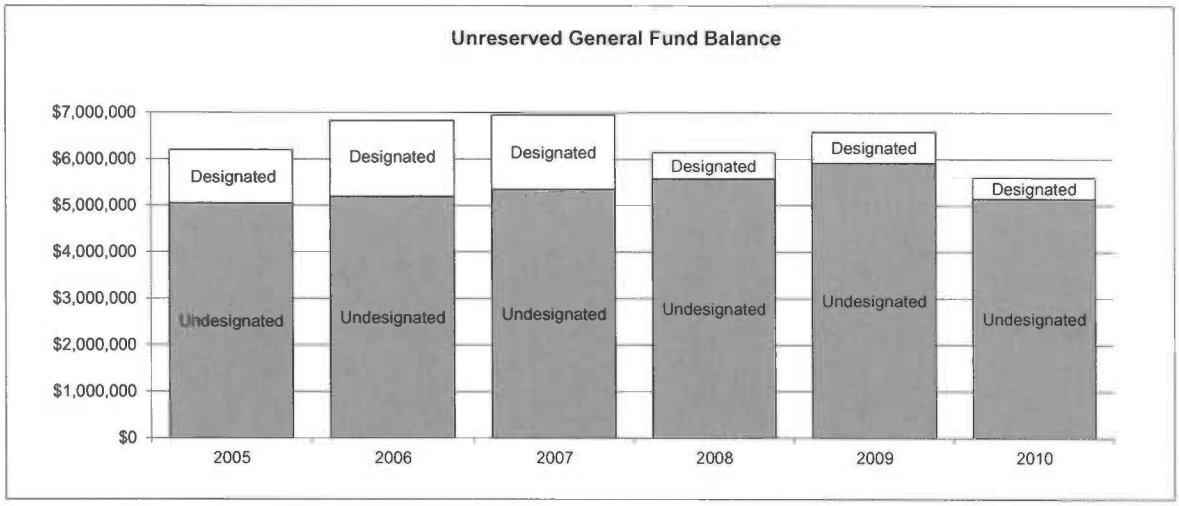
Notes:

(1) Increase in DPW expenses of governmental activities from 2007 to 2008 due to significant street construction capital improvements.
(2) Increase in DPW expenses from 2008 to 2009 due to significant street construction capital improvements.
(3) Increase in electric utility expenses due to the high cost of power and the power cost adjustment clause (PCAC).
(4) Decrease in governmental activities capital grants and contributions from 2005 to 2006 due to decrease in annual dedications of infrastructure (approximately $2.4 million less than the prior year).
(5) Jurisdictional transfer from the State of Wisconsin for STH 16 in 2008 and 2010.
(6) Increase due to $2.4 million CDBG Grant for Community Center.
(7) Increase due to the cost of purchased power and a rate increase on Sept 1, 2007.
(8) Increase due to sewer availability charges collected from new development.
(9) Significant decrease in contributions for infrastructure due to a decrease in development.
(10) Increase due to contributions from developers of approximately $1.6 million for water mains, hydrants, and services.
(11) Sales of capital assets were not unusual nor infrequent; therefore they were not classified as a special item and instead included in miscellaneous.
(12) Increase due to donation of property to developer as authorized in the TID #4 project plan.
(13) Decrease due to early retirement of TID #4 related debt.
(14) Increase due to dedicaton of infrastructure improvements for two residential subdivisions.
(15) Increase in maintenance projects as compared to capitalizable construction projects.
(16) Decrease due to change in providers for garbage collection, reduction in expenses and corresponding charges to public.
(17) Decrease relates to closure of TID 3 and resulting reduction in tax increment.

CITY OF OCONOMOWOC, WISCONSIN
Table 3 - Fund Balances of Governmental Funds
Pre-GASB 54 (2005-2010)
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010
General Fund						
Reserved	$ 53,199	$ 315,759	$ 315,308	$ 220,120	$ 211,782	$ 1,836,927 (1)
Restricted						
Unreserved						
Undesignated	5,053,508	5,197,510	5,350,801	5,573,399	5,916,488	5,151,092 (1)
Designated	1,142,608	1,628,531	1,599,112	568,644 (2)	666,298	454,243
Subtotal Unreserved	6,196,116	6,826,041	6,949,913	6,142,043	6,582,786	5,605,335
Total General Fund	6,249,315	7,141,800	7,265,221	6,362,163	6,794,568	7,442,262
All Other Governmental Funds						
Reserved	137,196	316,938	294,211	536,267	189,349	220,821
Restricted						
Unreserved						
Undesignated, reported in						
Special Revenue Funds	(78,622)	(25,705)	-	-	(8,167)	(237,252)
Capital Projects Funds	(492,307)	-	-	(618,385)	(826,729)	(365,664)
Debt Service Fund	(392,234)	(343,670)	(307,107)	(265,569)	(217,974)	(2,767,809) (3)
Subtotal Undesignated	(963,163)	(369,375)	(307,107)	(883,954)	(1,052,870)	(3,370,725)
Designated, reported in						
Special Revenue Funds	1,634,154	1,829,172	2,190,051	2,408,952	3,430,829	1,992,908
Capital Projects Funds	3,038,468	7,348,606 (4)	8,147,217	10,056,337 (5)	13,789,107 (6)	13,577,154
Subtotal Designated	4,672,622	9,177,778	10,337,268	12,465,289	17,219,936	15,570,062
Subtotal Unreserved	3,709,459	8,808,403	10,030,161	11,581,335	16,167,066	12,199,337
Total All Other Governmental Funds	3,846,655	9,125,341	10,324,372	12,117,602	16,356,415	12,420,158

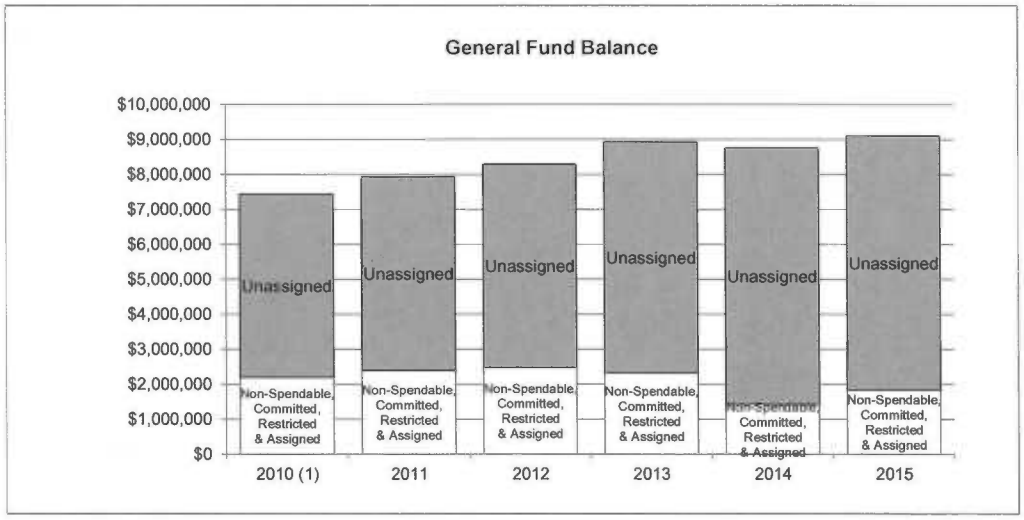
Notes:
(1) Increase in reserved fund balance and decrease in undesignated fund balance due to interfund loans between general fund and TID #4 ($1,335,500) and general fund and Fire and EMS impact fee fund ($240,000).
(2) Designated funds were used for purposes intended.
(3) Decrease in other governmental funds undesignated fund balance reported in debt service fund due to interfund loan between wastewater utility (enterprise fund) and the debt service fund.
(4) Increase in other governmental funds' designated fund balance in capital projects from 2005 to 2006 due primarily to net surpluses in TID #3 and TID #4 of $2.0 million and $2.6 million, respectively.
(5) Increase in other governmental funds' designated fund balance in capital projects from 2007 to 2008 due primarily to net surplus in TID #3 of $1.5 million.
(6) Increase in other governmental funds' designated fund balance in capital projects from 2008 to 2009 due primarily to carryover of debt proceeds for two year street maintenance project.



CITY OF OCONOMOWOC, WISCONSIN
Table 3 - Fund Balances of Governmental Funds
Post-GASB 54 (2010 & Forward)
(modified accrual basis of accounting)

	2010 (1)	2011	2012	2013	2014	2015
General Fund						
Non-Spendable	$ 1,766,012	$ 1,733,839	$ 1,704,188	$ 1,672,084	$ 696,270 (5)	$ 683,782
Restricted	15,000	15,000	14,954	13,278	13,278	7,661
Committed	196,260	196,260	196,260	196,260	196,260	196,260
Assigned	213,898	445,473	558,828	434,030	517,419	946,589
Unassigned	5,251,092	5,542,777	5,820,027	6,623,734	7,343,839	7,275,444
Total General Fund	7,442,262	7,933,349	8,294,257	8,939,386	8,767,066	9,109,736
All Other Governmental Funds						
Non-Spendable	-	-	20,449	367	-	-
Restricted						
TID #3 Capital Projects Fund	11,087,389	13,358,880	12,575,954	57,494 (2)	-	-
Debt Service Fund	-	-	-	-	33,690	45,476
Other	12,187	1,099,161	1,301,307	2,785,708 (3)	1,433,373	1,326,759
Committed						
Capital Improvements Funds	3,010,836	2,227,556	2,524,237	2,898,485	2,242,876	2,496,179
Other	1,028,549	1,133,483	1,153,078	1,218,123	1,271,203	1,450,417
Assigned	-	-	19,600	-	-	-
Unassigned						
Debt Service Fund	(2,767,809)	(2,719,310)	(76,117) (4)	(25,243)	-	-
Other	-	(812,416)	(1,436,068)	(151,270) (3)	(272,601)	(300,561)
Total All Other Governmental Funds	12,371,153	14,287,354	16,082,440	6,783,664	4,708,541	5,018,270

Notes:
(1) 2010 restated in GASB 54 new fund categories for comparison purposes.
(2) Decrease due to $12.6 million TID #3 debt payoff and $3 million transfer to TID #4.
(3) $3 million donor increment from TID #3 to TID #4, resulting in a reduction of unassigned deficit and an increase to restricted balance.
(4) Decrease due to refinancing of internal advance for Community Center with external debt.
(5) Decrease due to repayment of long term internal advance due from TID #4



CITY OF OCONOMOWOC, WISCONSIN
Table 4 - Changes in Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	$ 10,330,996 (1)	$ 11,047,692	$ 12,201,941	$ 12,829,297	$ 12,923,744	$ 12,842,742	$ 12,872,762	$ 12,904,809	$ 13,218,761	$ 10,720,026 (14)
Special Assessments	28,733	30,815	18,615	28,952	23,545	22,338	25,941	20,038	18,062	23,054
Intergovernmental	1,541,188	1,629,276	1,806,235	1,843,353	1,812,448	1,924,108	4,216,408 (2)	1,900,262	1,902,444	1,870,907
Licenses & Permits	963,590	1,194,673	891,252	473,472	422,723	709,276	697,628	912,518	711,990	779,266
Fines & Forfeitures	419,500	487,706	407,420	402,877	360,099	363,598	374,446	463,488	366,454	303,950
Public Charges for Service	1,942,221	1,891,727	2,006,925	2,059,930	2,099,443	2,319,161	2,297,148	2,343,960	2,352,013	2,183,544
Intergovernmental Charges	169,809	332,600	341,127	358,262	479,167	480,039	490,910	528,929	555,865	579,805
Interdepartmental Charges	77,623	77,464	77,526	88,215	94,478	104,872	114,949	71,555	69,310	49,188
Miscellaneous	1,193,657	1,490,177	1,037,694	2,474,894 (3)	387,752	376,172	727,923	681,208	324,452	300,397
Total Revenues	16,667,317	18,182,130	18,788,735	20,559,252	18,603,399	19,142,306	21,818,115	19,826,767	19,519,351	16,810,137
Expenditures										
General Government	1,431,921	1,240,371	1,423,170	1,305,716	1,193,865	1,443,477	1,049,020	1,137,436	1,190,042	1,247,000
Public Safety	4,267,945	4,829,402	4,988,505	5,132,396	5,109,713	5,453,505	5,742,408	5,922,656	6,188,561	6,127,844
Public Works	2,577,544	2,962,446	3,247,823	2,982,597	3,118,696	3,369,449	3,280,946	3,450,449	3,694,919	3,350,900
Health & Human Services	51,253	54,516	55,490	44,066	47,846	53,193	51,639	50,921	55,713	67,622
Culture & Recreation	2,176,265	2,352,012	2,559,063	2,576,221	2,444,583	2,441,651	2,411,125	2,753,605	2,544,598	2,645,274
Conservation & Development	339,042	368,427	517,573	415,551	474,845	458,803	534,042	460,342	550,767	634,238
Debt Service										
Principal Retirement	497,592	511,796	461,300	5,602,248 (4)	757,411	6,182,935 (4)	6,048,840 (5)	18,520,470 (6)	5,808,935 (13)	962,116
Interest & Fiscal Charges	843,209	940,013	933,669	1,042,830	1,114,762	1,109,532	1,151,035	1,011,776	463,088	322,512
Capital Outlay	4,152,958	4,421,410	4,576,213	7,870,113 (7)	8,783,134 (8)	5,197,551	9,631,767 (9)	3,342,920	4,085,781	2,300,608
Total Expenditures	16,337,729	17,680,393	18,762,806	26,971,738	23,044,855	25,710,096	29,900,822	36,650,575	24,582,404	17,658,114
Revenues Over/(Under) Expenditures	329,588	501,737	25,929	(6,412,486)	(4,441,456)	(6,567,790)	(8,082,707)	(16,823,808)	(5,063,053)	(847,977)
Other Financing Sources/(Uses)										
Long Term Debt Issued	5,000,000	-	-	10,025,000	-	7,510,000	8,650,000	6,400,000	1,228,528	-
Premium on Debt Issued	38,550	-	-	85,184	-	91,767	193,338	233,929	30,245	-
Transfers In	1,993,711	2,590,229 (10)	2,664,713 (11)	6,940,969 (4)	4,962,376	8,035,795 (4)	3,712,971	17,700,461 (12)	10,746,677 (13)	1,844,507
Transfers Out	(1,190,678)	(1,769,514) (10)	(1,800,470) (11)	(5,967,449)	(3,809,483)	(6,711,489)	(2,317,608)	(16,164,229) (12)	(9,189,840) (13)	(344,131)
Total Other Financing Sources/(Uses)	5,841,583	820,715	864,243	11,083,704	1,152,893	8,926,073	10,238,701	8,170,161	2,815,610	1,500,376
Net Change in Fund Balances	6,171,171	1,322,452	890,172	4,671,218	(3,288,563)	2,358,283	2,155,994	(8,653,647)	(2,247,443)	652,399
Debt Service as a Percentage of Noncapital Expenditures	12.2%	10.8%	9.0%	29.2% (14)	13.1%	35.6% (14)	35.5% (6)	58.6% (13)	30.6% (14)	8.2%

Notes:
(1) The tax increment collected for TID #3 increased $1.8 million from 2005 to 2006.
(2) Increase due to $2.4 million CDBG Community Center grant.
(3) Includes $2 million contribution from developer for new fire station.
(4) Includes $5 million transfer to refinance TID #4 NANs to debt service fund.
(5) Includes refinancing of $4.3 million Community Center debt.
(6) Increase due to $12.6 million TID #3 debt payoff.
(7) Increase due to significant street construction capital improvements.
(8) Increase due to significant street construction capital improvements, construction of new fire station, and purchase of properties for future community center.
(9) Increase due to completion of new Community Center building in 2012 and construction of Southeast Arterial Road.
(10) Includes $965,000 General Fund undesignated fund balance transfer to the Capital Projects Fund.
(11) Includes $448,000 General Fund designated fund balance and $527,000 from undesignated general fund balance transfer to the Capital Projects Fund.
(12) $12.6 million TID #3 debt payoff and $3 million transfer from TID #3 to TID #4.
(13) Includes $4.98 million early retirement of debt related to TID #4
(14) Decrease relates to closure of TID 3 and corresponding reduction to increment.

CITY OF OCONOMOWOC, WISCONSIN

Table 5 - Electric Charges for Service Revenue Base

Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014 [13]	2015
Residential										
kWh [1]	69,050	72,285	70,402	67,975 [4]	72,508	71,516	73,058	72,123	72,121	70,705
Rate [2]	$ 77.10	$ 84.91	$ 98.90	$ 102.12	$ 108.22	$ 113.46	$ 113.76	$ 115.10	$ 122.76	$ 124.48
Customers	7,393	7,482	7,536	7,563	7,576	7,682 [5]	7,716	8,040 [6]	8,059	8,199
Commercial										
kWh [1]	25,748	27,496	28,499	27,695 [4]	27,859	27,472 [4]	27,710	26,670	25,421	23,133
Rate [2]	$ 73.28	$ 81.31	$ 92.95	$ 98.75	$ 103.84	$ 109.35	$ 111.08	$ 112.25	$ 119.49	$ 120.31
Customers	1,005	1,000	1,022	1,026	1,038	1,026	1,009	1,168 [7]	1,047	1,043
Small Power										
kWh [1]	23,827	22,522	23,804	21,941 [4]	23,014	22,900	23,474	23,755	22,357	25,159
Rate [2]	$ 69.38	$ 78.26	$ 93.74	$ 97.91	$ 98.63	$ 102.18	$ 103.79	$ 105.27	$ 111.69	$ 111.88
Customers	70	69	72	67	68	63	67	84 [7]	71	80
Large Power										
kWh [1]	54,269	57,485	56,700	51,068 [4]	50,700 [8]	50,264 [8]	51,514	63,419 [9]	73,379 [9]	74,768
Rate [2]	$ 59.67	$ 67.07	$ 76.33	$ 83.29	$ 90.34	$ 95.20	$ 95.58	$ 94.90	$ 96.18	$ 95.93
Customers	30	31	32	33	33	33	32	41 [9]	43	42
Industrial										
kWh [1]	67,051	68,149	63,913	61,604 [4]	59,820 [8]	57,320 [8]	55,881 [8]	43,593 [9]	35,756 [9]	34,744
Rate [2]	$ 55.55	$ 61.41	$ 69.54	$ 76.35	$ 81.75	$ 87.12	$ 86.32	$ 87.17	$ 88.08	$ 87.04
Customers	9	9	9	15 [10]	15	15	15	6 [9]	5	5
Other [3]										
kWh [1]	1,502	1,577	1,455 [11]	1,542 [11]	1,530	1,550	1,540	1,525	1,782	1,795
Rate [2]	$ 144.69	$ 146.85	$ 172.83	$ 168.24	$ 176.62	$ 180.44	$ 181.24	$ 183.68	$ 218.81	$ 225.90
Customers	65	64	60	55 [12]	53	50	50	51	53	58
Totals										
kWh [1]	241,447	249,514	244,773	231,825 [4]	235,431	231,022 [8]	233,177	231,085	230,816	230,308
Rate [2]	$ 66.45	$ 73.78	$ 85.25	$ 90.76	$ 96.63	$ 101.80	$ 102.29	$ 103.40	$ 108.25	$ 108.56
Customers	8,572	8,655	8,731	8,759	8,783	8,869	8,889	9,390 [7]	9,278	9,427

Notes:

(1) kWh: Kilowatt Hours sold

(2) Rate: Weighted Average Rate = total revenues by class divided by total kilowatt hours sold by class. Includes energy charge, customer charge, and various other applicable fixed charges.

(3) Includes public street and highway lighting.

(4) Usage decreased due to a slightly cooler than normal summer, economic slowdown, and an increase in energy efficiency programs.

(5) Increase due to new large apartment complex which added several new residential customers.

(6) Several new apartment complexes resulted in many new residential customers with little or no usage (some vacant).

(7) New reporting method used for customer counts in 2013.

(8) Business usage has decreased as a result of an economic slowdown and energy efficiency programs.

(9) Shift of customers from Industrial to Large Power.

(10) With the installation of new meters, each demand meter is now billed seperately instead of one consolidated bill per customer.

(11) Street lighting removed in 2008 during STH 16 road construction project was replaced and returned to normal usage.

(12) Customers requested removal of private yard lights.

(13) Rate increases approved by Public Service Commission effective January 2014.

Source: Wisconsin Public Service Commission Annual Report

CITY OF OCONOMOWOC, WISCONSIN
Table 6 - Electric Charges for Service Rates
Last Ten Years

	2006	2007 [5]	2008	2009	2010	2011	2012	2013	2014 [6]	2015
Residential										
kWh [1]	$ 0.0542	$ 0.0868	$ 0.0868	$ 0.0868	$ 0.0868	$ 0.0868	$ 0.0868	$ 0.0868	$ 0.1169	$ 0.1169
Fixed Charge - Single Phase	3.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
Fixed Charge - Three Phase [7]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.00
Residential - Time of Use										
kWh [1] - on peak	0.1016	0.1550	0.1550	0.1550	0.1550	0.1550	0.1550	0.1550	0.2052	0.2052
kWh [1] - off peak	0.0206	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380	0.0586	0.0586
Fixed Charge - Single Phase	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
Fixed Charge - Three Phase [7]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.00
General Service										
kWh [1]	0.0542	0.8680	0.0868	0.0868	0.0868	0.0868	0.0868	0.0868	0.1169	0.1169
Fixed Charge - Single Phase	5.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00
Fixed Charge - Three Phase [7]										12.00
Small Power [4]										
kWh [1]	0.0301	0.0555	0.0555	0.0555	0.0555	0.0555	0.0555	0.0555	0.0803	0.0803
kW [2]	6.7500	8.2500	8.2500	8.2500	8.2500	8.2500	8.2500	8.2500	8.5000	8.5000
kW [2]	6.7500	8.2500	8.2500	8.2500	8.2500	8.2500	8.2500	8.2500	8.5000	8.5000
kW - Distribution [2] [7]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.5000
Fixed Charge	20.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	50.00	50.00
Large Power [4]										
kWh [1] - on peak	0.0270	0.0584	0.0584	0.0584	0.0584	0.0584	0.0584	0.0584	0.0958	0.0958
kWh [1] - off peak	0.0175	0.0372	0.0372	0.0372	0.0372	0.0372	0.0372	0.0372	0.0477	0.0477
kW [2]	8.0000	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000
kW - Distribution [2] [7]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.7500
Rkvah [3]	0.0009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fixed Charge	315.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Industrial [4]										
kWh [1] - on peak	0.0255	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	0.0917	0.0917
kWh [1] - off peak	0.0161	0.0363	0.0363	0.0363	0.0363	0.0363	0.0363	0.0363	0.0458	0.0458
kW [2]	8.0000	9.5000	9.5000	9.5000	9.5000	9.5000	9.5000	9.5000	10.0000	10.0000
kW - Distribution [2] [7]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.7500
Rkvah [3]	0.0009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fixed Charge	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00

Notes:
(1) kWh: per kilowatt hour sold (usage).
(2) kW: per kilowatt (demand).
(3) Rkvah: per reactive kilovolt-ampere-hour (billed reactive energy). This charge was removed with the 2007 rate case.
(4) Rates listed do not include optional discounts for primary metering (1.75 % of bill) nor transformer ownership ($.60 / kWh).
(5) Rate increase approved by Wisconsin Public Service Commission, effective October 2007.
(6) Rate increase approved by Wisconsin Public Service Commission, effective January 2014.
(7) Previously approved existing rates added to table for 2015.

Source: Oconomowoc Utility Billing Department / WI Public Service Commission

CITY OF OCONOMOWOC, WISCONSIN

Table 7 - Principal Electric Customers

		2006 [1]			2015		
Customer [2]	Type of Business	Usage in kilowatt hours	Rank	% of Total	Usage in kilowatt hours	Rank	% of Total
Customer 1 [3] [4]	Distribution	22,998,906	1	9.3%	17,911,891	1	7.8%
Customer 2 [3] [6]	Health Care	8,838,449	3	3.6%	8,972,950	2	3.9%
Customer 3 [4]	Distribution	11,459,804	2	4.6%	8,286,528	3	3.6%
Customer 4 [5]	Manufacturing	7,108,792	5	2.9%	8,255,202	4	3.6%
Customer 5 [10]	Municipality				6,130,931	5	2.7%
Customer 6 [3]	Manufacturing	6,295,742	7	2.5%	5,301,198	6	2.3%
Customer 7 [8]	Education				5,248,155	7	2.3%
Customer 8 [7]	Retail	8,143,637	4	3.3%	4,933,651	8	2.1%
Customer 9 [4]	Manufacturing				4,675,299	9	3.1%
Customer 10	Manufacturing	4,361,050	9	1.8%	4,586,904	10	2.0%
Customer 11 [4]	Hospitality	4,634,135	8	1.9%	3,876,879		1.7%
Customer 12 [9]	Manufacturing	7,023,446	6	2.8%	3,531,068		1.5%
Customer 13 [3]	Manufacturing	4,124,237	10	1.7%			
		84,988,198		34.2%	81,710,656		35.4%
		163,296,828		65.8%	149,105,344		64.6%
		248,285,026		100.0%	230,816,000		100.0%

Notes:

(1) Data from 10 years prior is not available; 2006 is the most recent available data.
(2) Names omitted to protect customer privacy.
(3) Implemented various energy conservation programs in the last five years (HVAC, lighting, etc.) which decreased usage.
(4) Decrease partially due to economic slowdown.
(5) Building addition in 2009.
(6) Remodeled and addition was completed in 2010.
(7) New larger store in 2008, however implemented various energy conservation programs (HVAC, lighting, etc.) which decreased usage.
(8) Includes seven locations. In prior years not all locations were combined.
(9) Company moved some production to another plant outside of city.
(10) Added to the list after improvements to meter reporting system that allowed for totalizing usage from many smaller usage meters

Source: Oconomowoc Utility Billing Department

CITY OF OCONOMOWOC, WISCONSIN

Table 8 - Assessed and Estimated Actual Value of Taxable Property [1]

Last Ten Years

	2006		2007		2008		2009		2010	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Real Property Assessed Value [2]										
Residential	$ 961,631,500	67.5%	$ 1,020,910,600	68.6%	$ 1,060,715,500	68.5%	$ 1,321,122,600	65.1%	$ 1,332,361,000	70.4%
Commercial	382,841,500	26.9%	377,090,600	25.3%	404,216,600	26.1%	593,626,700	29.3%	599,495,600	31.7%
Manufacturing	51,271,300	3.6%	46,413,900	3.1%	46,543,800	3.0%	64,417,800	3.2%	64,342,600	3.4%
Other	1,262,400	0.1%	7,826,300	0.5%	2,230,300	0.1%	2,243,100	0.1%	2,186,900	0.1%
Subtotal Real Property	1,397,006,700	98.0%	1,452,241,400	97.5%	1,513,706,200	97.8%	1,981,410,200	97.6%	1,998,386,100	105.5%
Personal Property Assessed Value [2]	28,461,612	2.0%	36,910,157	2.5%	34,582,052	2.2%	48,053,716	2.4%	46,440,720	2.5%
Total Taxable Assessed Value	1,425,468,312	100.0%	1,489,151,557	100.0%	1,548,288,252	100.0%	2,029,463,916	100.0%	2,044,826,820	108.0%
Total City Direct Tax Rate [3]	$ 5.68		$ 5.67		$ 5.80		$ 4.56 [6]		$ 4.56 [6]	
Estimated Actual Taxable Value [4]	1,643,352,700		1,890,419,100		2,015,197,300		2,061,037,900		2,019,391,100	
Assessed Value as a Percentage of Actual Value [5]	86.7%		78.8%		76.8%		98.5% [6]		101.3% [6]	

	2011		2012		2013		2014		2015	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Real Property Assessed Value [2]										
Residential	$ 1,374,327,200	67.6%	$ 1,379,126,600	69.1%	$ 1,383,915,500	69.3%	$ 1,386,608,100	69.8%	$ 1,301,260,400	68.7%
Commercial	544,590,900 [7]	26.8%	503,812,400	25.3%	496,780,000	24.9%	486,411,800	24.5%	487,318,700	25.7%
Manufacturing	62,611,200	3.1%	61,885,600	3.1%	67,815,100	3.4%	66,925,300	3.4%	59,411,600	3.1%
Other	5,457,600	0.3%	5,199,900	0.3%	3,917,700	0.2%	3,539,900	0.2%	3,513,300	0.2%
Subtotal Real Property	1,986,986,900	97.7%	1,950,024,500	97.7%	1,952,428,300	97.8%	1,943,485,100	97.9%	1,851,504,000	97.8%
Personal Property Assessed Value [2]	47,402,309	2.3%	44,897,738	2.3%	43,642,499	2.2%	42,117,187	2.1%	41,951,895	2.2%
Total Taxable Assessed Value	2,034,389,209	100.0%	1,994,922,238	100.0%	1,996,070,799	100.0%	1,985,602,287	100.0%	1,893,455,895	100.0%
Total City Direct Tax Rate [3]	$ 4.66 [8]		$ 4.83 [8]		$ 4.98 [9]		$ 5.13		$ 5.37	
Estimated Actual Taxable Value [4]	2,018,359,000		1,921,427,200		1,795,970,900		1,799,980,600		1,860,351,900	
Assessed Value as a Percentage of Actual Value [5]	100.8%		103.8%		111.1%		110.3%		101.8%	

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Assessed values are prepared by the City of Oconomowoc assessor.

(3) Tax rates are expressed in rate per $1,000 in assessed value.

(4) Estimated actual values (equalized values) are prepared by the Wisconsin Department of Revenue, Bureau of Property Tax and include TID values.

(5) The Wisconsin Department of Revenue does not consider any amendments to the Statement of Assessment when calculating the equalized ratio. Therefore, the percentage of actual value calculated above may differ slightly from what was printed on the tax bills.

(6) Revaluation of city property performed.

(7) Decrease due to change in use for two large properties and a large Board of Review adjustment.

(8) Increase in tax rate due to decrease in assessed value.

(9) Increase in tax rate due to new debt for community center and street improvements.

CITY OF OCONOMOWOC, WISCONSIN

Table 9 - Property Tax Rates - Direct and Overlapping Governments [1]

(Per $1,000 of Assessed Valuation)

Last Ten Years

	2006 [4]	2007 [4]	2008 [4]	2009 [4], [5]	2010 [4]	2011 [4]	2012 [4]	2013 [4]	2014 [4]	2015 [4]
Direct Rates:										
General Fund	$ 4.2114	$ 4.2323	$ 4.3135	$ 3.3916	$ 3.4204	$ 3.4933	$ 3.5871	$ 3.4497	$ 3.4454	$ 3.5404
Community Development Authority	0.0246	0.0233	0.0232	0.0089	-	-	-	-	-	-
Capital Projects Fund	0.9330	0.9379	1.0346	0.8332	0.8235	0.8489	0.8258	0.9398	0.9524	1.0851
Debt Service Fund	0.5112	0.4806	0.4261	0.3256	0.3181	0.3226	0.4208	0.5929	0.6691	0.6775
Ambulance Special Revenue Fund	-	-	-	-	-	-	-	-	0.0673	0.0636
Total City Rate	5.6802	5.6741	5.7974	4.5593	4.5620	4.6648	4.8337	4.9824	5.1342	5.3666
Overlapping Rates [2]:										
Waukesha County	2.2631	2.3230	2.3119	1.8158	1.8454	1.9547	1.9368	1.8941	1.9444	2.0448
State of Wisconsin	0.2163	0.2229	0.2209	0.1723	0.1676	0.1684	0.1635	0.1527	0.1538	0.1667
Waukesha County Technical College	1.3500	1.4071	1.4168	1.1231	1.1425	1.2238	1.2053	1.1702	1.1927	0.3823
Oconomowoc Area School District	8.6299	9.3040	9.7290	8.2154	9.0577	9.6241	9.5433	9.8697	9.5608	9.8394
Special Taxing Districts [3]										
Lake District 1 - LaBelle	0.0778	-	-	0.0514	0.0601	0.0629	0.0617	0.0626	0.0628	0.1149
Lake District 2 - Fowler	-	-	-	-	-	-	-	-	0.0006	0.0034
Less: State School Tax Credit	(1.0209)	(1.2421)	(1.3666)	(1.1594)	(1.1879)	(1.2343)	(1.3163)	(1.3520)	(1.3921)	(1.4566)
Totals by Lake District:										
Lake District 1 - LaBelle	17.1964	17.6890	18.1094	14.7779	15.6474	16.4644	16.4280	16.7797	16.6566	16.4581
Lake District 2 - Fowler	17.1186	17.6890	18.1094	14.7265	15.5873	16.4015	16.3663	16.7171	16.5944	16.3466

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Overlapping rates are those of local, county, and state governments that apply to property owners within the City.

(3) Not all overlapping rates apply to all City property owners. The rates for special districts apply only to the portion of the City's property owners whose property is located within the geographic boundaries of the special district.

(4) Effective for 2006 levy limits were enacted restricting the city's property tax levy capacity. Since that date there have been several revisions to the calculations.

(5) As of January 1, 2009 the assessed values within the City increased significantly due to the revaluation performed for city properties. The levies for the 2009 budgets, however, experienced little growth. This resulted in a significant decrease in both the City's portion of the tax rate and the overall tax rate.

Source: City of Oconomowoc Treasurer's Office

CITY OF OCONOMOWOC, WISCONSIN

Table 10 - Principal Taxpayers [1]

Taxpayer	Taxes Payable 2005			Taxes Payable 2015		
	Taxable Assessed Value [2]	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value [2]	Rank	% of Total Taxable Assessed Value
Pabst Farms RDL LLC [3]	$ -			$ 52,834,100	1	2.7%
Dayton Hudson Corp. (Target) [4]	50,502,500	1	4.0%	45,307,700	2	2.3%
Waukesha Health Care Inc [5]				19,163,300	3	1.0%
Pabst Farms Market Place LLC [6]				17,059,000	4	0.9%
Summit Center Market Place LLC [7]				12,510,200	5	0.6%
Whitman Park LLC [8]	7,237,200	3	0.6%	9,812,700	6	0.5%
Pabst Farms Village Square [10]				9,631,721	8	0.5%
Bruno Real Estate LLC [12]	6,559,900	5	0.5%	9,527,300	7	0.5%
Creekside North Partners LLC [11]				8,910,100	9	0.4%
Creekside North Partners Phase				7,509,800	10	0.4%
Pabst Farms Land Co I LLC [9]	37,801,500	2	3.0%			
Steven Boysa	6,856,000	4	0.5%			
Unisource Centres, Inc	6,372,300	6	0.5%			
Menasha Corporation (Orbis)	5,570,600	7	0.4%			
Helmut, Reinhard, Sawall	4,592,100	8	0.4%			
Wilkinson Manor Group	4,340,000	9	0.3%			
Arnold Foods, Inc (Brownberry)	4,160,000	10	0.3%			
Total Principal Taxpayers	133,992,100		10.7%	192,265,921		9.7%
All Other Taxpayers	1,119,957,780		89.3%	1,793,336,366		90.3%
Total	$ 1,253,949,880		100.0%	$ 1,985,602,287		100.0%

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Assessed values include real and personal property.

(3) New building completed in 2004, which is first included on tax roll payable 2006.

(4) Assessed value decreased in 2011 due to tax assessment settlement agreement.

(5) Building addition completed as of August 2007.

(6) New parcel as of 2006.

(7) New buildings completed as of January 2006.

(8) Building additions and improvements increased value in 2008.

(9) Included Pabst Farms Land LLC and Pabst Farms Development parcels. Multiple parcels have since split off and transitioned ownership, and/or changed classification, including a $5.9M parcel that was split into Pabst Farms subdivision, a $8.7M parcel that was reclassified from commerical to agriculture, and a $6.5M parcel now under Pabst Village Square.

(10) New parcels in 2007, new building completed 2008.

(11) New buildings completed as of January 2014.

(12) New parcel 2004, buildings completed as of January 2006.

CITY OF OCONOMOWOC, WISCONSIN

Table 11 - Property Tax Levies and Collections [1]

Last Ten Years

Year	Total Tax Levy [2]	Collected Within the Year of the Levy [3]		Collections in Subsequent Years [4]	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2006	$ 11,044,472	$ 10,877,482	98.5%	$ 515	$ 10,877,997	98.5%
2007	11,724,528	11,572,449	98.7%	597	11,573,046	98.7%
2008	12,938,760	12,749,511	98.5%	715	12,750,227	98.5%
2009	13,704,274	13,433,930	98.0%	3,698	13,437,627	98.1%
2010	13,774,601	13,467,191	97.8%	2,066	13,469,256	97.8%
2011	13,831,290	13,588,507	98.2%	1,987	13,590,494	98.3%
2012	13,656,017	13,441,429	98.4%	1,309	13,442,737	98.4%
2013	13,690,528	13,539,531	98.9%	63	13,539,594	98.9%
2014	13,996,851	13,859,092	99.0%	79	13,859,170	99.0%
2015	11,128,679	11,064,869	99.4%	5,445	11,070,314	99.5%

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Total tax levy includes only the City portion of tax levy, TID increment, special assessments and charges, and all omitted taxes for prior years.

(3) Current tax collections include only those amounts collected directly by the City of Oconomowoc. The City collects all three installments of the real estate taxes through July 31. Delinquent real estate taxes are turned-over to the Waukesha County Treasurer for collection after July 31 of the fiscal year.

(4) Responsibility for the collection of deliquent personal property taxes remains with the City. Collections in subsequent years include payments received by the City for delinquent personal property taxes only.

CITY OF OCONOMOWOC, WISCONSIN

Table 12 - Ratios of Outstanding Debt by Type [1]

Last Ten Years

	Governmental Activities			Business-Type Activities				
Year	General Obligation Bonds and Notes [2]	Note Anticipation Notes	Notes	General Obligation Bonds and Notes [2]	Revenue Bonds	Total Primary Government	Percentage of Adjusted Gross Income [3]	Per Capita [3]
2006	$ 17,712,795	$ 5,000,000	$ -	$ 527,205	$ 3,617,405	$ 26,857,405	4.2%	$ 1,936
2007	17,211,764	5,000,000	-	516,440	9,373,727 [4]	32,101,931	4.9%	2,268
2008	16,762,701	5,000,000	-	504,202	9,092,187	31,359,090	4.8%	2,193
2009	21,199,268 [5]	5,000,000	-	490,388	8,467,559	35,157,215	5.5%	2,453
2010	20,457,360	5,000,000	-	474,885	7,819,609	33,751,854	4.9%	2,142
2011	26,801,735 [6]	-	33,433 [7]	457,575	7,148,099	34,440,849	4.6%	2,179
2012	29,422,137 [8]	-	30,033	438,333	6,457,783	36,348,286	4.8%	2,296
2013	17,553,607 [9]	-	26,633	415,290	5,738,408	23,733,938	3.0%	1,483
2014	12,980,895 [10]	-	23,233	384,225	4,994,714	18,383,067	2.3%	1,128
2015	11,993,137	-	19,834	3,515,355 [11]	716,433 [11]	16,244,759	n/a [12]	987

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(2) Presented net of premiums on long term debt.
(3) See the Table 17 - Demographic and Economic Statistics for adjusted gross income and population data.
(4) Increase due to electric revenue bond issued for $6,165,000 in December 2007.
(5) Increase due to streets Build America Bonds issued for $5,025,000 in July 2009.
(6) Increase due to street bonds issued for $2,525,000 in July 2011 and refinanced TID #4 Note Anticipation Note in November 2011 for $4,985,000
(7) Issued data processing note for $34,000 in October 2011.
(8) Increase due to $4,285,000 bonds issued for community center in December 2012.
(9) Decrease due to $12,595,000 pay off of TID #3 debt in 2013.
(10) Decrease due to $4,985,000 pay off of TID #4 Note Anticipation Note in 2014.
(11) Increase/Decrease due to refinancing Electric Revenue bonds with General Obligation Notes in 2015.
(12) n/a - data not available

CITY OF OCONOMOWOC, WISCONSIN

Table 13 - Ratios of General Bonded Debt Outstanding [1]

Last Ten Years

Year	General Obligation Bonds [2]	General Obligation Notes [2]	Total General Obligation Debt [2]	Percentage of Estimated Actual Taxable Value of Property [3]	Per Capita [4]
2006	$ 18,222,247	$ 17,753	$ 18,240,000	0.96%	$ 1,315
2007	17,719,327	8,877	17,728,204	0.88%	1,252
2008	17,266,903	-	17,266,903	0.84%	1,207
2009	21,689,656 [5]	-	21,689,656	1.07%	1,517
2010	20,932,245	-	20,932,245	1.04%	1,430
2011	22,274,310 [6]	4,985,000 [7]	27,259,310	1.42%	1,725
2012	24,875,470 [8]	4,985,000	29,860,470	1.66%	1,886
2013	11,733,897 [9]	6,235,000 [10]	17,968,897	1.00%	1,123
2014	10,966,481	2,398,639 [11]	13,365,120	0.72%	820
2015	10,069,065	5,439,427 [12]	15,508,492	0.81%	942

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(2) Includes governmental and business-type activities. Presented net of premiums on long term debt.
(3) See Table 8 - Assessed and Estimated Actual Value of Taxable Property for property value data.
(4) See Table 17 - Demographic and Economic Statistics for population.
(5) Increase due to streets Build America Bonds issued for $5,025,000 in July 2009.
(6) Increase due to street bonds issued for $2,525,000 in July 2011.
(7) Refinanced TID #4 Note Anticipation Note.
(8) Increase due to $4,285,000 bonds issued for community center in December 2012.
(9) Decrease due to $12,595,000 pay off of TID #3 debt in 2013.
(10) Increase due to $1,250,000 in new street improvement debt.
(11) Decrease due to $4,985,000 pay off of TID #4 Note Anticipation Note in 2014.

CITY OF OCONOMOWOC, WISCONSIN

Table 14 - Computation of Direct and Overlapping Bonded Debt [1]

December 31, 2015

Jurisdiction	Total Governmental Activities Debt Outstanding	Net Governmental Activities Debt Outstanding [2]	Estimated Percentage Applicable [3]	Estimated Share of Overlapping Debt
Direct:				
City of Oconomowoc	$12,012,971	$11,967,495	100.00%	$11,967,495
Overlapping [4]:				
Oconomowoc Area School District	53,360,000	53,360,000	38.35%	20,463,560
Waukesha County	79,335,000	77,147,299	3.79%	2,923,883
Waukesha County Technical College	27,785,000	27,285,000	3.67%	1,001,360
Subtotal Overlapping	160,480,000	157,792,299		24,388,802
Total Direct and Overlapping Debt	$172,492,971	$169,759,794		$36,356,297

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) Net of sinking funds or assets available in the debt service for payment of principal.

(3) Applicable percentages were estimated by determining the portion of another government unit's equalized value that is within the City's geographic boundaries and dividing it by each government's total equalized valuation.

(4) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

CITY OF OCONOMOWOC, WISCONSIN
Table 15 - Computation of Legal Debt Margin
Last Ten Years

	2006	2007	2008	2009	2010
Debt Limit	$ 94,520,955	$ 100,759,865	$ 103,051,895	$ 100,969,555	$ 100,917,950
Total Net Debt Applicable to Limit	18,240,000	17,728,204	17,266,903	21,689,656	20,932,245
Legal Debt Margin	$ 76,280,955	$ 83,031,661	$ 85,784,992	$ 79,279,899	$ 79,985,705
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.30%	17.59%	16.76%	21.48%	20.74%

	2011	2012	2013	2014	2015
Debt Limit	$ 96,071,360	$ 89,798,545	$ 89,999,030	$ 93,017,595	$ 95,934,325
Total Net Debt Applicable to Limit	27,259,310	29,860,470	17,740,000	13,094,838	15,188,236
Legal Debt Margin	$ 68,812,050	$ 59,938,075	$ 72,259,030	$ 79,922,757	$ 80,746,089
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	28.37%	33.25%	19.71%	14.08%	15.83%

Legal Debt Margin Calculation for 2015:

Estimated Actual Value of Real and Personal Property		$ 1,918,686,500
Debt Limit - 5 Percent of Estimated Actual Value		$ 95,934,325 (1)
Debt Applicable to Debt Limit:		
Total Bonded Debt	$ 16,256,673	
Less: Revenue Bonds	716,433	
Unsecured Notes	19,834	
Premium on Long-Term Debt	286,694	
Amount Available for Repayment of General Obligation Bonds	-	
Total Debt Applicable to Limitation		15,233,712
Less amount available in debt service fund		45,476
		15,188,236
Legal Debt Margin		$ 80,746,089

Notes:
(1) Wisconsin State Statue 67.03 limits general obligation borrowing for general city purposes to 5% of the estimated actual value of real and personal property.

CITY OF OCONOMOWOC, WISCONSIN

Table 16 - Pledged-Revenue Coverage [1]

Last Ten Years

	Wastewater Revenue Bonds						Water Revenue Bonds [2], [3]					
				Debt Service						Debt Service		
Year	Wastewater Charges for Services	Less: Operating Expenses [4]	Net Available Revenue	Principal	Interest	Cover-age	Amount Available in Special Redemption Fund	Amount Available in Reserve Fund	Total Funds Available for Payment	Principal	Interest	Cover-age
2006	$ 2,345,296	$ 1,431,392	$ 913,904	$ 273,677	$ 96,118	2.47	$ 102,954	$102,000	$204,954	$135,000	$ 3,409	1.48
2007	2,459,301	1,571,384	887,917	281,540	88,142	2.40	-	-	-	-	-	-
2008	2,676,575	1,650,951	1,025,624	289,628	79,938	2.78	-	-	-	-	-	-
2009	2,738,226	1,683,642	1,054,584	297,950	71,497	2.85	-	-	-	-	-	-
2010	2,797,316	1,730,943	1,066,373	306,510	62,814	2.89	-	-	-	-	-	-
2011	2,844,485	1,718,535	1,125,950	315,316	53,881	3.05	-	-	-	-	-	-
2012	2,937,920	1,757,746	1,180,174	324,375	44,692	3.20	-	-	-	-	-	-
2013	3,070,358	1,790,857	1,279,501	333,694	35,239	3.47	-	-	-	-	-	-
2014	3,132,218	1,866,323	1,265,895	343,281	25,514	3.43	-	-	-	-	-	-
2015	3,240,584	2,084,937	1,155,647	353,144	25,514	3.05	-	-	-	-	-	-

	Electric Revenue Bonds [2], [5]					
				Debt Service		
	Amount Available in Special Redemption Fund	Amount Available in Reserve Fund	Total Funds Available for Payment	Principal	Interest	Cover-age
2006	$ -	$ -	$ -	$ -	$ -	-
2007	-	588,448	588,448	-	188,944	3.11
2008	294,382	588,448	882,830	335,000	241,548	1.53
2009	321,212	588,448	909,659	350,000	227,848	1.57
2010	328,962	588,448	917,409	365,000	213,548	1.59
2011	332,812	588,448	921,259	375,000	198,748	1.61
2012	344,062	588,448	932,509	395,000	183,348	1.61
2013	351,362	588,448	939,810	410,000	167,248	1.63
2014	358,512	588,448	946,959	425,000	133,148	1.70
2015	-	-	-	-	-	-

Notes:

(1) Details regarding the government's outstanding debt can be found in the notes to the financial statements.

(2) Each month, the pledged portion of the utility revenues are segregated into a separate fund (special redemption fund) and the cash is reserved for the upcoming debt payment. A reserve fund was also established when the debt was issued and is intended to subsidize any future decrease in revenues that results in an inability to make a debt payment. Throughout the life of the debt, the reserve fund was not needed.

(3) The water revenue bonds were satisfied in April 2007.

(4) Operating expenses do not include depreciation.

(5) The electric revenue bonds were issued in December 2007 and refunded during 2015.

CITY OF OCONOMOWOC, WISCONSIN
Table 17 - Demographic and Economic Statistics
Last Ten Years

Year	Population [1]	Adjusted Gross Income [2]	Per Capita Adjusted Gross Income	School Enrollment [3]	Waukesha County Unemployment Rate [4]
2006	13,870	$ 646,516,273	$ 46,613	4,469	3.6%
2007	14,155	661,544,793	46,736	4,771	3.7%
2008	14,300	649,022,024 [5]	45,386 [5]	4,890	3.9%
2009	14,330	638,020,509 [5]	44,523 [5]	4,992	7.5% [5]
2010	15,759	682,233,465	43,292	5,023	7.4% [5]
2011	15,805	744,123,110	47,082	5,088	6.5%
2012	15,834	759,187,130	47,947	5,168	6.0%
2013	16,004	786,146,550	49,122	5,278	5.9%
2014	16,293	795,452,140	48,822	5,339	4.5%
2015	16,464	n/a [6]	n/a [6]	5,362	3.8%

Notes:
(1) The 2010 population is the official U.S. Census. Population estimates for the other years are prepared by the Wisconsin Department of Administration, Demographic Services Center.
(2) Wisconsin Department of Revenue, Division of Research and Policy.
(3) Oconomowoc Area School District.
(4) Wisconsin Department of Workforce Development.
(5) Declining ecomony and unstable job market resulted in lower gross incomes and higher unemployment.
(6) n/a - data not available

Year	Median Age	Percent High School Graduates	Percent College Graduates
1980	32.1	74.4%	19.0%
1990	34.6	84.1%	21.1%
2000	38.0	88.9%	30.7%
2010	38.5	96.0%	36.6%

Source: U.S. Bureau of the Census.

CITY OF OCONOMOWOC, WISCONSIN
Table 18 - Principal Employers
Current Year and Eight Years Ago

	2006 [1]			2015		
Employer	Employees	Rank	Percent of Total City Employment [2]	Employees	Rank	Percent of Total City Employment
Target Stores	500-999	1	5.61%	690	1	4.19%
Oconomowoc Memorial Hospital	500-999	2	5.61%	671	2	4.08%
Oconomowoc Area School District [3]				549	3	3.33%
YMCA at Pabst Farms	250-499	4	2.80%	500	4	3.04%
Roundy's Inc	500-999	3	5.61%	480	5	2.92%
City of Oconomowoc [4]				370	6	2.25%
Lutheran Homes of Oconomowoc Inc/Shorehaven	250-499	6	2.80%	345	7	2.10%
Bruno Independent Living Aids	250-499	7	2.80%	325	8	1.97%
CL & D Graphics Inc	100-249	10	1.31%	198	9	1.20%
Orco/Olympia Resort & Spa				175	10	1.06%
Aurora Medical Group [5]	250-499	5	2.80%			
Silgan Containers Mfg Corp [6]	250-499	8	2.80%			
Paragon Industries Inc [7]	250-499	9	2.80%			
Total	4,675		34.96%	4,303		26.14%

Notes:
(1) 2004 data not available for comparison. 2006 information only available in employee range format.
(2) The percent of employment and total employees is calculated from the median of the employee range.
(3) Includes multiple locations within the city. Prior years did not include all locations.
(4) Information provided by SEWRPC in 2006 did not include the City.
(5) Employer moved out of the City into a new location in the Village of Summit in 2009.
(6) Employer began downsizing in 2004.
(7) Employee count dropped in 2008 due to downsizing.

Source: Wisconsin Department of Workforce Development and SEWRPC

CITY OF OCONOMOWOC, WISCONSIN

Table 19 - Full-Time Equivalent City Government Employees by Function

Last Ten Years

Function	2006	2007	2008	2009 (1)	2010 (1)	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)
General Government										
Non-Union	8.45	8.95	8.95	8.34	8.09	8.61	8.67	8.57	8.29	7.92
Union	-	-	-	0.06 (2)	0.06	0.06	0.06	0.06	- (8)	- (8)
Public Safety										
Police										
Officers	20.43	19.44	19.65	19.95	19.70	19.95	20.00	19.94	19.83	19.48
Civilians	11.55	11.45	11.29	11.15	11.68	11.59	11.59	11.59	11.39	11.41
Fire										
Full-Time Firefighters	4.00	4.00	4.00	4.85	7.03 (3)	6.51	6.56	6.56	6.56	6.65
Paid On Call Firefighters	4.91	4.91	4.91	5.30	5.06	3.65	3.67	10.80 (4)	12.58 (4)	12.59
Civilians	1.00	1.00	1.00	0.45	0.45	0.50	0.45	0.45	0.45	0.45
Public Works										
Non-Union	4.70	4.70	4.70	5.10	5.46	6.20	6.20	6.20	14.61	14.42
Union	9.00	9.00	9.00	9.86	9.85	9.77	9.81	8.79 (5)	- (8)	- (8)
Culture & Recreation										
Non-Union	18.16	18.16	17.76	18.06	19.37	19.40	19.12	19.40	24.99	24.40
Union	5.00	5.00	5.00	5.05	5.30	5.31	5.13	5.30	- (8)	- (8)
Conservation & Development	2.30	2.30	3.30 (6)	3.30	3.30	3.25	3.25	3.06	3.46	3.46
Fleet										
Non-Union	-	-	-	-	-	-	-	1.93 (5)	2.07	1.96
Wastewater										
Non-Union	3.82	3.67	3.67	3.15	3.44	4.34 (7)	4.35	4.12	10.87	10.49
Union	7.00	7.00	7.00	7.49	6.38	6.42	6.43	6.41	- (8)	- (8)
Water										
Non-Union	2.79	3.17	3.37	2.65	3.55	4.23 (7)	4.24	4.00	9.75	9.59
Union	6.50	6.50	6.50	6.52	5.91	5.77	5.92	5.67	- (8)	- (8)
Electric										
Non-Union	7.95	8.12	8.92	7.83	7.78	8.48 (7)	8.49	8.47	20.23	21.14
Union	11.00	11.00	11.00	12.73	13.51	12.75	12.68	11.61 (5)	- (8)	- (8)
Total	128.56 (2)	128.37 (2)	130.02 (2)	131.84	135.92	136.79	136.62	142.93	145.08	143.96

Notes:

(1) Beginning in 2009, amounts are based on budget account allocations.
(2) A calculation error was found and corrected.
(3) Three new full time firefighters were hired 12/15/2010.
(4) Implementation of Ambo Coverage hours during 2013; 2014 first full year of coverage hours.
(5) Two employees (from Public Works & Electric) were transferred to newly created Fleet Department in 2013.
(6) New full-time Associate Planner position was created.
(7) New full-time Utility Engineer position was created.
(8) Effective January 2014 the AFSCME, IBEW and Dispatch Unions termed.

Source: City adopted budget.

Note: The FTE's presented are the approved number of positions and may not agree to the number of positions filled. Schedule does not include seasonal part-time employees.

CITY OF OCONOMOWOC, WISCONSIN
Table 20 - Operating Indicators by Function [1]
Last Ten Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Number of Assessable Parcels	5,800	5,924	5,971	5,998	6,148 [4]	6,154	6,157	6,161	6,164	6,282
Number of Public Hearings	75	62	45	32	42	47	29	21	25	16
Number of Agendas/Minutes Distributed	352	355	400	543	403	363	323	298	278	328
Public Safety										
Calls for Police Service	30,408	29,634	27,975	27,867	31,987	34,519	36,554	35,221	35,644	38,589
Speed Enforcement	2,537	2,076	1,814	1,690	1,903	1,962	2,117 [5]	2,482 [5]	2,015	1,845
Total Arrests	6,647	6,271	5,017	5,006	5,099	6,094	6,443	6,862	7,231	6,023
Fire Responses [2]	401	413	434	408	374	384	409	436	433	457
Fire Inspections [2]	1,516	1,552	1,576	1,297	1,284	1,428	1,470	1,485	1,555	1,617
Ambulance Responses [2]	1,376	1,500	1,456	1,424	1,448	1,428	1,116 [6]	1,024	1,099	1,155
Public Works										
Number of Building Permits Issued	399	415	394	275	256	263	241	309	342	361
Number of Inspections by Building Inspector	5,488	5,766	4,886	3,769	2,498	3,427	3,344	3,594	4,057	4,498
Brush and Yard Waste (ton)	1,039	922	999	991	952	1,211	908	1,038	1,048	535
Asphalt Placed by City Crew (ton)	169	204	1,065 [7]	262	287	1,090 [7]	208	211	203	268
Miles of Streets	75	75	76	79	80	81	84	84	85	86
Culture and Recreation										
Library Items Circulated	257,853	261,856	281,746	301,956	307,526	297,367	281,568	276,794	269,282	264,617
Library Card Holders	16,493	17,398	17,928	18,118	18,503	18,324	19,119	20,387	21,523	22,564
Summer Reading Program Registrants	1,707	1,460	1,428	1,680	1,700	1,800	1,918	2,264	2,023	1,854
Recreation Program Participants	3,972	4,274	3,544	3,586	3,577	4,795	4,412	4,896	3,992 [17]	4,251
Park Land Acreage	283	283	337	337	337	337	337	337	337	337
Conservation and Development										
Total Planning/Zoning Applications	214	52 [9]	7 [10]	6	10	12	5 [11]	4	5	[illegible]
Wastewater Utility										
Average Number of Customers [3]	7,119	7,128	7,246	7,354	7,388	7,459	7,516	7,623	7,667	7,765
Sewerage Treated (million gallons)	844	945	1,270	1,044	1,005	916	806 [12]	993	855	806
Average Daily Flow (million gallons)	2.31	2.59	3.47	3.14	2.75	2.50	2.21	2.73	2.34	2.21
Water Utility										
Average Number of Customers	5,568	5,561 [13]	5,599	5,618	5,713	5,713	5,762	6,094	6,023 [18]	5,800 [18]
Total Pumped (million gallons)	674	680	678	677	720	690	751 [14]	693	697	631 [19]
Average Daily Consumption (million gallons)	1.85	1.86	1.86	1.85	1.97	1.89	2.06 [14]	1.90	1.91	1.73
Electric Utility										
Average Number of Customers	8,572	8,591	8,671	8,707	8,783	8,869	8,889	9,390 [15]	9,278 [18]	9,462
Total Kilowatt Hours Purchased	248,285,026	256,753,000	252,986,000 [16]	239,568,000 [16]	243,633,000	238,113,000 [16]	240,070,000	238,527,000	236,646,000	234,568,000
Average Daily Consumption (kilowatt hours)	714,152	703,432	693,115 [16]	656,351 [16]	667,488	652,365 [16]	657,726	653,499	648,345	642,652

Notes:
(1) Indicators are not available for the Health & Welfare function.
(2) Includes contract agencies.
(3) Including sanitary districts.
(4) 152 parcels were attached into the City from the Village of Summit.
(5) City received speed grants in 2012-2013 to cover costs associated with monitoring and improving traffic safety during peak times.
(6) Decrease in runs due to change in contract areas - loss of Village of Oconomowoc Lake and Village of Summit as of 1/1/12.
(7) Increase in potholes and street repairs due to harsh winter weather.
(8) n/a - Information not available for prior years.
(9) No new single family residential lots platted in 2007.
(10) Decreased economy and lack of financing available resulted in less development.
(11) Zoning code amended effective 8/21/2012. Many process and procedures were streamlined resulting in less applications and requiring less formal review.
(12) Drought conditions in 2012 led to less infiltration.
(13) Error in calculation for prior year's reporting corrected in 2008.
(14) Increase due to drought conditions in summer 2012.
(15) New reporting method used for customer counts in 2013.
(16) Increase in energy efficiency programs and decrease in manufacturing production.
(17) Prior years included WPPA ticket promotions and boat moorings which have since been excluded from the participant counting method.
(18) Reduction due to adjustment for customers with multiple meters.
(19) Reduction due to discovery and repairs of various water main leaks both by the city and a significant customer.

Source: Various City departments.

CITY OF OCONOMOWOC, WISCONSIN
Table 21 - Capital Asset Statistics by Function
Last Ten Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Patrol Units	8	8	9.5 (2)	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	2 (3)	2	2	2	2	2
Ambulances	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (miles)	74.84	75.29	76.17	78.95	80.26	80.98	83.56 (4)	83.84	84.89	85.58
Storm Sewer (miles)	37.30	37.58	38.84	40.09	41.50	47.30	55.55 (4)	56.14	57.40	57.95
Culture and Recreation										
Park Acreage	283	283	337 (5)	337	337	337	337	337	337	337
Parks	44	44	47 (5)	47	47	47	47	47	47	47
Beaches	3	3	3	3	3	3	3	3	3	3
Community Centers	1	1	1	1	1	- (6)	1 (6)	1	1	1
Libraries	1	1	1	1	1	1	1	1	1	1
Wastewater Utility										
Lift Stations (1)	1	1	1	1	1	1	1	1	1	1
Sewer Main (feet)	524,567	542,042	552,920	554,642	555,234	556,045	564,387 (4)	564,387	570,955	573,676
Manholes	1,992	1,992	2,054	2,058	2,065	2,069	2,093	2,093	2,116	2,129
Pump Stations (1)	19	19	19	19	19	19	19	19	19	19
Water Utility										
Wells	6	6	6	6	6	6	6	6	6	6
Watermain (feet)	467,738	470,846	491,662	505,660	504,906 (7)	508,356	510,890	513,290	523,573	530,151
Fire Hydrants	986	1,007	1,060	1,103	1,117	1,130	1,141	1,147	1,176	1,197
Valves	1,262	1,312	1,402	1,474	1,499	1,518	1,381	1,381	1,415	1,437
Electric Utility										
Substations	11	11	7 (8)	7	6	6	6	6	6	6
Primary Wire (miles)	422 (9)	359	369	375	375	375	387	387	388	389
Transformers	1,591	1,660	1,691	1,648 (10)	1,687	1,591 (11)	1,635	1,589 (11)	1,615	1,678
Street Lights	1,054	1,018 (12)	1,028 (13)	1,004 (14)	1,006	1,005	1,005	1,012	1,452 (15)	1,457

Notes:
(1) City has one lift station (Olympia) and all other stations are considered pump stations. Split out appropriately starting in 2011.
(2) Harley motorcycle is leased and used for patrol purposes from May - October.
(3) Fire Station #2 was completed in 2010 and the building is shared with Village of Dousman Fire Department.
(4) Addition of Southeast Arterial and Old School House Road, as well as city wide storm water infrastructure assessment which led to additional footage.
(5) Includes all parks and acreage maintained per Park and Open Space Plan.
(6) Community center demolished in March 2011. Staff moved to temporary offices during 2011 and 2012. New community center substantially complete in 2012.
(7) Decrease due to the removal of some 4" mains that ran parallel with 8" mains on West Wisconsin Avenue.
(8) Retired inefficient stations that were no longer needed.
(9) Errors found in calculation of prior year information. Years 2004-2006 provided as reference only.
(10) Old transformers were disposed of in December 2009 and replacements were not purchased until January 2010.
(11) Fluctuations due to timing of purchases and disposals. 2011 and 2013 counts appear lower as a result of disposals of multiple years. (i.e 2010 retirements disposed in 2011).
(12) Decrease due to timing difference in replacement of infrastructure between 2007 and 2008.
(13) Approximately 61 street lights transferred ownership to the city from the electric utility and are not included in this number.
(14) Fewer street lights were replaced with the completion of downtown East Wisconsin Avenue road construction project.
(15) The City conducted a street light audit, resulting in positive adjustment.

Note: Indicators are not available for the General Government, Health & Welfare, or Conservation and Development functions.

Source: Various City departments.

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

Schenck sc

CPAs AND SO MUCH MORE.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and City Council
City of Oconomowoc, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oconomowoc, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Oconomowoc's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 12 dated June 23, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Oconomowoc, Wisconsin's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Oconomowoc, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Oconomowoc, Wisconsin's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Oconomowoc, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Oconomowoc, Wisconsin's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Oconomowoc, Wisconsin's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.

Schmidt SC

Certified Public Accountants
Green Bay, Wisconsin
June 23, 2016