

VILLAGE OF ALLOUEZ, WISCONSIN
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2015

VILLAGE OF ALLOUEZ, WISCONSIN
December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Allouez, Wisconsin

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village 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.5, the Village implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. 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 schedules relating to pensions on pages 43 and 44 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The financial information listed in the table of contents as supplementary information presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Financial Information

We have previously audited the Village of Allouez's 2014 financial statements, and our report dated April 24, 2015, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2016, on our consideration of the Village'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 Village's internal control over financial reporting and compliance.



Certified Public Accountants
Green Bay, Wisconsin
June 17, 2016

BASIC FINANCIAL STATEMENTS

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Net Position
December 31, 2015
(With summarized financial information as of December 31, 2014)

	Governmental Activities	Business-type Activities	Totals	
			2015	2014
ASSETS				
Cash and investments	\$ 9,428,124	\$ 479,277	\$ 9,907,401	\$ 12,283,060
Receivables				
Taxes	17,740,343	-	17,740,343	15,263,492
Accounts	310,939	678,913	989,852	1,044,377
Special assessments	14,998	86,115	101,113	58,698
Interest	1,128	-	1,128	1,309
Other	-	19,414	19,414	130,669
Internal balances	96,998	(96,998)	-	-
Due from other governments	96,468	-	96,468	97,156
Inventories and prepaid items	24,057	86,063	110,120	97,864
Restricted assets				
Cash and investments	-	295,802	295,802	745,744
Net pension asset	277,779	114,047	391,826	-
Capital assets, nondepreciable				
Land	1,941,326	508,787	2,450,113	2,403,285
Construction in progress	246,390	173,418	419,808	1,882,245
Capital assets, depreciable				
Land improvements	2,067,289	-	2,067,289	2,574,917
Buildings and improvements	6,301,240	670,449	6,971,689	6,965,899
Machinery and equipment	6,353,447	1,290,681	7,644,128	7,324,863
Infrastructure	9,731,687	42,352,487	52,084,174	47,809,066
Less: Accumulated depreciation	(9,126,297)	(13,566,791)	(22,693,088)	(21,471,562)
TOTAL ASSETS	45,505,916	33,091,664	78,597,580	77,211,082
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	70,708	70,708	91,921
Deferred outflows related to pension	339,473	140,091	479,564	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	339,473	210,799	550,272	91,921
LIABILITIES				
Accounts payable	419,058	518,492	937,550	1,644,140
Accrued and other current liabilities	78,325	-	78,325	76,361
Accrued interest payable	110,705	102,968	213,673	225,451
Due to other governments	13,635,346	-	13,635,346	13,437,222
Long-term obligations				
Due within one year	881,800	1,076,072	1,957,872	1,889,189
Due in more than one year	10,632,255	13,985,522	24,617,777	24,913,758
TOTAL LIABILITIES	25,757,489	15,683,054	41,440,543	42,186,121
DEFERRED INFLOWS OF RESOURCES				
Property taxes	6,634,323	-	6,634,323	6,543,843
NET POSITION				
Net investment in capital assets	6,218,838	16,421,298	22,640,136	21,789,232
Restricted for				
Debt service	99,736	-	99,736	132,391
Tax incremental district	179,537	-	179,537	10,128
Pension benefits	617,252	254,138	871,390	-
Unrestricted	6,338,214	943,973	7,282,187	6,641,288
TOTAL NET POSITION	\$ 13,453,577	\$ 17,619,409	\$ 31,072,986	\$ 28,573,039

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

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,117,047	\$ 146,948	\$ -	\$ -
Public safety	3,126,747	106,693	34,840	-
Public works	2,626,263	14,752	419,420	-
Health and human services	6,256	-	-	-
Culture and recreation	816,252	73,072	3,504	234,018
Conservation and development	263,138	-	-	-
Interest on debt	395,997	-	-	-
Total Governmental Activities	8,351,700	341,465	457,764	234,018
Business-type Activities				
Water utility	2,957,517	3,298,060	-	-
Sanitary sewer utility	2,416,937	2,611,453	-	236,158
Storm sewer utility	737,424	650,222	-	-
Total Business-type Activities	6,111,878	6,559,735	-	236,158
Total	\$ 14,463,578	\$ 6,901,200	\$ 457,764	\$ 470,176

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales tax

Other taxes

Federal and state grants and other contributions
not restricted to specific functions

Interest and investment earnings

Miscellaneous

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net Position - January 1, as originally reported

Cumulative effect of change in accounting principle

Net Position - January 1, as restated

Net Position - December 31

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

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals	
		2015	2014

\$ (970,099)	\$ -	\$ (970,099)	\$ (979,035)
(2,985,214)	-	(2,985,214)	(2,943,577)
(2,192,091)	-	(2,192,091)	(1,905,329)
(6,256)	-	(6,256)	(2,183)
(505,658)	-	(505,658)	(165,509)
(263,138)	-	(263,138)	(88,127)
(395,997)	-	(395,997)	(427,075)
<u>(7,318,453)</u>	<u>-</u>	<u>(7,318,453)</u>	<u>(6,510,835)</u>

-	340,543	340,543	226,184
-	430,674	430,674	131,530
-	(87,202)	(87,202)	151,059
<u>-</u>	<u>684,015</u>	<u>684,015</u>	<u>508,773</u>
<u>(7,318,453)</u>	<u>684,015</u>	<u>(6,634,438)</u>	<u>(6,002,062)</u>

5,029,204	-	5,029,204	5,160,804
1,513,759	-	1,513,759	1,103,189
704,677	-	704,677	-
176,485	-	176,485	173,225
642,810	-	642,810	661,879
24,659	4,597	29,256	34,864
93,306	-	93,306	123,457
29,666	-	29,666	74,500
272,459	(272,459)	-	-
<u>8,487,025</u>	<u>(267,862)</u>	<u>8,219,163</u>	<u>7,331,918</u>
<u>1,168,572</u>	<u>416,153</u>	<u>1,584,725</u>	<u>1,329,856</u>
11,636,175	16,936,864	28,573,039	27,243,183
<u>648,830</u>	<u>266,392</u>	<u>915,222</u>	<u>-</u>
<u>12,285,005</u>	<u>17,203,256</u>	<u>29,488,261</u>	<u>27,243,183</u>
<u>\$ 13,453,577</u>	<u>\$ 17,619,409</u>	<u>\$ 31,072,986</u>	<u>\$ 28,573,039</u>

VILLAGE OF ALLOUEZ, WISCONSIN
 Balance Sheet
 Governmental Funds
 December 31, 2015
 (With summarized financial information as of December 31, 2014)

	General	Debt Service	Capital Facilities and Equipment
ASSETS			
Cash and investments	\$ 5,631,418	\$ 99,736	\$ 204,332
Receivables			
Taxes	17,740,343	-	-
Accounts	76,462	-	234,018
Special assessments	14,998	-	-
Interest	795	-	-
Restricted cash and investments	-	-	-
Due from other funds	213,729	1,260,844	20,000
Due from other governments	-	-	-
Inventories and prepaid items	21,288	-	-
TOTAL ASSETS	\$ 23,699,033	\$ 1,360,580	\$ 458,350
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 373,836	\$ -	\$ 18,782
Accrued and other current liabilities	78,325	-	-
Due to other funds	1,769,903	-	-
Due to other governments	13,635,346	-	-
Total Liabilities	15,857,410	-	18,782
Deferred Inflows of Resources			
Property taxes	4,981,151	1,260,844	20,000
Fund Balances			
Nonspendable			
Inventories and prepaid items	21,288	-	-
Long-term advance	-	-	-
Restricted for			
Retirement of long-term debt	-	99,736	-
Capital projects	-	-	363,080
Property tax relief, debt reduction and economic development	-	-	-
Tax incremental district	-	-	-
Committed for			
Subsequent year's expenditures	-	-	-
Assigned for			
Subsequent year's budget	-	-	-
General administration	68,406	-	-
Road and trail improvements	-	-	56,488
Parks	11,150	-	-
Unassigned, reported in			
General fund	2,759,628	-	-
Total Fund Balances	2,860,472	99,736	419,568
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 23,699,033	\$ 1,360,580	\$ 458,350

(Continued)

Other Governmental Funds	Total Governmental Funds	
	2015	2014
\$ 1,056,092	\$ 6,991,578	\$ 9,229,271
-	17,740,343	15,263,492
-	310,480	461,300
-	14,998	12,543
-	795	974
-	-	482,873
372,328	1,866,901	2,271,400
96,468	96,468	97,156
-	21,288	14,331
<u>\$ 1,524,888</u>	<u>\$ 27,042,851</u>	<u>\$ 27,833,340</u>
\$ 7,675	\$ 400,293	\$ 1,141,282
-	78,325	76,361
-	1,769,903	2,228,282
-	13,635,346	13,437,222
<u>7,675</u>	<u>15,883,867</u>	<u>16,883,147</u>
<u>372,328</u>	<u>6,634,323</u>	<u>6,543,843</u>
-	21,288	14,331
-	-	96,468
-	99,736	132,391
-	363,080	596,165
704,677	704,677	-
179,537	179,537	10,128
260,671	260,671	145,204
-	-	572,938
-	68,406	19,759
-	56,488	147,000
-	11,150	10,000
-	2,759,628	2,661,966
<u>1,144,885</u>	<u>4,524,661</u>	<u>4,406,350</u>
<u>\$ 1,524,888</u>	<u>\$ 27,042,851</u>	<u>\$ 27,833,340</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Balance Sheet (Continued)
Governmental Funds
December 31, 2015
(With summarized financial information as of December 31, 2014)

<u>Reconciliation to the Statement of Net Position</u>	Total Governmental Funds	
	2015	2014
Total Fund Balances as shown on previous page	\$ 4,524,661	\$ 4,406,350
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	17,515,082	17,316,308
Less amount included as part of the internal service fund	<u>(2,025,849)</u>	<u>(1,867,639)</u>
	15,489,233	15,448,669
Assets and liabilities of internal service funds are included in governmental activities in the statement of net position	4,447,191	4,263,768
The Village's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:		
Net pension asset	277,779	-
Deferred outflows of resources	339,473	-
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(11,174,900)	(12,028,000)
Compensated absences	(217,811)	(202,849)
Premium on issuance of bonds	(121,344)	(144,156)
Accrued interest on long-term obligations	<u>(110,705)</u>	<u>(107,607)</u>
	<u>(11,624,760)</u>	<u>(12,482,612)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 4)	<u>\$ 13,453,577</u>	<u>\$ 11,636,175</u>

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

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	General	Debt Service	Capital Facilities and Equipment
Revenues			
Taxes	\$ 4,438,015	\$ 1,235,908	\$ 492,160
Special assessments	1,579	-	-
Intergovernmental	1,048,939	-	234,018
Licenses and permits	236,124	-	-
Fines and forfeits	117,907	-	-
Public charges for services	156,822	-	-
Intergovernmental charges for services	-	-	-
Miscellaneous	130,939	248	77
Total Revenues	6,130,325	1,236,156	726,255
Expenditures			
General government	972,730	-	-
Public safety	3,094,462	-	-
Public works	2,174,753	-	560,533
Health and human services	6,272	-	-
Culture and recreation	612,165	-	95,451
Conservation and development	107,924	-	-
Debt service			
Principal	-	853,100	-
Interest and fiscal charges	-	415,711	-
Capital outlay	-	-	246,868
Total Expenditures	6,968,306	1,268,811	902,852
Excess of Revenues Over (Under) Expenditures	(837,981)	(32,655)	(176,597)
Other Financing Sources (Uses)			
Bonds issued	-	-	-
Premium on bonds	-	-	-
Reallocated debt proceeds	-	-	-
Transfers in	272,459	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	272,459	-	-
Net Change in Fund Balances	(565,522)	(32,655)	(176,597)
Fund Balances - January 1	3,425,994	132,391	596,165
Fund Balances - December 31	\$ 2,860,472	\$ 99,736	\$ 419,568

(Continued)

Other Governmental Funds	Total Governmental Funds	
	2015	2014
\$ 1,086,028	\$ 7,252,111	\$ 6,268,745
-	1,579	8,325
48,569	1,331,526	1,503,915
-	236,124	288,107
-	117,907	124,312
-	156,822	158,853
-	-	1,458
-	131,264	149,916
<u>1,134,597</u>	<u>9,227,333</u>	<u>8,503,631</u>
3,445	976,175	925,735
-	3,094,462	3,133,920
81,056	2,816,342	3,808,425
-	6,272	2,183
-	707,616	590,126
157,011	264,935	88,127
-	853,100	772,000
-	415,711	405,579
-	246,868	756,069
<u>241,512</u>	<u>9,381,481</u>	<u>10,482,164</u>
<u>893,085</u>	<u>(154,148)</u>	<u>(1,978,533)</u>
-	-	1,870,000
-	-	29,493
-	-	390,000
-	272,459	279,635
-	-	(49,924)
<u>-</u>	<u>272,459</u>	<u>2,519,204</u>
893,085	118,311	540,671
<u>251,800</u>	<u>4,406,350</u>	<u>3,865,679</u>
<u>\$ 1,144,885</u>	<u>\$ 4,524,661</u>	<u>\$ 4,406,350</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

Reconciliation to the Statement of Activities

Net Change in Fund Balances as shown on previous page

Total Governmental Funds	
2015	2014
\$ 118,311	\$ 540,671

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 those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets reported as expenditures

747,442 2,606,871

Depreciation expense reported in the statement of activities

(704,018) (644,743)

Amount by which capital outlays are greater than depreciation
in current period

43,424 1,962,128

In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.

Cost of assets disposed of

(2,860) -

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits (increased) decreased by:

(14,962) (26,120)

Change 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

(31,578) -

Some capital assets acquired during the year were financed with debt. The amount of the debt is reported in the governmental funds as a source of financing. In the statement of net position, however, debt constitutes a long-term liability.

The amount of debt reported in the governmental funds statement is:

- (1,870,000)

Internal service funds are reported with governmental activities. Current year revenues were greater (less) than expenses by:

183,423 80,226

Proceeds from a prior year debt issue were reallocated during the year from business type activities to the Village's capital project fund to finance the acquisition of capital assets during the year. The reallocated debt proceeds was:

- (390,000)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year are:

Principal payments on bonds and notes payable

853,100 772,000

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 accrues.

(3,098) (27,199)

Bond premiums are reported in the governmental funds as an other financing source. In the statement of activities, the premiums are amortized as an expense reduction over the life of the bonds.

22,812 5,703

Change in Net Position of Governmental Activities as reported in the
Statement of Activities (see pages 5 - 6)

\$ 1,168,572 \$ 1,047,409

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

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	2015				2014 Actual
	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)	
	Original	Final			
Revenues					
Taxes	\$ 4,439,244	\$ 4,439,244	\$ 4,438,015	\$ (1,229)	\$ 4,759,320
Special assessments	5,500	5,500	1,579	(3,921)	8,325
Intergovernmental	1,031,471	1,031,471	1,048,939	17,468	1,095,017
Licenses and permits	215,425	215,425	236,124	20,699	288,107
Fines and forfeits	139,200	139,200	117,907	(21,293)	124,312
Public charges for services	183,500	183,500	156,822	(26,678)	158,853
Intergovernmental charges for services	2,000	2,000	-	(2,000)	1,458
Other	150,171	150,171	130,939	(19,232)	148,637
Total Revenues	6,166,511	6,166,511	6,130,325	(36,186)	6,584,029
Expenditures					
General government	1,025,220	1,044,980	972,730	72,250	922,290
Public safety	3,117,131	3,117,131	3,094,462	22,669	3,133,920
Public works	2,108,728	2,255,728	2,174,753	80,975	1,944,541
Health and human services	5,864	5,864	6,272	(408)	2,183
Culture and recreation	625,381	625,381	612,165	13,216	573,173
Conservation and development	100,587	110,587	107,924	2,663	70,958
Total Expenditures	6,982,911	7,159,671	6,968,306	191,365	6,647,065
Excess of Revenues Over (Under)					
Expenditures	(816,400)	(993,160)	(837,981)	155,179	(63,036)
Other Financing Sources					
Transfers in	260,000	260,000	272,459	12,459	259,917
Net Change in Fund Balance	(556,400)	(733,160)	(565,522)	167,638	196,881
Fund Balance - January 1	3,425,994	3,425,994	3,425,994	-	3,229,113
Fund Balance - December 31	\$ 2,869,594	\$ 2,692,834	\$ 2,860,472	\$ 167,638	\$ 3,425,994

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

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2015
(With summarized financial information as of December 31, 2014)

	Business-type Activities - Enterprise Funds				
	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals	
				2015	2014
ASSETS					
Cash and investments	\$ 149,501	\$ -	\$ 329,776	\$ 479,277	\$ 687,188
Receivables					
Accounts	314,382	293,652	70,879	678,913	554,097
Special assessments	400	81,438	4,277	86,115	46,155
Interest	-	-	-	-	-
Other	19,414	-	-	19,414	130,669
Due from other funds	42,092	62,734	11,905	116,731	118,863
Inventories and prepaid items	80,888	-	5,175	86,063	76,988
Restricted assets					
Cash and investments	-	295,802	-	295,802	262,871
Net pension asset	62,336	21,391	30,320	114,047	-
Capital assets, nondepreciable					
Land	34,299	-	474,488	508,787	508,787
Construction in progress	-	-	173,418	173,418	1,247,841
Capital assets, depreciable					
Land improvements	-	-	-	-	578,431
Buildings	670,449	-	-	670,449	664,659
Machinery and equipment	1,221,258	51,101	18,322	1,290,681	1,280,189
Infrastructure	15,968,170	14,701,815	11,682,502	42,352,487	39,061,059
Less: Accumulated depreciation	(3,723,934)	(4,818,041)	(5,024,816)	(13,566,791)	(13,168,561)
TOTAL ASSETS	14,839,255	10,689,892	7,776,246	33,305,393	32,049,236
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	43,207	-	27,501	70,708	91,921
Deferred outflows related to pension	76,712	26,501	36,878	140,091	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	119,919	26,501	64,379	210,799	91,921
LIABILITIES					
Accounts payable	250,564	255,273	12,655	518,492	496,526
Accrued and other current liabilities	40,006	36,587	26,375	102,968	117,844
Due to other funds	-	213,729	-	213,729	161,981
Long-term obligations					
Due within one year	371,280	485,065	219,727	1,076,072	1,036,089
Due in more than one year	6,979,450	3,906,367	3,099,705	13,985,522	13,391,853
TOTAL LIABILITIES	7,641,300	4,897,021	3,358,462	15,896,783	15,204,293
NET POSITION					
Net investment in capital assets	6,873,373	5,543,443	4,004,482	16,421,298	16,018,051
Restricted net pension assets	139,048	47,892	67,198	254,138	-
Unrestricted	305,453	228,037	410,483	943,973	918,813
TOTAL NET POSITION	\$ 7,317,874	\$ 5,819,372	\$ 4,482,163	\$ 17,619,409	\$ 16,936,864

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

Governmental Activities	
Internal Service Fund Total	
2015	2014
\$ 2,436,546	\$ 2,366,601
459	28,980
-	-
333	335
-	-
-	-
2,769	6,545
-	-
-	-
-	-
-	-
4,907,106	4,609,599
-	-
(2,881,257)	(2,741,960)
<u>4,465,956</u>	<u>4,270,100</u>
-	-
-	-
-	-
18,765	6,332
-	-
-	-
-	-
<u>18,765</u>	<u>6,332</u>
2,025,849	1,867,639
-	-
<u>2,421,342</u>	<u>2,396,129</u>
<u>\$ 4,447,191</u>	<u>\$ 4,263,768</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year December 31, 2014)

	Business-type Activities - Enterprise Funds				
	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals	
				2015	2014
Operating Revenues					
Charges for services					
Metered sales to general customers					
Residential	\$ 1,844,636	\$ -	\$ -	\$ 1,844,636	\$ 1,860,265
Multifamily	49,190	-	-	49,190	44,358
Commercial	316,558	-	-	316,558	310,648
Institutions	361,160	-	-	361,160	354,168
Public authorities	22,130	-	-	22,130	24,871
Private fire protection	28,596	-	-	28,596	27,574
Public fire protection	555,059	-	-	555,059	553,523
Storm water	-	-	647,972	647,972	623,787
Sanitary sewer	-	2,610,153	-	2,610,153	2,444,834
Equipment and other charges	-	-	-	-	-
Total charges for services	3,177,329	2,610,153	647,972	6,435,454	6,244,028
Forfeited discounts	19,631	-	-	19,631	21,477
Other	101,100	1,300	2,250	104,650	131,394
Total Operating Revenues	3,298,060	2,611,453	650,222	6,559,735	6,396,899
Operating Expenses					
Operation and maintenance					
Source of supply	1,826,527	-	-	1,826,527	1,854,094
Pumping	68,678	-	-	68,678	60,720
Water treatment	20,913	-	-	20,913	17,898
Transmission and distribution	256,495	-	-	256,495	379,770
Customer accounts	41,955	-	-	41,955	45,832
Administrative and general	225,582	-	-	225,582	198,202
Storm water	-	-	397,474	397,474	339,094
Sanitary sewer	-	2,059,714	-	2,059,714	2,066,353
Other operation and maintenance	-	-	-	-	-
Total operation and maintenance	2,440,150	2,059,714	397,474	4,897,338	4,961,963
Depreciation	335,461	202,149	218,378	755,988	739,474
Amortization of property loss	-	-	-	-	6,586
Taxes	15,392	-	-	15,392	18,001
Total Operating Expenses	2,791,003	2,261,863	615,852	5,668,718	5,726,024
Operating Income	507,057	349,590	34,370	891,017	670,875
Nonoperating Revenues (Expenses)					
Interest revenue	771	3,651	175	4,597	3,385
Interest expense	(173,966)	(161,265)	(124,843)	(460,074)	(485,156)
Amortization of premium on bonds	7,452	6,191	4,734	18,377	28,933
Gain (loss) on asset removals	-	-	(1,463)	(1,463)	(3,408)
Total Nonoperating Revenues (Expenses)	(165,743)	(151,423)	(121,397)	(438,563)	(456,246)
Net Income (Loss) Before Transfers and Contributions	341,314	198,167	(87,027)	452,454	214,629
Transfers out	(272,459)	-	-	(272,459)	(317,069)
Transfers in	-	-	-	-	87,358
Capital contributions	-	236,158	-	236,158	297,529
Changes in Net Position	68,855	434,325	(87,027)	416,153	282,447
Net Position - January 1, as originally reported	7,103,460	5,334,859	4,498,545	16,936,864	16,654,417
Cumulative Effect of Change in Accounting Principle	145,559	50,188	70,645	266,392	-
Net Position - January 1, as restated	7,249,019	5,385,047	4,569,190	17,203,256	16,654,417
Net Position - December 31	\$ 7,317,874	\$ 5,819,372	\$ 4,482,163	\$ 17,619,409	\$ 16,936,864

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

Governmental Activities - Internal Service Fund Total	
2015	2014

\$	-	\$	-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	854,630		840,807
	<u>854,630</u>		<u>840,807</u>
	-		-
	-		-
	<u>854,630</u>		<u>840,807</u>
	-		-
	-		-
	-		-
	-		-
	-		-
	407,984		523,485
	<u>407,984</u>		<u>523,485</u>
	296,212		312,448
	-		-
	-		-
	<u>704,196</u>		<u>835,933</u>
	<u>150,434</u>		<u>4,874</u>
	463		852
	-		-
	-		-
	32,526		74,500
	<u>32,989</u>		<u>75,352</u>
	183,423		80,226
	-		-
	-		-
	<u>183,423</u>		<u>80,226</u>
	4,263,768		4,183,542
	-		-
	<u>4,263,768</u>		<u>4,183,542</u>
\$	<u>4,447,191</u>	\$	<u>4,263,768</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Business-type Activities - Enterprise Funds				
	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals	
				2015	2014
Cash Flows from Operating Activities					
Cash received from user charges	\$ 3,242,750	\$ 2,541,927	\$ 763,629	\$ 6,548,306	\$ 6,405,481
Cash payments to suppliers	(2,067,960)	(1,951,970)	(281,898)	(4,301,828)	(4,489,594)
Cash payments for personnel costs	(301,571)	(128,756)	(153,943)	(584,270)	(630,561)
Net Cash Provided by Operating Activities	873,219	461,201	327,788	1,662,208	1,285,326
Cash Flows from Noncapital Financing Activities					
Changes in temporary cash advances	-	51,748	-	51,748	(123,298)
Cash transfers in (out)	(272,459)	-	-	(272,459)	(229,711)
Net Cash Provided (Used) by Noncapital Financing Activities	(272,459)	51,748	-	(220,711)	(353,009)
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(1,966,464)	(44,430)	(3,183)	(2,014,077)	(2,599,715)
Proceeds from sale of capital assets	-	-	-	-	-
Capital contributions	200	193,821	2,177	196,198	251,374
Proceeds of long-term debt	1,697,212	-	-	1,697,212	2,140,000
Debt premium received	-	-	-	-	33,593
Debt issuance costs	-	-	-	-	(45,114)
Principal payments on long-term debt	(357,086)	(469,199)	(220,384)	(1,046,669)	(987,808)
Interest payments on long-term debt	(171,450)	(163,861)	(118,427)	(453,738)	(398,166)
Reallocated debt proceeds	-	-	-	-	(390,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	(797,588)	(483,669)	(339,817)	(1,621,074)	(1,995,836)
Cash Flows from Investing Activities					
Interest income received	771	3,651	175	4,597	3,385
Change in Cash and Cash Equivalents	(196,057)	32,931	(11,854)	(174,980)	(1,060,134)
Cash and Cash Equivalents - January 1	345,558	262,871	341,630	950,059	2,010,193
Cash and Cash Equivalents - December 31	\$ 149,501	\$ 295,802	\$ 329,776	\$ 775,079	\$ 950,059
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating income	\$ 507,057	\$ 349,590	\$ 34,370	\$ 891,017	\$ 670,875
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	335,461	202,149	218,378	755,988	746,060
Depreciation allocated to sanitary sewer	37,467	(37,467)	-	-	-
Change in pension related assets and deferred outflows	6,511	2,296	3,447	12,254	-
Changes in assets and liabilities					
Accounts receivable	(50,711)	(62,555)	(11,550)	(124,816)	22,253
Other receivables	(16,437)	3,924	123,768	111,255	(54,374)
Due from other funds	11,838	(10,895)	1,189	2,132	40,703
Inventories and prepaid items	(6,330)	-	(2,745)	(9,075)	5,988
Accounts payable	46,876	14,159	(39,069)	21,966	(148,993)
Accrued and other current liabilities	-	-	-	-	2,814
Compensated absences	1,487	-	-	1,487	-
Net Cash Provided by Operating Activities	\$ 873,219	\$ 461,201	\$ 327,788	\$ 1,662,208	\$ 1,285,326
Noncash Investing, Capital and Financing Activities					
Trade in value of equipment	\$ -	\$ -	\$ -	\$ -	\$ -

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

Governmental Activities - Internal Service Fund Total	
2015	2014

\$	883,151	\$	857,647
	(268,914)		(429,010)
	(122,861)		(121,290)
	<u>491,376</u>		<u>307,347</u>

-	-
-	-
-	-

(436,804)	(323,849)
15,243	69,500
-	-
-	-
-	-
-	-
-	-
-	-

<u>(421,561)</u>	<u>(254,349)</u>
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130	517
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69,945	53,515
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<u>2,366,601</u>	<u>2,313,086</u>
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\$	<u>2,436,546</u>	\$	<u>2,366,601</u>
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\$	150,434	\$	4,874
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296,212	312,448
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-	-
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-	-
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28,521	16,840
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-	-
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-	-
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3,776	(480)
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12,433	(26,335)
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-	-
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\$	<u>491,376</u>	\$	<u>307,347</u>
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\$	<u>32,700</u>	\$	<u>5,000</u>
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VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Allouez, Wisconsin ("the Village"), 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 Village are described below:

1. Reporting Entity

The Village of Allouez is a municipal corporation governed by an elected seven member board. In accordance with GAAP, the basic financial statements are required to include the Village (the primary government) and any separate component units that have a significant operational or financial relationship with the Village. The Village 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 Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

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 and proprietary funds. 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 Village reports the following major governmental funds:

GENERAL FUND

This is the Village'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 accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

CAPITAL FACILITIES AND EQUIPMENT CAPITAL PROJECTS FUND

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Village reports the following major enterprise funds:

WATER UTILITY FUND

This fund accounts for the operations of the Village's water utility.

SANITARY SEWER UTILITY FUND

This fund accounts for the operations of the Village's sanitary sewer utility.

STORM SEWER UTILITY FUND

This fund accounts for operations of the Village's storm water utility.

Additionally, the government reports the following fund types:

An *internal service fund* is used to account for the purchase and operation of equipment provided to other departments of the Village, on a cost reimbursement basis.

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 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 Village 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.

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 Village's water function and various other functions of the Village. 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 Village's enterprise fund are charges to customers for services. Operating expenses for the enterprise fund 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.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

a. Cash and Investments

Cash and investments are combined in 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. 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 are recorded net of an allowance for uncollectible amounts.

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.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental 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.

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.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Village as assets with an initial, individual cost of \$1,000 or higher and an estimated useful life in excess of one year. 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. Infrastructure used in the governmental activities that were constructed prior to January 1, 2004 is not included in capital assets.

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 Village are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	Governmental Activities	Business-type Activities
	Years	
Land improvements	15 - 40	35 - 45
Buildings and improvements	10 - 70	30
Machinery and equipment	5 - 40	5 - 20
Infrastructure	20 - 40	20 - 100

g. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

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 Village 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 Village's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Village has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 in the current period.

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

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 Village Board. These constraints can only be removed or changed by the Village Board using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of Village management. The Village Board has authorized the Village Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Village has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- Restricted net position - Amount of net position that is 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.

5. 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.

6. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Village's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. During November, Village management submits to the Village Board 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 the Village Board.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. 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. During the year, formal budgetary integration is employed as a management control device for the governmental funds.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

- d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.
- e. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

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

2. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2015 as follows:

Funds	Function	Excess Expenditures
General	Health and Human Services	\$ 408
Debt Service	Principal	17,000
	Interest and fiscal charges	15,653
Capital Facilities and Equipment	Public Works	118,596
	Culture and Recreation	8,451

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

The Village 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 Village's cash and investments totaled \$10,203,203 on December 31, 2015 as summarized below:

Petty cash funds	\$ 700
Deposits with financial institutions	9,094,158
Investments	
Negotiable certificates of deposit	1,096,000
Wisconsin local government investment pool	12,345
	<u>\$ 10,203,203</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position

Cash and investments	\$ 9,907,401
Restricted cash and investments	295,802
	\$ 10,203,203

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

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. The Village does not have an additional custodial credit risk policy.

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. 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, \$7,216,690 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. The Village collateralizes uninsured balances and held collateral of \$10,711,896 as of December 31, 2015, leaving nothing uncollateralized.

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 Village does not have an additional credit risk policy. Presented below is the actual rating as of year-end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Negotiable certificates of deposit	\$ 1,096,000	\$ -	\$ -	\$ -	\$ 1,096,000
Wisconsin Local Government Investment Pool	12,345	-	-	-	12,345
Totals	\$ 1,108,345	\$ -	\$ -	\$ -	\$ 1,108,345

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Concentration of Credit Risk

The investment policy of the Village contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Village investments are as follows:

Investment Type	Reported Amount	Percent of Total Investments
Negotiable certificates of deposit		
Discover	\$ 248,000	23%
Goldman Sachs	104,000	9%
Ally Bank	248,000	23%
AMEX Centurion Bank	248,000	23%
Sallie Mae Bank	248,000	23%

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 Village 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 Village's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Negotiable certificates of deposit	\$ 1,096,000	\$ 248,000	\$ 848,000	\$ -	\$ -
Wisconsin Local Government Investment Pool	12,345	12,345	-	-	-
Totals	\$ 1,108,345	\$ 260,345	\$ 848,000	\$ -	\$ -

Investment in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin local government investment pool of \$12,345 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 Village's share of the LGIP's assets was substantially equal to the carrying value.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

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 two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

The Village bills its own property taxes and also levies and bills property taxes for the Green Bay School District, Brown County, Northeast Wisconsin Technical College and the State of Wisconsin. The Brown County Treasurer collects property taxes billed by the Village in accordance with a contract between the County and the Village.

3. Restricted Assets

Restricted assets on December 31, 2015 totaled \$295,802 and consisted of cash and investments held for the following purposes:

Business-type activities:

Unexpended bond funds	\$ 32,460
Sewage equipment reserve fund	<u>263,342</u>
	<u>\$ 295,802</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

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	\$ 1,894,498	\$ 46,828	\$ -	\$ 1,941,326
Construction in progress	634,405	228,215	616,230	246,390
Total capital assets, not being depreciated	2,528,903	275,043	616,230	2,187,716
Capital assets, being depreciated:				
Land improvements	1,996,486	93,682	22,879	2,067,289
Buildings and improvements	6,301,240	-	-	6,301,240
Machinery and equipment	6,044,674	473,058	164,285	6,353,447
Infrastructure	8,748,007	983,680	-	9,731,687
Subtotals	23,090,407	1,550,420	187,164	24,453,663
Less accumulated depreciation for:				
Land improvements	766,331	78,538	20,019	824,850
Buildings and improvements	2,068,768	175,883	-	2,244,651
Machinery and equipment	3,625,471	375,866	156,916	3,844,421
Infrastructure	1,842,432	369,943	-	2,212,375
Subtotals	8,303,002	1,000,230	176,935	9,126,297
Total capital assets, being depreciated, net	14,787,405	550,190	10,229	15,327,366
Governmental activities capital assets, net	\$ 17,316,308	\$ 825,233	\$ 626,459	17,515,082
Less: Capital related general obligation debt				11,174,900
Less: Debt premium				121,344
Net investment in capital assets				\$ 6,218,838

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Land	\$ 508,787	\$ -	\$ -	\$ 508,787
Construction in progress	1,247,841	-	1,074,423	173,418
Total capital assets, not being depreciated	<u>1,756,628</u>	-	<u>1,074,423</u>	<u>682,205</u>
Capital assets, being depreciated:				
Buildings	664,659	5,790	-	670,449
Machinery and equipment	1,280,189	10,492	-	1,290,681
Infrastructure	39,639,490	3,097,217	384,220	42,352,487
Subtotals	<u>41,584,338</u>	<u>3,113,499</u>	<u>384,220</u>	<u>44,313,617</u>
Less accumulated depreciation for:				
Buildings	557,409	21,362	-	578,771
Machinery and equipment	581,464	44,037	-	625,501
Infrastructure	12,029,688	690,589	357,758	12,362,519
Subtotals	<u>13,168,561</u>	<u>755,988</u>	<u>357,758</u>	<u>13,566,791</u>
Total capital assets, being depreciated, net	<u>28,415,777</u>	<u>2,357,511</u>	<u>26,462</u>	<u>30,746,826</u>
Business-type activities capital assets, net	<u>\$ 30,172,405</u>	<u>\$ 2,357,511</u>	<u>\$ 1,100,885</u>	31,429,031
Less related long-term debt outstanding				14,896,818
Less: Debt premium				<u>110,915</u>
Net investment in capital assets				<u>\$ 16,421,298</u>

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

Governmental activities	
General government	\$ 177,258
Public safety	42,097
Public works	389,935
Culture and recreation	94,728
Subtotal	<u>704,018</u>
Capital assets held by Village's internal service fund are charged to various functions based on their usage of the assets	296,212
Total depreciation expense - governmental activities	<u>\$ 1,000,230</u>
Business-type activities	
Water utility	\$ 335,461
Water depreciation charged to another fund	37,467
Sanitary sewer utility	164,682
Storm sewer utility	218,378
Total increase to accumulated depreciation - business-type activities	<u>\$ 755,988</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Interfund Receivable, Payables, and Transfers

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

	Interfund Receivables	Interfund Payables
Tax Levies, Special Charges and Special Assessments in Subsequent Year Tax Roll		
General fund	\$ -	\$ 1,769,903
Special revenue funds		
Public bus service	84,219	-
Compensated absences	10,000	-
Debt service fund	1,260,844	-
Capital projects funds		
Capital facilities and equipment fund	20,000	-
TID No. 1	278,109	-
Enterprise funds		
Water utility	42,092	-
Sanitary sewer utility	62,734	-
Storm sewer utility	11,905	-
Temporary Cash Advances to Finance Operating		
Cash Deficits of Other Funds		
General fund	213,729	-
Enterprise fund		
Sanitary sewer utility	-	213,729
Totals	<u>\$ 1,983,632</u>	<u>\$ 1,983,632</u>

Interfund transfers for the year ended were as follows:

	Transfer to:
Transfers from:	General Fund
Enterprise funds	
Water utility	<u>\$ 272,459</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the Village 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	\$ 12,028,000	\$ -	\$ 853,100	\$ 11,174,900	\$ 881,800
Debt premium	144,156	-	22,812	121,344	-
Compensated absences	202,849	19,050	4,088	217,811	-
Governmental activities Long-term obligations	<u>\$ 12,375,005</u>	<u>\$ 19,050</u>	<u>\$ 880,000</u>	<u>\$ 11,514,055</u>	<u>\$ 881,800</u>
Business-type activities:					
General Obligation Debt					
Bonds	\$ 10,887,000	\$ -	\$ 696,900	\$ 10,190,100	\$ 728,200
Clean water fund loan	1,045,330	-	240,983	804,347	236,992
Total General Obligation Debt	<u>11,932,330</u>	<u>-</u>	<u>937,883</u>	<u>10,994,447</u>	<u>965,192</u>
Revenue bonds					
Safe drinking water loan	2,313,945	1,697,212	108,786	3,902,371	110,880
Debt premium	129,293	-	18,378	110,915	-
Compensated absences	52,374	1,487	-	53,861	-
Business-type activities Long-term obligations	<u>\$ 14,427,942</u>	<u>\$ 1,698,699</u>	<u>\$ 1,065,047</u>	<u>\$ 15,061,594</u>	<u>\$ 1,076,072</u>

Total interest paid during the year on long-term debt totaled \$865,059.

For governmental activities, the other long-term liabilities are generally funded by the general fund.

General Obligation Bonds

General obligation bonds currently outstanding are detailed as follows:

Bonds	
\$10,000,000 issued 5/1/06; \$60,000 to \$1,785,000 due annually through 2024; interest 3.85% to 4.25%	\$ 9,545,000
\$4,965,000 issued 5/10/11; \$195,000 to \$355,000 due annually through 2031; interest 2.00% to 4.00%	4,205,000
\$5,090,000 issued 12/04/12; \$95,000 to \$1,250,000 due annually through 2019; interest 2.00%	3,735,000
\$4,000,000 issued 6/1/14; \$160,000 to \$275,000 due annually through 2034; interest 2.00% to 3.62%	<u>3,880,000</u>
Total Outstanding General Obligation Bonds	<u><u>\$ 21,365,000</u></u>

VILLAGE OF ALLOUEZ, WISCONSIN

Notes to Basic Financial Statements

December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities of the outstanding general obligation bonds of \$21,365,000 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 881,800	\$ 411,322	\$ 728,200	\$ 379,449	\$ 1,610,000	\$ 790,771
2017	909,138	374,842	720,862	343,694	1,630,000	718,536
2018	921,138	355,984	768,863	328,390	1,690,001	684,374
2019	923,475	336,206	816,525	312,105	1,740,000	648,311
2020	983,475	309,540	886,525	289,121	1,870,000	598,661
2021-2025	4,619,436	953,326	4,180,563	583,260	8,799,999	1,536,586
2026-2030	1,274,238	286,197	1,355,762	308,068	2,630,000	594,265
2031-2034	662,200	58,947	732,800	75,850	1,395,000	134,797
	<u>\$ 11,174,900</u>	<u>\$ 3,086,364</u>	<u>\$ 10,190,100</u>	<u>\$ 2,619,937</u>	<u>\$ 21,365,000</u>	<u>\$ 5,706,301</u>

Detail of the clean water fund loans follows:

Safe Drinking Water Fund Loans

\$3,071,510 authorized by the Wisconsin Department of Natural Resources on 12/11/96; \$3,062,000 received; principal of \$209,665 due in 2016; interest 3.08%

\$ 209,665

\$684,772 authorized by the Wisconsin Department of Natural Resources on 7/11/12; \$658,483 received; principal of \$27,327 to \$43,852 due through 2032; interest 3.00%

594,682

Total Clean Water Fund Loans

\$ 804,347

The Clean Water Fund Loans of \$804,347 are being financed by revenues of the sanitary sewer utility fund.

Annual principal and interest maturities for the outstanding clean water fund loans on December 31, 2015 are as follows:

Year Ended December 31	Business-Type Activities		
	Principal	Interest	Total
2016	\$ 236,992	\$ 20,659	\$ 257,651
2017	28,147	16,598	44,745
2018	28,991	15,741	44,732
2019	29,861	14,859	44,720
2020	30,757	13,949	44,706
2021-2025	168,191	55,124	223,315
2026-2030	194,980	27,933	222,913
2031-2034	86,428	2,612	89,040
	<u>\$ 804,347</u>	<u>\$ 167,475</u>	<u>\$ 971,822</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2015 was \$22,505,424 as follows:

Equalized valuation of the Village		\$	891,500,700
Statutory limitation percentage			(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes			44,575,035
Total outstanding general obligation debt applicable to debt limitation	\$		22,169,347
Less: Amounts available for financing general obligation debt			
Debt service fund			99,736
Net outstanding general obligation debt applicable to debt limitation			22,069,611
Legal Margin for New Debt		\$	22,505,424

Revenue Bonds

Revenue bond debt service requirements are financed from operations of the water utility fund. Revenue bonds outstanding on December 31, 2015 totaled \$3,902,371 and were composed of the following issues:

Water Utility

\$2,560,962 authorized by the State of Wisconsin under the Safe Drinking Water Program on 12/26/12; \$2,420,215 received; \$110,880 to \$150,433 due through 2032; interest 1.925%	\$ 2,205,159
\$2,127,307 authorized by the State of Wisconsin under the Safe Drinking Water Program on 6/24/2015; \$1,697,212 received; \$76,784 to \$103,087 due through 2035; interest 1.65%	1,697,212
Total Outstanding Revenue Bonds	\$ 3,902,371

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

Year Ended December 31,	Business-type Activities		
	Principal	Interest	Total
2016	\$ 110,880	\$ 67,494	\$ 178,374
2017	189,798	66,598	256,396
2018	193,241	63,124	256,365
2019	196,746	59,587	256,333
2020	200,315	55,985	256,300
2021-2025	1,057,436	223,555	1,280,991
2026-2030	1,156,956	123,128	1,280,084
2031-2035	796,999	26,616	823,615
	\$ 3,902,371	\$ 686,087	\$ 4,588,458

Utility Revenues Pledged

The Village has pledged future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the utility. The bonds are payable solely from water customer net revenues and are payable through 2035. The total principal and interest remaining to be paid on the bonds is \$4,588,458. Principal and interest paid for the current year and total customer net revenues were \$155,079 and \$842,518, respectively.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

7. 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.

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.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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 \$122,640 in contributions from the Village.

Contribution rates as of December 31, 2015 are:

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

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

At December 31, 2015, the Village reported an asset of \$391,826 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the Village's proportion was 0.01595205%, which was a decrease of 0.00420152% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the Village recognized pension expense of \$178,346.

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

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 56,803
Net differences between projected and actual earnings on pension plan investments	189,741
Changes in proportion and differences between employer contributions and proportionate share of contributions	107,837
Employer contributions subsequent to the measurement date	125,183
Total	\$ 479,564

\$125,183 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension 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 June 30,	Deferred Outflow of Resources
2015	\$ 84,971
2016	84,971
2017	84,971
2018	84,971
2019	14,497

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

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%

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

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

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
Village's proportionate share of the net pension asset (liability)	\$ (1,105,409)	\$ 391,826	\$ 1,574,281

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 Village reported a payable of \$19,483 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2015.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

8. Minimum Fund Balance Policy

The Village has also adopted a minimum unassigned general fund balance policy of 30% of the subsequent years budgeted general fund expenditures. These funds are to be maintained for cash flow and working capital purposes. The minimum fund balance is calculated as follows:

2016 General Fund Budgeted Expenditures		\$ 7,006,827
Fund Balance Policy	30%	2,102,048

The Village's unassigned general fund balance of \$2,759,628 exceeds the minimum fund balance amount.

NOTE D - OTHER INFORMATION

1. Water Purchase Contract with Central Brown County Water Authority

The Village of Allouez is a Charter Member of the Central Brown County Water Authority with five other Brown County communities. The Authority was formed under Wisconsin Statutes in 1998 to provide a long-term solution to water quantity and quality concerns. In 2004, the Authority entered into a contract to purchase Lake Michigan water from the Village of Manitowoc. To provide funds to complete construction projects, the Authority issued \$136,625,000 of revenue bonds in June of 2005.

Each Charter Member has entered into a water sales contract under which they agree to purchase wholesale water from the Authority. Rates charged to each member are billed monthly and are based on (1) operation and maintenance costs, (2) fixed costs, including debt service on the revenue bonds and (3) required Security Fund deposits. During 2015, the Village paid the Authority \$1,779,587 in accordance with the water purchase contract.

The contract requires each Charter Member to purchase water through 2040 or when the revenue bonds are retired, whichever is sooner. The contract also requires the members to fund the revenue bond Security Fund to provide additional funds for Authority debt service if sufficient funds are not available from the monthly billings.

2. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage.

3. Contingencies

From time to time, the Village 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 Village Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 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 Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2015 budget was 0.77%. The actual limit for the Village for the 2016 budget was 0.76%. 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. Cumulative Effect of Change in Accounting Principles

The Village 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:

	Governmental Activities	Business-type Activities			Total	Total
		Water Utility	Sanitary Sewer Utility	Storm Sewer Utility		
Net Pension Asset	\$ 563,288	\$ 126,405	\$ 43,377	\$ 61,484	\$ 231,266	\$ 794,554
Deferred Outflows of Resources	85,542	19,154	6,811	9,161	35,126	120,668
Total Cumulative Effect of Change in Accounting Principle	<u>\$ 648,830</u>	<u>\$ 145,559</u>	<u>\$ 50,188</u>	<u>\$ 70,645</u>	<u>\$ 266,392</u>	<u>\$ 915,222</u>

6. Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 requires measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also requires disclosures about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Village is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2015
Proportion of the net pension asset	0.01595205%
Proportionate share of the net pension asset	\$ 391,826
Covered-employee payroll	\$ 1,752,012
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.

VILLAGE OF ALLOUEZ, WISCONSIN
Schedule of Contributions
Wisconsin Retirement System
Last 10 Fiscal Years*

	2015
Contractually required contributions	\$ 122,640
Contributions in relation to the contractually required contributions	\$ 122,640
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 1,752,012
Contributions as a percentage of covered-employee payroll	7.00%

* 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.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Required Supplementary Information
December 31, 2015

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

The Village implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – *An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* 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

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Revenues
General Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the year ended December 31, 2014)

	2015				2014 Actual
	Budget		Actual	Variance with Final Budget - Positive (Negative)	
	Original	Final			
Taxes					
General property	\$ 4,433,544	\$ 4,433,544	\$ 4,433,544	\$ -	\$ 4,754,568
Public rooms	5,500	5,500	4,359	(1,141)	4,659
Interest	200	200	112	(88)	93
Total Taxes	4,439,244	4,439,244	4,438,015	(1,229)	4,759,320
Special Assessments					
Interest on assessments	5,500	5,500	1,579	(3,921)	8,325
Intergovernmental					
State aid					
State shared taxes	372,981	372,981	372,953	(28)	372,981
Expenditure restraint payment	135,350	135,350	134,156	(1,194)	137,991
Payment in lieu of taxes	400	400	395	(5)	381
Fire insurance	-	-	34,840	34,840	36,694
Exempt computer aid	34,309	34,309	19,088	(15,221)	21,379
Transportation	321,230	321,230	320,609	(621)	344,026
Park lands	43	43	43	-	43
Recycling	98,881	98,881	98,811	(70)	98,859
Municipal services	68,277	68,277	68,044	(233)	82,663
Total Intergovernmental	1,031,471	1,031,471	1,048,939	17,468	1,095,017
Licenses and Permits					
Licenses					
Liquor and malt beverages	9,750	9,750	9,584	(166)	9,250
Operators	2,040	2,040	1,655	(385)	2,095
Cigarette	600	600	610	10	800
Dog	1,500	1,500	2,487	987	1,635
Building contractors	-	-	-	-	100
Electrical contractors	-	-	105	105	-
Cable television	163,000	163,000	171,611	8,611	168,065
Permits					
Building	16,000	16,000	26,367	10,367	50,943
Electrical	4,800	4,800	5,656	856	14,694
Plumbing	4,000	4,000	3,043	(957)	10,974
HVAC	4,500	4,500	7,988	3,488	14,949
Street excavation	-	-	100	100	1,875
Zoning	4,000	4,000	150	(3,850)	6,980
Other	5,235	5,235	6,768	1,533	5,747
Total Licenses and Permits	215,425	215,425	236,124	20,699	288,107

(Continued)

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Revenues (Continued)
General Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the year ended December 31, 2014)

	2015				2014 Actual
	Budget		Actual	Variance with Final Budget - Positive (Negative)	
	Original	Final			
Fines and Forfeits					
Court fines and penalties	118,000	118,000	107,919	(10,081)	103,677
Parking violations	20,000	20,000	8,338	(11,662)	19,643
False alarm penalties	1,200	1,200	1,650	450	992
Total Fines and Forfeits	139,200	139,200	117,907	(21,293)	124,312
Public Charges for Services					
General government	5,000	5,000	9,868	4,868	9,554
Sale of maps, plats and codes	1,000	1,000	-	(1,000)	2,535
Ambulance	90,000	90,000	60,715	(29,285)	60,591
Public works	3,250	3,250	5,554	2,304	7,603
Weed control	2,500	2,500	5,852	3,352	4,613
Recreation	41,700	41,700	35,854	(5,846)	36,183
Parks	36,600	36,600	34,474	(2,126)	34,555
Engineering	1,250	1,250	521	(729)	525
Forestry	1,000	1,000	2,744	1,744	1,314
Publication fees	1,200	1,200	1,240	40	1,380
Total Public Charges for Services	183,500	183,500	156,822	(26,678)	158,853
Intergovernmental Charges for Services					
Other	2,000	2,000	-	(2,000)	1,458
Miscellaneous					
Investment interest	22,100	22,100	22,180	80	20,930
Rentals	68,450	68,450	68,500	50	68,450
Property sales	2,500	2,500	1,339	(1,161)	3,193
Property lease	1	1	1	-	1
Recyclable materials	28,000	28,000	5,097	(22,903)	22,398
Insurance recoveries and dividends	10,000	10,000	16,888	6,888	14,517
Donations	10,000	10,000	3,461	(6,539)	8,989
Other	9,120	9,120	13,473	4,353	10,159
Total Miscellaneous	150,171	150,171	130,939	(19,232)	148,637
Total Revenues	\$ 6,166,511	\$ 6,166,511	\$ 6,130,325	\$ (36,186)	\$ 6,584,029

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Expenditures
General Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the year ended December 31, 2014)

	2015				2014 Actual
	Budget		Actual	Variance with Final Budget - Positive (Negative)	
	Original	Final			
General Government					
Board	\$ 56,122	\$ 56,122	\$ 56,018	\$ 104	\$ 56,200
Administrator	97,331	97,331	96,493	838	107,375
Clerk-treasurer	88,180	88,640	87,774	866	86,517
General administration	230,554	230,554	228,317	2,237	231,971
Elections	15,647	15,647	9,178	6,469	24,118
Assessor	23,547	23,547	23,216	331	23,048
Internal accounting	199,772	199,772	134,420	65,352	76,353
Auditing and accounting services	11,370	11,370	4,980	6,390	15,045
Legal counsel	37,500	37,500	45,951	(8,451)	52,240
Labor relations	500	500	-	500	6,481
Municipal court	56,040	56,040	44,056	11,984	48,324
Village hall	81,838	101,138	74,450	26,688	76,346
Other buildings	18,120	18,120	10,201	7,919	12,744
Insurance	89,671	89,671	91,701	(2,030)	96,626
Tax refunds	-	-	3,700	(3,700)	5,160
Contingency	15,000	15,000	12,067	2,933	-
Other	4,028	4,028	3,380	648	3,742
Land acquisition	-	-	46,828	(46,828)	-
Total General Government	1,025,220	1,044,980	972,730	72,250	922,290
Public Safety					
Police department	920,851	920,851	909,114	11,737	914,173
School patrol	45,378	45,378	48,931	(3,553)	38,690
Fire department	1,786,244	1,786,244	1,761,781	24,463	1,748,056
Hydrant rental	276,724	276,724	276,724	-	276,724
Inspections	85,939	85,939	96,055	(10,116)	154,420
Other services	1,995	1,995	1,857	138	1,857
Total Public Safety	3,117,131	3,117,131	3,094,462	22,669	3,133,920
Public Works					
Engineering	62,062	62,062	57,921	4,141	65,211
Administration	85,846	85,846	97,250	(11,404)	78,743
Training	3,334	3,334	3,609	(275)	9,113
Street lighting	215,000	215,000	220,769	(5,769)	204,889
Street repairs	234,520	234,520	197,957	36,563	146,543
Curb and gutter	11,000	11,000	8,876	2,124	11,500
Snow and ice control	205,541	205,541	80,868	124,673	180,082
Street reconstruction	126,000	273,000	191,640	81,360	36,941
Signs and markings	38,994	38,994	61,030	(22,036)	40,058
Weed control	12,436	12,436	9,320	3,116	10,647
Tree and brush control	152,597	152,597	200,394	(47,797)	175,390
Sidewalks	10,000	10,000	9,031	969	10,000
Leaf collection	126,010	126,010	132,116	(6,106)	161,441
Yard waste collection	48,338	48,338	72,780	(24,442)	10,977

(Continued)

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Expenditures (Continued)
General Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the year ended December 31, 2014)

	2015			Variance with Final Budget Positive (Negative)	2014 Actual
	Budget		Actual		
	Original	Final			
Public Works (continued)					
Sharps collection	250	250	280	(30)	248
Recycling - curbside	142,762	142,762	133,481	9,281	125,009
Garbage collection	295,898	295,898	324,848	(28,950)	321,271
Refuse collection	109,478	109,478	114,641	(5,163)	118,635
Landfill	155,000	155,000	166,814	(11,814)	153,614
LeBrun farm	73,662	73,662	91,128	(17,466)	84,229
Total Public Works	2,108,728	2,255,728	2,174,753	80,975	1,944,541
Health and Human Services					
Animal control	5,864	5,864	6,272	(408)	2,183
Culture and Recreation					
Administration	173,317	173,317	163,532	9,785	143,207
Parks	408,943	408,943	412,828	(3,885)	395,693
Recreation programs	43,121	43,121	35,805	7,316	34,273
Total Culture and Recreation	625,381	625,381	612,165	13,216	573,173
Conservation and Development					
Forestry	63,209	73,209	72,172	1,037	70,958
Economic Development	37,378	37,378	35,752	1,626	-
Total Conservation and Development	100,587	110,587	107,924	2,663	70,958
Total Expenditures	\$ 6,982,911	\$ 7,159,671	\$ 6,968,306	\$ 191,365	\$ 6,647,065

VILLAGE OF ALLOUEZ, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015
(With summarized financial information as of December 31, 2014)

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds	
	Public Bus Service	Compensated Absences	Excess Stadium District Sales Tax	TID No. 1	2015	2014
ASSETS						
Cash and investments	\$ 81,899	\$ 82,304	\$ 704,677	\$ 187,212	\$ 1,056,092	\$ 174,549
Due from other funds	84,219	10,000	-	278,109	372,328	381,351
Due from other governments	96,468	-	-	-	96,468	96,468
TOTAL ASSETS	\$ 262,586	\$ 92,304	\$ 704,677	\$ 465,321	\$ 1,524,888	\$ 652,368
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 7,675	\$ 7,675	\$ 19,217
Deferred Inflows of Resources						
Property taxes	84,219	10,000	-	278,109	372,328	381,351
Fund Balances						
Nonspendable	-	-	-	-	-	96,468
Restricted for						
Tax incremental district	-	-	-	179,537	179,537	10,128
Property tax relief, debt reduction, and economic development	-	-	704,677	-	704,677	-
Committed for						
Subsequent year's expenditures	178,367	82,304	-	-	260,671	145,204
Total Fund Balances	178,367	82,304	704,677	179,537	1,144,885	251,800
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 262,586	\$ 92,304	\$ 704,677	\$ 465,321	\$ 1,524,888	\$ 652,368

VILLAGE OF ALLOUEZ, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds	
	Public Bus Service	Compensated Absences	Excess Stadium District Sales Tax	TID No. 1	2015	2014
Revenues						
Taxes	\$ 83,500	\$ 20,000	704,677	\$ 277,851	\$ 1,086,028	\$ 177,236
Intergovernmental	-	-	-	48,569	48,569	46,865
Total Revenues	83,500	20,000	704,677	326,420	1,134,597	224,101
Expenditures						
Current						
General government	-	3,445	-	-	3,445	3,445
Public works	81,056	-	-	-	81,056	85,228
Conservation and development	-	-	-	157,011	157,011	17,019
Total Expenditures	81,056	3,445	-	157,011	241,512	105,692
Excess of Revenues Over Expenditures	2,444	16,555	704,677	169,409	893,085	118,409
Other Financing Uses						
Transfers out	-	-	-	-	-	(19,718)
Net Change in Fund Balances	2,444	16,555	704,677	169,409	893,085	98,691
Fund Balances - January 1	175,923	65,749	-	10,128	251,800	153,109
Fund Balances - December 31	\$ 178,367	\$ 82,304	\$ 704,677	\$ 179,537	\$ 1,144,885	\$ 251,800

VILLAGE OF ALLOUEZ, WISCONSIN
Internal Service Fund
Statement of Net Position
December 31, 2015
(With summarized financial information as of December 31, 2014)

	Equipment Replacement	
	2015	2014
ASSETS		
Cash and investments	\$ 2,436,546	\$ 2,366,601
Accounts receivable	459	28,980
Interest receivable	333	335
Prepaid items	2,769	6,545
Capital assets, depreciable		
Machinery and equipment	4,907,106	4,609,599
Less: Accumulated depreciation	(2,881,257)	(2,741,960)
TOTAL ASSETS	<u>4,465,956</u>	<u>4,270,100</u>
LIABILITIES		
Accounts payable	<u>18,765</u>	<u>6,332</u>
NET POSITION		
Net investment in capital assets	2,025,849	1,867,639
Unrestricted	<u>2,421,342</u>	<u>2,396,129</u>
TOTAL NET POSITION	<u>\$ 4,447,191</u>	<u>\$ 4,263,768</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Internal Service Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Equipment Replacement	
	2015	2014
Operating Revenues		
Charges for services		
Equipment rental	\$ 825,706	\$ 796,999
Gasoline and fuel	28,924	43,808
Total Operating Revenues	<u>854,630</u>	<u>840,807</u>
Operating Expenses		
Operation and maintenance	407,984	523,485
Depreciation	296,212	312,448
Total Operating Expenses	<u>704,196</u>	<u>835,933</u>
Operating Income	<u>150,434</u>	<u>4,874</u>
Nonoperating Revenues		
Interest revenue	463	852
Gain on sale of capital assets	32,526	74,500
Total Nonoperating Revenues	<u>32,989</u>	<u>75,352</u>
Change in Net Position	183,423	80,226
Net Position - January 1	<u>4,263,768</u>	<u>4,183,542</u>
Net Position - December 31	<u>\$ 4,447,191</u>	<u>\$ 4,263,768</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Internal Service Fund
Statement of Cash Flows
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Equipment Replacement	
	2015	2014
Cash Flows from Operating Activities		
Cash received from user charges	\$ 883,151	\$ 857,647
Cash payments to suppliers	(268,914)	(429,010)
Cash payments for personnel costs	(122,861)	(121,290)
Net Cash Provided by Operating Activities	<u>491,376</u>	<u>307,347</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(436,804)	(323,849)
Proceeds from sale of capital assets	15,243	69,500
Net Cash Used by Capital and Related Financing Activities	<u>(421,561)</u>	<u>(254,349)</u>
Cash Flows from Investing Activities		
Interest income received	<u>130</u>	<u>517</u>
Change in Cash and Cash Equivalents	69,945	53,515
Cash and Cash Equivalents - Beginning of Year	<u>2,366,601</u>	<u>2,313,086</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,436,546</u>	<u>\$ 2,366,601</u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating income	\$ 150,434	\$ 4,874
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation	296,212	312,448
Changes in assets and liabilities:		
Accounts receivable	28,521	16,840
Prepaid items	3,776	(480)
Accounts payable	12,433	(26,335)
Net Cash Provided by Operating Activities	<u>\$ 491,376</u>	<u>\$ 307,347</u>
Noncash Investing, Capital and Financing Activities		
Trade in value of equipment	<u>\$ 32,700</u>	<u>\$ 5,000</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**

**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 Village Board
Village of Allouez, 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 Village of Allouez, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Village of Allouez, Wisconsin's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 2 dated June 17, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Allouez, 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 Village of Allouez, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Allouez, 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 Village'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 Village of Allouez, 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 the Village of Allouez, 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 Village of Allouez, Wisconsin's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants
Green Bay, Wisconsin
June 17, 2016

FEDERAL AWARDS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Village Board
Village of Allouez, Wisconsin

Report on Compliance for the Major Federal Program

We have audited the Village of Allouez, Wisconsin's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the Village of Allouez, Wisconsin's major federal program for the year ended December 31, 2015. Village of Allouez, Wisconsin's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Village of Allouez, Wisconsin's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Allouez, Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Village of Allouez, Wisconsin's compliance.

Opinion on the Major Federal Program

In our opinion, the Village of Allouez, Wisconsin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the Village of Allouez, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village of Allouez, Wisconsin's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village of Allouez, Wisconsin's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of the internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants
Green Bay, Wisconsin
June 17, 2016

VILLAGE OF ALLOUEZ, WISCONSIN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015

Grantor Agency/Federal Program Title	Pass-through Agency	Federal Catalog Number	Revenues				Total Expenditures
			(Accrued) or Deferred Revenue 1/1/15	Amount Received	Accrued or (Deferred) Revenue 12/31/15	Total Revenues	
<u>U.S. DEPARTMENT OF TRANSPORTATION</u> Highway Planning and Construction	WI DOT	20.205	\$ -	\$ -	\$ 234,018	\$ 234,018	\$ 234,018
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u> Capitalization Grants for Drinking Water State Revolving Funds	WDNR	66.468	-	1,697,212	-	1,697,212	1,697,212
TOTAL FEDERAL AWARDS			<u>\$ -</u>	<u>\$ 1,697,212</u>	<u>\$ 234,018</u>	<u>\$ 1,931,230</u>	<u>\$ 1,931,230</u>

WI DOT - Wisconsin Department of Transportation
WDNR - Wisconsin Department of Natural Resources

See notes to Schedule of Expenditures of Federal Awards.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedule are presented in accordance with the accrual basis of accounting and are generally in agreement with revenues and expenses reported in the Village's 2015 financial statements.

The major federal program is identified in the Schedule of Findings and Questioned Costs. Additional information is presented below:

Federal Programs: Village of Allouez, Wisconsin, does not qualify as a low risk auditee in accordance with the Uniform Guidance. Therefore major programs represent those with combined expenditures exceeding 40% of total federal awards that also were deemed major programs based on the auditors' risk assessment.

NOTE C - OVERSIGHT AGENCIES

The federal oversight agency for the Village is the U.S. Environmental Protection Agency.

VILLAGE OF ALLOUEZ, WISCONSIN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015

Section I - Summary of Auditors' Results

Basic Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to basic financial statements noted?	No

Federal Awards

Internal control over major program:	
• Material weakness(es) identified?	No
• Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
Auditee qualified as low-risk auditee?	No

Identification of major federal program:

CFDA Number	Name of Federal Program
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Audit threshold used to determine between Type A and Type B federal programs: \$750,000

VILLAGE OF ALLOUEZ, WISCONSIN
Schedule of Prior Year Findings and Corrective Action Plan
For the Year Ended December 31, 2015

Prior Year Audit Findings

The Village of Allouez did not require a Single Audit for the year ended December 31, 2014.

Corrective Action Plan

There were no findings or questioned costs for the year ended December 31, 2015.