

VILLAGE OF ALLOUEZ, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2016

VILLAGE OF ALLOUEZ, WISCONSIN
December 31, 2016

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December 31, 2016

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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, 2016, 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, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions on page 40 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 is presented for additional analysis and is not a required part of the basic financial statements.

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

Report on Summarized Financial Information

We have previously audited the Village of Allouez, Wisconsin's 2015 financial statements, and our report dated June 17, 2016, 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, 2015, 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 July 13, 2017, 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
July 13, 2017

BASIC FINANCIAL STATEMENTS

VILLAGE OF ALLOUEZ, WISCONSIN

Statement of Net Position

December 31, 2016

(With summarized financial information as of December 31, 2015)

	Governmental Activities	Business-type Activities	Totals	
			2016	2015
ASSETS				
Cash and investments	\$ 10,796,359	\$ 285,586	\$ 11,081,945	\$ 9,907,401
Receivables				
Taxes	16,745,715	-	16,745,715	17,740,343
Accounts	79,681	710,619	790,300	989,852
Special assessments	8,445	66,009	74,454	101,113
Interest	1,018	-	1,018	1,128
Other	-	234,474	234,474	19,414
Internal balances	142,287	(142,287)	-	-
Due from other governments	96,918	-	96,918	96,468
Inventories and prepaid items	38,804	85,333	124,137	110,120
Restricted assets				
Cash and investments	-	263,914	263,914	295,802
Net pension asset	-	-	-	391,826
Capital assets, nondepreciable				
Land	1,941,326	508,787	2,450,113	2,450,113
Construction in progress	28,972	173,418	202,390	419,808
Capital assets, depreciable				
Land improvements	2,067,289	12,324,088	14,391,377	2,067,289
Buildings and improvements	6,301,240	670,449	6,971,689	6,971,689
Machinery and equipment	5,874,431	1,308,152	7,182,583	7,644,128
Infrastructure	10,423,340	30,269,280	40,692,620	52,084,174
Less: Accumulated depreciation	(9,444,879)	(14,055,172)	(23,500,051)	(22,693,088)
TOTAL ASSETS	45,100,946	32,702,650	77,803,596	78,597,580
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	49,496	49,496	70,708
Deferred outflows related to pension	959,282	390,513	1,349,795	479,564
TOTAL DEFERRED OUTFLOWS OF RESOURCES	959,282	440,009	1,399,291	550,272
LIABILITIES				
Accounts payable	138,268	559,104	697,372	937,550
Accrued and other current liabilities	154,232	20,167	174,399	78,325
Accrued interest payable	63,560	73,864	137,424	213,673
Due to other governments	14,241,811	-	14,241,811	13,635,346
Long-term obligations				
Due within one year	997,807	1,009,973	2,007,780	1,957,872
Due in more than one year	9,594,070	12,952,250	22,546,320	24,617,777
Net pension liability	147,010	60,357	207,367	-
TOTAL LIABILITIES	25,336,758	14,675,715	40,012,473	41,440,543
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	6,721,165	-	6,721,165	6,634,323
Deferred inflows related to pension	309,380	127,020	436,400	-
TOTAL DEFERRED INFLOWS OF RESOURCES	7,030,545	127,020	7,157,565	6,634,323
NET POSITION				
Net investment in capital assets	6,801,423	17,271,282	24,072,705	22,640,136
Restricted for				
Debt service	35,930	-	35,930	-
Capital improvements	-	263,914	263,914	295,802
Property tax relief, debt reduction and economic development	717,111	-	717,111	704,677
Tax incremental district	361,711	-	361,711	179,537
Pension benefits	-	-	-	391,826
Unrestricted	5,776,750	804,728	6,581,478	6,861,008
TOTAL NET POSITION	\$ 13,692,925	\$ 18,339,924	\$ 32,032,849	\$ 31,072,986

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, 2016
(With summarized financial information for the year ended December 31, 2015)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,209,994	\$ 120,318	\$ -	\$ -
Public safety	3,135,775	108,720	36,815	-
Public works	2,489,287	14,235	445,470	50,875
Health and human services	9,083	-	-	-
Culture and recreation	813,235	99,220	21,975	-
Conservation and development	269,989	-	-	-
Interest on debt	308,074	-	-	-
Total Governmental Activities	8,235,437	342,493	504,260	50,875
Business-type Activities				
Water utility	2,961,211	3,612,832	-	-
Sanitary sewer utility	2,425,083	2,768,544	-	35,671
Storm sewer utility	673,599	659,052	-	-
Total Business-type Activities	6,059,893	7,040,428	-	35,671
Total	\$ 14,295,330	\$ 7,382,921	\$ 504,260	\$ 86,546

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for tax increment district

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

Special item - Capital assets transferred to the City of Green Bay

Transfers

Total general revenues, special items and transfers

Change in net position

Net Position - January 1

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	
		2016	2015

\$ (1,089,676)	\$ -	\$ (1,089,676)	\$ (970,099)
(2,990,240)	-	(2,990,240)	(2,985,214)
(1,978,707)	-	(1,978,707)	(2,192,091)
(9,083)	-	(9,083)	(6,256)
(692,040)	-	(692,040)	(505,658)
(269,989)	-	(269,989)	(263,138)
(308,074)	-	(308,074)	(395,997)
<u>(7,337,809)</u>	<u>-</u>	<u>(7,337,809)</u>	<u>(7,318,453)</u>

-	651,621	651,621	340,543
-	379,132	379,132	430,674
-	(14,547)	(14,547)	(87,202)
<u>-</u>	<u>1,016,206</u>	<u>1,016,206</u>	<u>684,015</u>

<u>(7,337,809)</u>	<u>1,016,206</u>	<u>(6,321,603)</u>	<u>(6,634,438)</u>
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5,093,711	-	5,093,711	5,029,204
278,109	-	278,109	277,851
1,260,844	-	1,260,844	1,235,908
21,308	-	21,308	704,677
164,289	-	164,289	176,485

636,557	-	636,557	642,810
24,478	3,319	27,797	29,256
86,523	-	86,523	93,306
97,415	-	97,415	29,666
(385,087)	-	(385,087)	-
299,010	(299,010)	-	-
<u>7,577,157</u>	<u>(295,691)</u>	<u>7,281,466</u>	<u>8,219,163</u>

239,348	720,515	959,863	1,584,725
<u>13,453,577</u>	<u>17,619,409</u>	<u>31,072,986</u>	<u>29,488,261</u>

<u>\$ 13,692,925</u>	<u>\$ 18,339,924</u>	<u>\$ 32,032,849</u>	<u>\$ 31,072,986</u>
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VILLAGE OF ALLOUEZ, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2016

(With summarized financial information as of December 31, 2015)

	General	Debt Service	Capital Facilities and Equipment
ASSETS			
Cash and investments	\$ 7,063,677	\$ 99,490	\$ 306,067
Receivables			
Taxes	16,745,715	-	-
Accounts	77,916	-	-
Special assessments	8,445	-	-
Interest	729	-	-
Due from other funds	302,070	1,170,876	-
Due from other governments	450	-	-
Inventories and prepaid items	35,301	-	-
TOTAL ASSETS	\$ 24,234,303	\$ 1,270,366	\$ 306,067
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 103,996	\$ -	\$ 7,336
Accrued and other current liabilities	149,562	-	-
Due to other funds	1,743,641	-	-
Due to other governments	14,241,811	-	-
Total Liabilities	16,239,010	-	7,336
Deferred Inflows of Resources			
Property taxes levied for subsequent year	5,137,307	1,170,876	-
Fund Balances			
Nonspendable			
Inventories and prepaid items	35,301	-	-
Long-term advance	-	-	-
Restricted for			
Retirement of long-term debt	-	99,490	-
Capital projects	-	-	298,731
Property tax relief, debt reduction and economic development	-	-	-
Tax incremental district	-	-	-
Committed for			
Subsequent year's expenditures	11,750	-	-
Assigned for			
General administration	39,300	-	-
Road and trail improvements	-	-	-
Parks	16,150	-	-
Unassigned, reported in			
General fund	2,755,485	-	-
Total Fund Balances	2,857,986	99,490	298,731
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 24,234,303	\$ 1,270,366	\$ 306,067

(Continued)

Other Governmental Funds	Total Governmental Funds	
	2016	2015

\$ 1,289,040 \$ 8,758,274 \$ 6,991,578

- 16,745,715 17,740,343

- 77,916 310,480

- 8,445 14,998

- 729 795

412,982 1,885,928 1,866,901

96,468 96,918 96,468

- 35,301 21,288

\$ 1,798,490 \$ 27,609,226 \$ 27,042,851

\$ 11,172 \$ 122,504 \$ 400,293

1,505 151,067 78,325

- 1,743,641 1,769,903

- 14,241,811 13,635,346

12,677 16,259,023 15,883,867

412,982 6,721,165 6,634,323

- 35,301 21,288

96,468 96,468 96,468

- 99,490 99,736

17,408 316,139 363,080

717,111 717,111 704,677

361,711 361,711 179,537

180,133 191,883 164,203

- 39,300 68,406

- - 56,488

- 16,150 11,150

- 2,755,485 2,759,628

1,372,831 4,629,038 4,524,661

\$ 1,798,490 \$ 27,609,226 \$ 27,042,851

VILLAGE OF ALLOUEZ, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2016

(With summarized financial information as of December 31, 2015)

	Total Governmental Funds	
	2016	2015
<u>Reconciliation to the Statement of Net Position</u>		
Total Fund Balances as shown on previous page	\$ 4,629,038	\$ 4,524,661
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	17,191,719	17,515,082
Less amount included as part of the internal service fund	(1,936,923)	(2,025,849)
	<u>15,254,796</u>	<u>15,489,233</u>
Assets and liabilities of internal service funds are included in governmental activities in the statement of net position	3,961,636	4,447,191
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	959,282	339,473
Net pension liability	(147,010)	-
Deferred inflows of resources	(309,380)	-
	<u>502,892</u>	<u>617,252</u>
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(10,093,100)	(11,174,900)
Compensated absences	(201,581)	(217,811)
Premium on issuance of bonds	(297,196)	(121,344)
Accrued interest on long-term obligations	(63,560)	(110,705)
	<u>(10,655,437)</u>	<u>(11,624,760)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 3)	<u>\$ 13,692,925</u>	<u>\$ 13,453,577</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, 2016
(With summarized financial information for the year ended December 31, 2015)

	General	Debt Service	Capital Facilities and Equipment
Revenues			
Taxes	\$ 4,984,214	\$ 1,260,844	\$ 20,000
Special assessments	3,653	-	-
Intergovernmental	1,120,685	-	-
Licenses and permits	236,208	-	-
Fines and forfeits	92,282	-	-
Public charges for services	169,503	-	-
Intergovernmental charges for services	2,723	-	-
Miscellaneous	107,760	77	-
Total Revenues	<u>6,717,028</u>	<u>1,260,921</u>	<u>20,000</u>
Expenditures			
General government	1,001,091	-	-
Public safety	3,108,715	-	-
Public works	2,146,488	-	-
Health and human services	8,371	-	-
Culture and recreation	633,398	-	-
Conservation and development	120,461	-	-
Debt service			
Principal	-	932,670	-
Interest and fiscal charges	-	386,219	-
Capital outlay	-	-	290,837
Total Expenditures	<u>7,018,524</u>	<u>1,318,889</u>	<u>290,837</u>
Excess of Revenues Over (Under) Expenditures	<u>(301,496)</u>	<u>(57,968)</u>	<u>(270,837)</u>
Other Financing Sources (Uses)			
Bonds issued	-	4,910,000	-
Debt premium	-	206,852	-
Payment to current noteholder	-	(5,059,130)	-
Transfers in	299,010	-	150,000
Total Other Financing Sources (Uses)	<u>299,010</u>	<u>57,722</u>	<u>150,000</u>
Net Change in Fund Balances	(2,486)	(246)	(120,837)
Fund Balances - January 1	<u>2,860,472</u>	<u>99,736</u>	<u>419,568</u>
Fund Balances - December 31	<u>\$ 2,857,986</u>	<u>\$ 99,490</u>	<u>\$ 298,731</u>

(Continued)

Other Governmental Funds	Total Governmental Funds	
	2016	2015
\$ 393,636	\$ 6,658,694	\$ 7,252,111
-	3,653	1,579
49,469	1,170,154	1,331,526
-	236,208	236,124
-	92,282	117,907
-	169,503	156,822
-	2,723	3,022
19,732	127,569	128,242
<u>462,837</u>	<u>8,460,786</u>	<u>9,227,333</u>
13,258	1,014,349	976,175
-	3,108,715	3,094,462
65,031	2,211,519	2,816,342
-	8,371	6,272
-	633,398	707,616
154,278	274,739	264,935
-	932,670	853,100
-	386,219	415,711
27,324	318,161	246,868
<u>259,891</u>	<u>8,888,141</u>	<u>9,381,481</u>
<u>202,946</u>	<u>(427,355)</u>	<u>(154,148)</u>
-	4,910,000	-
-	206,852	-
-	(5,059,130)	-
25,000	474,010	272,459
<u>25,000</u>	<u>531,732</u>	<u>272,459</u>
227,946	104,377	118,311
<u>1,144,885</u>	<u>4,524,661</u>	<u>4,406,350</u>
<u>\$ 1,372,831</u>	<u>\$ 4,629,038</u>	<u>\$ 4,524,661</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

Total Governmental Funds	
2016	2015

Reconciliation to the Statement of Activities

Net Change in Fund Balances as shown on previous page	\$	104,377	\$	118,311	
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		505,414		747,442	
Depreciation expense reported in the statement of activities		(738,773)		(704,018)	
Amount by which capital outlays are greater than depreciation in current period		(233,359)		43,424	
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		(1,078)		(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:					
		16,230		(14,962)	
Change in the net pension liability (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					
		(114,360)		(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:					
		(4,910,000)		-	
Internal service funds are reported with governmental activities. Current year revenues were greater (less) than expenses by:					
		(485,555)		183,423	
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		5,991,800		853,100	
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.					
		47,145		(3,098)	
Debt premium is reported in the governmental funds as an other financing source. In the statement of activities, the premium is amortized as an expense reduction over the life of the bonds.					
		(175,852)		22,812	
Change in Net Position of Governmental Activities as reported in the Statement of Activities (see pages 4 - 5)		<u>\$</u>	<u>239,348</u>	<u>\$</u>	<u>1,168,572</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 Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	2016				2015 Actual
	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)	
	Original	Final			
Revenues					
Taxes	\$ 4,983,692	\$ 4,983,692	\$ 4,984,214	\$ 522	\$ 4,438,015
Special assessments	5,000	5,000	3,653	(1,347)	1,579
Intergovernmental	1,015,560	1,015,560	1,120,685	105,125	1,048,939
Licenses and permits	251,807	251,807	236,208	(15,599)	236,124
Fines and forfeits	128,200	128,200	92,282	(35,918)	117,907
Public charges for services	191,750	191,750	169,503	(22,247)	156,822
Intergovernmental charges for services	11,400	11,400	2,723	(8,677)	3,022
Other	113,071	113,071	107,760	(5,311)	127,917
Total Revenues	6,700,480	6,700,480	6,717,028	16,548	6,130,325
Expenditures					
General government	969,629	1,038,635	1,001,091	37,544	971,202
Public safety	3,125,582	3,125,582	3,108,715	16,867	3,094,462
Public works	2,127,801	2,127,801	2,146,488	(18,687)	2,174,753
Health and human services	3,873	3,873	8,371	(4,498)	6,272
Culture and recreation	661,480	661,480	633,398	28,082	612,165
Conservation and development	118,462	129,612	120,461	9,151	109,452
Total Expenditures	7,006,827	7,086,983	7,018,524	68,459	6,968,306
Excess of Revenues Under Expenditures	(306,347)	(386,503)	(301,496)	85,007	(837,981)
Other Financing Sources					
Transfers in	306,347	306,347	299,010	(7,337)	272,459
Net Change in Fund Balance	-	(80,156)	(2,486)	77,670	(565,522)
Fund Balance - January 1	2,860,472	2,860,472	2,860,472	-	3,425,994
Fund Balance - December 31	\$ 2,860,472	\$ 2,780,316	\$ 2,857,986	\$ 77,670	\$ 2,860,472

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, 2016

(With summarized financial information as of December 31, 2015)

	Business-type Activities - Enterprise Funds				
	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals	
				2016	2015
ASSETS					
Cash and investments	\$ -	\$ -	\$ 285,586	\$ 285,586	\$ 479,277
Receivables					
Accounts	337,016	299,398	74,205	710,619	678,913
Special assessments	200	63,187	2,622	66,009	86,115
Interest	-	-	-	-	-
Other	234,474	-	-	234,474	19,414
Due from other funds	63,758	82,148	13,877	159,783	116,731
Inventories and prepaid items	73,672	6,997	4,664	85,333	86,063
Restricted assets					
Cash and investments	-	263,914	-	263,914	295,802
Net pension asset	-	-	-	-	114,047
Capital assets, nondepreciable					
Land	34,299	-	474,488	508,787	508,787
Construction in progress	-	-	173,418	173,418	173,418
Capital assets, depreciable					
Land improvements	605,915	-	11,718,173	12,324,088	-
Buildings	670,449	-	-	670,449	670,449
Machinery and equipment	1,236,225	51,855	20,072	1,308,152	1,290,681
Infrastructure	15,567,465	14,701,815	-	30,269,280	42,352,487
Less: Accumulated depreciation	(3,822,412)	(4,989,403)	(5,243,357)	(14,055,172)	(13,566,791)
TOTAL ASSETS	15,001,061	10,479,911	7,523,748	33,004,720	33,305,393
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	30,245	-	19,251	49,496	70,708
Deferred outflows related to pension	215,966	83,721	90,826	390,513	140,091
TOTAL DEFERRED OUTFLOWS OF RESOURCES	246,211	83,721	110,077	440,009	210,799
LIABILITIES					
Accounts payable	344,174	211,028	3,902	559,104	518,492
Accrued and other current liabilities	42,638	28,789	22,604	94,031	102,968
Due to other funds	122,325	179,745	-	302,070	213,729
Long-term obligations					
Due within one year	483,047	293,083	233,843	1,009,973	1,076,072
Due in more than one year	6,482,008	3,608,113	2,862,129	12,952,250	13,985,522
Net pension liability	32,990	13,324	14,043	60,357	-
TOTAL LIABILITIES	7,507,182	4,334,082	3,136,521	14,977,785	15,896,783
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	69,426	28,040	29,554	127,020	-
NET POSITION					
Net investment in capital assets	7,361,389	5,863,071	4,046,822	17,271,282	16,421,298
Restricted for					
Capital improvements	-	263,914	-	263,914	295,802
Pension benefits	-	-	-	-	114,047
Unrestricted	309,275	74,525	420,928	804,728	788,262
TOTAL NET POSITION	\$ 7,670,664	\$ 6,201,510	\$ 4,467,750	\$ 18,339,924	\$ 17,619,409

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

Governmental Activities		Internal Service Fund Total	
2016		2015	
\$ 2,038,085		\$ 2,436,546	
1,765		459	
-		-	
289		333	
-		-	
-		-	
3,503		2,769	
-		-	
-		-	
-		-	
-		-	
4,459,380		4,907,106	
-		-	
(2,522,457)		(2,881,257)	
<u>3,980,565</u>		<u>4,465,956</u>	
-		-	
-		-	
-		-	
15,764		18,765	
3,165		-	
-		-	
-		-	
-		-	
<u>18,929</u>		<u>18,765</u>	
-		-	
1,936,923		2,025,849	
-		-	
-		-	
<u>2,024,713</u>		<u>2,421,342</u>	
<u>\$ 3,961,636</u>		<u>\$ 4,447,191</u>	

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2016
(With summarized financial information for the year December 31, 2015)

	Business-type Activities - Enterprise Funds				
	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals	
				2016	2015
Operating Revenues					
Charges for services					
Metered sales to general customers					
Residential	\$ 2,003,366	\$ -	\$ -	\$ 2,003,366	\$ 1,844,636
Multifamily	52,770	-	-	52,770	49,190
Commercial	362,596	-	-	362,596	316,558
Institutions	435,835	-	-	435,835	361,160
Public authorities	26,811	-	-	26,811	22,130
Private fire protection	28,914	-	-	28,914	28,596
Public fire protection	551,865	-	-	551,865	555,059
Storm water	-	-	651,752	651,752	647,972
Sanitary sewer	-	2,767,344	-	2,767,344	2,610,153
Equipment and other charges	-	-	-	-	-
Total charges for services	3,462,157	2,767,344	651,752	6,881,253	6,435,454
Forfeited discounts	25,437	-	-	25,437	19,631
Other	125,238	1,200	7,300	133,738	104,650
Total Operating Revenues	3,612,832	2,768,544	659,052	7,040,428	6,559,735
Operating Expenses					
Operation and maintenance					
Source of supply	1,756,694	-	-	1,756,694	1,826,527
Pumping	68,067	-	-	68,067	68,678
Water treatment	12,980	-	-	12,980	20,913
Transmission and distribution	235,704	-	-	235,704	256,495
Customer accounts	51,804	-	-	51,804	41,955
Administrative and general	275,358	-	-	275,358	225,582
Storm water	-	-	350,551	350,551	397,474
Sanitary sewer	-	2,091,684	-	2,091,684	2,059,714
Other operation and maintenance	-	-	-	-	-
Total operation and maintenance	2,400,607	2,091,684	350,551	4,842,842	4,897,338
Depreciation	367,050	208,128	218,540	793,718	755,988
Taxes	18,884	-	-	18,884	15,392
Total Operating Expenses	2,786,541	2,299,812	569,091	5,655,444	5,668,718
Operating Income (Loss)	826,291	468,732	89,961	1,384,984	891,017
Nonoperating Revenues (Expenses)					
Interest revenue	179	3,006	134	3,319	4,597
Interest expense	(184,928)	(133,772)	(111,138)	(429,838)	(460,074)
Amortization of premium on bonds	10,258	8,501	6,630	25,389	18,377
Gain (loss) on asset retirements	-	-	-	-	(1,463)
Total Nonoperating Revenues (Expenses)	(174,491)	(122,265)	(104,374)	(401,130)	(438,563)
Net Income (Loss) Before Transfers, Contributions and Special Items	651,800	346,467	(14,413)	983,854	452,454
Transfers out	(299,010)	-	-	(299,010)	(272,459)
Capital contributions	-	35,671	-	35,671	236,158
Special item - Capital assets transferred to the City of Green Bay	-	-	-	-	-
Changes in Net Position	352,790	382,138	(14,413)	720,515	416,153
Net Position - January 1	7,317,874	5,819,372	4,482,163	17,619,409	17,203,256
Net Position - December 31	\$ 7,670,664	\$ 6,201,510	\$ 4,467,750	\$ 18,339,924	\$ 17,619,409

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

Governmental Activities - Internal Service Fund Total	
2016	2015

\$	-	\$	-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	771,202		854,630
	<u>771,202</u>		<u>854,630</u>
	-		-
	-		-
	<u>771,202</u>		<u>854,630</u>
	-		-
	-		-
	-		-
	-		-
	-		-
	469,064		407,984
	<u>469,064</u>		<u>407,984</u>
	328,762		296,212
	-		-
	<u>797,826</u>		<u>704,196</u>
	<u>(26,624)</u>		<u>150,434</u>
	6,411		463
	-		-
	-		-
	94,745		32,526
	<u>101,156</u>		<u>32,989</u>
	74,532		183,423
	(175,000)		-
	-		-
	<u>(385,087)</u>		<u>-</u>
	<u>(485,555)</u>		<u>183,423</u>
	4,447,191		4,263,768
\$	<u>3,961,636</u>	\$	<u>4,447,191</u>

VILLAGE OF ALLOUEZ, WISCONSIN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2016

(With summarized financial information for the year ended December 31, 2015)

	Business-type Activities - Enterprise Funds				
	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals	
				2016	2015
Cash Flows from Operating Activities					
Cash received from user charges	\$ 3,568,532	\$ 2,743,384	\$ 653,754	\$ 6,965,670	\$ 6,548,306
Cash payments to suppliers	(2,147,037)	(2,082,991)	(205,409)	(4,435,437)	(4,301,828)
Cash payments for personnel costs	(330,328)	(88,421)	(129,447)	(548,196)	(584,270)
Net Cash Provided by Operating Activities	1,091,167	571,972	318,898	1,982,037	1,662,208
Cash Flows from Noncapital Financing Activities					
Changes in temporary cash advances	122,325	(33,984)	-	88,341	51,748
Cash transfers out	(299,010)	-	-	(299,010)	(272,459)
Net Cash Used by Noncapital Financing Activities	(176,685)	(33,984)	-	(210,669)	(220,711)
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(525,514)	(754)	(37,421)	(563,689)	(2,014,077)
Proceeds from sale of capital assets	-	-	-	-	-
Capital contributions	200	53,922	1,655	55,777	196,198
Proceeds of long-term debt	1,694,328	1,385,000	1,140,000	4,219,328	1,697,212
Debt premium received	70,892	58,329	47,899	177,120	-
Debt issuance costs paid	(19,750)	(16,282)	(13,402)	(49,434)	-
Principal payments on long-term debt	(2,121,278)	(1,925,065)	(1,404,729)	(5,451,072)	(1,046,669)
Interest payments on long-term debt	(163,040)	(128,032)	(97,224)	(388,296)	(453,738)
Net Cash Used by Capital and Related Financing Activities	(1,064,162)	(572,882)	(363,222)	(2,000,266)	(1,621,074)
Cash Flows from Investing Activities					
Interest income received	179	3,006	134	3,319	4,597
Change in Cash and Cash Equivalents	(149,501)	(31,888)	(44,190)	(225,579)	(174,980)
Cash and Cash Equivalents - January 1	149,501	295,802	329,776	775,079	950,059
Cash and Cash Equivalents - December 31	\$ -	\$ 263,914	\$ 285,586	\$ 549,500	\$ 775,079
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating income (loss)	\$ 826,291	\$ 468,732	\$ 89,961	\$ 1,384,984	\$ 891,017
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	367,050	208,128	218,540	793,718	755,988
Depreciation allocated to sanitary sewer	36,765	(36,765)	-	-	-
Change in pension related liability (asset) and deferred outflows and deferred inflows	25,498	5,535	19,969	51,002	12,254
Changes in assets and liabilities					
Accounts receivable	(22,634)	(5,746)	(3,326)	(31,706)	(124,816)
Other receivables	(215,060)	-	-	(215,060)	111,255
Due from other funds	(21,666)	(19,414)	(1,972)	(43,052)	2,132
Inventories and prepaid items	7,216	(6,997)	511	730	(9,075)
Accounts payable	93,610	(44,245)	(8,753)	40,612	21,966
Accrued and other current liabilities	13,455	2,744	3,968	20,167	-
Compensated absences	(19,358)	-	-	(19,358)	1,487
Net Cash Provided by Operating Activities	\$ 1,091,167	\$ 571,972	\$ 318,898	\$ 1,982,037	\$ 1,662,208
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	
2016	2015

\$	769,896	\$	883,151
	(337,419)		(268,914)
	(132,215)		(122,861)
	<u>300,262</u>		<u>491,376</u>

	-		-
	(175,000)		-
	<u>(175,000)</u>		-

	(559,923)		(436,804)
	29,745		15,243
	-		-
	-		-
	-		-
	-		-
	-		-

	<u>(530,178)</u>		<u>(421,561)</u>
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	<u>6,455</u>		<u>130</u>
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	(398,461)		69,945
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	<u>2,436,546</u>		<u>2,366,601</u>
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\$	<u>2,038,085</u>	\$	<u>2,436,546</u>
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\$	(26,624)	\$	150,434
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	328,762		296,212
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	-		-
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	-		-
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	(1,306)		28,521
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	-		-
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	(734)		3,776
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	(3,001)		12,433
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	3,165		-
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	-		-
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\$	<u>300,262</u>	\$	<u>491,376</u>
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\$	<u>65,000</u>	\$	<u>32,700</u>
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VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

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, 2016

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, 2016

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 price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. 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.

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 acquisition 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.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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	30	0
Buildings and improvements	50 - 60	50 - 60
Machinery and equipment	5 - 25	5 - 25
Infrastructure	30 - 100	30 - 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 two items that qualify for reporting in this category in the government-wide statement of net position. The first is property taxes, which will be recognized as an inflow of resources in the subsequent year for which it was levied. 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.

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.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 2016

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, 2015, from which the summarized information was derived.

7. Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance

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, 2016

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, 2016.

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, 2016 as follows:

Funds	Function	Excess Expenditures
General	Public Works	\$ 18,687
	Health and Human Services	4,498
Debt Service		
Principal		50,870
Interest and fiscal charges		6,925
Nonmajor Governmental Funds		
Excess Stadium District Sales Tax	Conservation and development	8,874
TID No. 1	Conservation and development	72,208
Parks Capital Improvement	Capital outlay	2,324

The Village financed the excess expenditures using favorable budget variances within the fund or available financial resources of the fund.

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 \$11,345,859 on December 31, 2016 as summarized below:

Petty cash funds	\$ 700
Deposits with financial institutions	10,236,763
Investments	
Negotiable certificates of deposit	1,096,000
Wisconsin local government investment pool	12,396
	<u>\$ 11,345,859</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 11,081,945
Restricted cash and investments	263,914
	\$ 11,345,859

Fair Value Measurements

The Village implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ending December 31, 2016. The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The negotiable certificates of deposit of \$1,096,000 are valued using significant observable inputs (Level 2).

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, 2016, \$8,300,309 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. The Village's financial institution collateralizes bank balances with collateral of \$10,437,950 as of December 31, 2016.

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.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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	12,396	-	-	-	12,396
Totals	\$ 1,108,396	\$ -	\$ -	\$ -	\$ 1,108,396

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%
Enerbank	104,000	9%
Wells Fargo	248,000	23%
Ally Bank	248,000	23%
First 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	\$ 848,000	\$ 248,000	\$ -	\$ -
Wisconsin Local Government Investment Pool	12,396	12,396	-	-	-
Totals	\$ 1,108,396	\$ 860,396	\$ 248,000	\$ -	\$ -

Investment in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin local government investment pool of \$12,396 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, 2016, 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, 2016

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, 2016 totaled \$263,914 and consisted of cash and investments held by the Village's sanitary sewer utility for replacing equipment, as required by the Wisconsin Department of Natural Resources.

4. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Assets Transferred	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,941,326	\$ -	\$ -	\$ -	\$ 1,941,326
Construction in progress	246,390	37,237	254,655	-	28,972
Total capital assets, not being depreciated	2,187,716	37,237	254,655	-	1,970,298
Capital assets, being depreciated:					
Land improvements	2,067,289	-	-	-	2,067,289
Buildings and improvements	6,301,240	-	-	-	6,301,240
Machinery and equipment	6,353,447	656,102	268,478	(866,640)	5,874,431
Infrastructure	9,731,687	691,653	-	-	10,423,340
Subtotals	24,453,663	1,347,755	268,478	(866,640)	24,666,300
Less accumulated depreciation for:					
Land improvements	824,850	81,581	-	-	906,431
Buildings and improvements	2,244,651	174,389	-	-	2,419,040
Machinery and equipment	3,844,421	410,181	267,400	(481,553)	3,505,649
Infrastructure	2,212,375	401,384	-	-	2,613,759
Subtotals	9,126,297	1,067,535	267,400	(481,553)	9,444,879
Total capital assets, being depreciated, net	15,327,366	280,220	1,078	(385,087)	15,221,421
Governmental activities capital assets, net	<u>\$ 17,515,082</u>	<u>\$ 317,457</u>	<u>\$ 255,733</u>	<u>\$ (385,087)</u>	17,191,719
Less: Capital related debt					10,093,100
Less: Debt premium					297,196
Net investment in capital assets					<u>\$ 6,801,423</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

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	173,418	-	-	173,418
Total capital assets, not being depreciated	<u>682,205</u>	-	-	<u>682,205</u>
Capital assets, being depreciated:				
Buildings	670,449	-	-	670,449
Machinery and equipment	1,290,681	33,009	15,538	1,308,152
Infrastructure	42,352,487	530,680	289,799	42,593,368
Subtotals	<u>44,313,617</u>	<u>563,689</u>	<u>305,337</u>	<u>44,571,969</u>
Less accumulated depreciation for:				
Buildings	578,771	21,454	-	600,225
Machinery and equipment	625,501	66,465	15,538	676,428
Infrastructure	12,362,519	705,799	289,799	12,778,519
Subtotals	<u>13,566,791</u>	<u>793,718</u>	<u>305,337</u>	<u>14,055,172</u>
Total capital assets, being depreciated, net	<u>30,746,826</u>	<u>(230,029)</u>	-	<u>30,516,797</u>
Business-type activities capital assets, net	<u>\$ 31,429,031</u>	<u>\$ (230,029)</u>	<u>\$ -</u>	<u>31,199,002</u>
Less: Capital related debt				13,665,074
Less: Debt premium				<u>262,646</u>
Net investment in capital assets				<u>\$ 17,271,282</u>

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

Governmental activities	
General government	\$ 173,174
Public safety	49,780
Public works	411,918
Culture and recreation	103,901
Subtotal	<u>738,773</u>
Capital assets held by Village's internal service fund are charged to various functions based on their usage of the assets	328,762
Total depreciation expense - governmental activities	<u>\$ 1,067,535</u>
Business-type activities	
Water utility	\$ 367,050
Sanitary sewer utility	208,128
Storm sewer utility	218,540
Total increase to accumulated depreciation - business-type activities	<u>\$ 793,718</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

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	\$ -	\$ 1,743,641
Special revenue funds		
Public bus service	6,000	-
Compensated absences	10,000	-
Debt service fund	1,170,876	-
Capital projects funds		
TID No. 1	333,982	-
Parks capital improvement fund	63,000	-
Enterprise funds		
Water utility	63,758	-
Sanitary sewer utility	82,148	-
Storm sewer utility	13,877	-
Temporary Cash Advances to Finance Operating Cash Deficits of Other Funds		
General fund	302,070	-
Enterprise funds		
Water utility	-	122,325
Sanitary sewer utility	-	179,745
Totals	\$ 2,045,711	\$ 2,045,711

Interfund transfers for the year ended were as follows:

	Transfer to:		
	General Fund	Facilities and Equipment	Parks Capital Improvement
Transfers from:			
Internal service fund			
Equipment replacement	\$ -	\$ 25,000	\$ 150,000
Enterprise fund			
Water utility	299,010	-	-
Totals	\$ 299,010	\$ 25,000	\$ 150,000

The Village transferred \$175,000 from its equipment replacement fund to provide funding for capital improvements. The water utility transferred \$299,010 to the general fund as a tax equivalent.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

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, 2016:

	Outstanding 1/1/16	Issued	Retired	Outstanding 12/31/16	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	\$ 11,174,900	\$ 4,910,000	\$ 5,991,800	\$10,093,100	\$ 924,138
Debt premium	121,344	206,852	31,000	297,196	48,669
Compensated absences	217,811	8,924	25,154	201,581	25,000
Governmental activities Long-term obligations	<u>\$ 11,514,055</u>	<u>\$ 5,125,776</u>	<u>\$ 6,047,954</u>	<u>\$10,591,877</u>	<u>\$ 997,807</u>
Business-type activities:					
General Obligation Debt					
Bonds	\$ 10,190,100	\$ 4,205,000	\$ 5,103,200	\$ 9,291,900	\$ 735,862
Clean water fund loan	804,347	-	236,992	567,355	28,147
Total General Obligation Debt	<u>10,994,447</u>	<u>4,205,000</u>	<u>5,340,192</u>	<u>9,859,255</u>	<u>764,009</u>
Revenue bonds					
Safe drinking water loan	3,902,371	14,328	110,880	3,805,819	190,447
Debt premium	110,915	177,120	25,389	262,646	40,517
Compensated absences	53,861	175	19,533	34,503	15,000
Business-type activities Long-term obligations	<u>\$ 15,061,594</u>	<u>\$ 4,396,623</u>	<u>\$ 5,495,994</u>	<u>\$13,962,223</u>	<u>\$ 1,009,973</u>

Total interest paid during the year on long-term debt totaled \$712,040.

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

\$4,965,000 issued 5/10/11; \$205,000 to \$355,000 due annually through 2031; interest 2.50% to 4.00%	\$ 4,010,000
\$5,090,000 issued 12/04/12; \$95,000 to \$1,250,000 due annually through 2019; interest 2.00%	2,540,000
\$4,000,000 issued 6/1/14; \$165,000 to \$275,000 due annually through 2034; interest 2.00% to 3.62%	3,720,000
\$9,115,000 issued 3/9/16; \$95,000 to \$1,620,000 due annually through 2024; interest 2.00%	<u>9,115,000</u>

Total Outstanding General Obligation Bonds \$ 19,385,000

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities of the outstanding general obligation bonds of \$19,385,000 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 924,138	\$ 241,986	\$ 735,862	\$ 230,783	\$ 1,660,000	\$ 472,769
2018	936,138	222,609	783,863	214,797	1,720,001	437,406
2019	928,475	202,892	816,525	187,714	1,745,000	390,606
2020	973,475	182,356	876,525	179,200	1,850,000	361,556
2021	995,813	160,713	899,188	159,423	1,895,001	320,136
2022-2026	3,631,123	484,543	3,338,874	502,513	6,969,997	987,056
2027-2031	1,332,275	193,509	1,417,725	210,079	2,750,000	403,588
2032-2035	371,663	20,241	423,338	23,056	795,001	43,297
	<u>\$ 10,093,100</u>	<u>\$ 1,708,849</u>	<u>\$ 9,291,900</u>	<u>\$ 1,707,565</u>	<u>\$ 19,385,000</u>	<u>\$ 3,416,414</u>

General Obligation Notes

General obligation notes consist of a Clean Water Fund Loans being supported by revenues of the sanitary sewer utility enterprise fund. Clean Water Fund Loans outstanding total \$567,355 and are detailed as follows:

Clean Water Fund Loans

\$684,772 authorized by the Wisconsin Department of Natural Resources on 7/11/12; \$658,483 received; principal of \$28,147 to \$43,852 due through 2032; interest 3.00%

\$ 567,355

Annual principal and interest maturities for the outstanding clean water fund loans on December 31, 2016 are as follows:

Year Ended December 31	Business-Type Activities		
	Principal	Interest	Total
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	31,680	13,013	44,693
2022-2026	173,238	50,002	223,240
2027-2031	200,829	21,996	222,825
2032-2035	43,852	658	44,510
	<u>\$ 567,355</u>	<u>\$ 146,816</u>	<u>\$ 714,171</u>

Current Refunding

During 2016, the Village refunded the 2017 through 2024 maturities of the May 1, 2006 General Obligation Refunding Bonds by issuing \$9,115,000 General Obligation Refunding Bonds dated March 9, 2016. The current refunding reduced total debt service payments by \$1,484,845 and resulted in a net present value benefit of \$1,403,203.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

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, 2016 was \$26,484,095 as follows:

Equalized valuation of the Village	\$ 926,739,200
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	46,336,960
Total outstanding general obligation debt applicable to debt limitation	\$ 19,952,355
Less: Amounts available for financing general obligation debt	
Debt service fund	99,490
Net outstanding general obligation debt applicable to debt limitation	19,852,865
Legal Margin for New Debt	\$ 26,484,095

Revenue Bonds

Revenue bond debt service requirements are financed from operations of the water utility fund. Revenue bonds outstanding on December 31, 2016 totaled \$3,805,819 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; \$113,014 to \$150,433 due through 2032; interest 1.925%	\$ 2,094,279
\$2,127,307 authorized by the State of Wisconsin under the Safe Drinking Water Program on 6/24/2015; \$1,711,540 received; \$77,433 to \$103,958 due through 2035; interest 1.65%	1,711,540
Total Outstanding Revenue Bonds	\$ 3,805,819

Annual principal and interest maturities of the above outstanding revenue bonds as of December 31, 2016 are shown below:

Year Ended December 31,	Business-type Activities		
	Principal	Interest	Total
2017	\$ 190,447	\$ 66,829	\$ 257,276
2018	193,900	63,344	257,244
2019	197,416	59,796	257,212
2020	200,996	56,183	257,179
2021	204,642	52,504	257,146
2022-2026	1,080,262	204,948	1,285,210
2027-2031	1,181,908	102,374	1,284,282
2032-2035	556,248	14,977	571,225
	\$ 3,805,819	\$ 620,955	\$ 4,426,774

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 \$4,426,774. Principal and interest paid for the current year and total customer net revenues were \$178,563 and \$1,193,520, respectively.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

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, 2016

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
2006	0.8%	3.0%
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%
2015	2.9%	2.0%

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 \$126,544 in contributions from the Village.

Contribution rates as of December 31, 2016 are:

Employee Category	Employee	Employer
General (including teachers)	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

At December 31, 2016, the Village reported a liability of \$207,367 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the Village's proportion was 0.01276118%, which was a decrease of 0.00319087% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Village recognized pension expense of \$300,070.

At December 31, 2016, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,081	\$ 436,400
Net differences between projected and actual earnings on pension plan investments	849,018	-
Changes in assumptions	145,083	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	188,514	-
Employer contributions subsequent to the measurement date	132,099	-
Total	\$ 1,349,795	\$ 436,400

\$132,099 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, 2017. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 317,275	\$ 105,610
2017	317,275	105,610
2018	317,275	105,610
2019	257,862	105,610
2020	8,009	13,960
Total	\$ 1,217,696	\$ 436,400

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

e. Actuarial Assumption

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Asset:	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
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, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 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:

	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class				
U.S. Equities	27%	23%	7.6%	4.7%
International Equities	24.5%	22%	8.5%	5.6%
Fixed Income	27.5%	37%	4.4%	1.6%
Inflation Sensitive Assets	10%	20%	4.2%	1.4%
Real Estate	7%	7%	6.5%	3.6%
Private Equity/Debt	7%	7%	9.4%	6.5%
Multi-Asset	4%	4%	6.7%	3.8%
Total Core Fund	107%	120%	7.4%	4.5%
Variable Fund Asset Class				
U.S. Equities	70%	70%	7.6%	4.7%
International Equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5.0%

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

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 3.57%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
Village's proportionate share of the net pension liability (asset)	\$ 1,454,474	\$ 207,367	\$ (766,646)

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://etf.wi.gov/publications/cafr.htm>.

f. Payable to the WRS

At December 31, 2016 the Village reported a payable of \$22,079 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2016.

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:

2017 General Fund Budgeted Expenditures	<u>\$ 7,131,160</u>
Fund Balance Policy - 30%	<u>2,139,348</u>
Unassigned general fund balance - December 31, 2016	<u>2,755,485</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

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 2016, the Village paid the Authority \$1,691,250 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.

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 2016 and 2017 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 2016 budget was 0.76%. The actual limit for the Village for the 2017 budget was 0.72%. 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. Special Item

In prior years, the Village entered into an intergovernmental agreement with the City of Green Bay to provide fire and rescue service to the Village. During 2016, capital assets of \$866,640, net of accumulated depreciation of \$481,553, were transferred to the City of Green Bay. The net book value of the assets transferred totaled \$385,087 and was reported as a special item in the Village's equipment replacement internal service fund and governmental activities.

REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/15	0.01595205%	\$ (391,829)	\$ 1,752,012	22.36%	102.74%
12/31/16	0.01276118%	207,367	1,860,950	11.14%	98.20%

Schedule of Contributions
Wisconsin Retirement System
Last 10 Fiscal Years

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 122,640	\$ 122,640	\$ -	\$ 1,752,012	7.00%
12/31/16	126,544	126,544	-	1,860,950	6.80%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The Village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

SUPPLEMENTARY INFORMATION

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Revenues
General Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the year ended December 31, 2015)

	2016				2015 Actual
	Budget		Actual	Variance with Final Budget - Positive (Negative)	
	Original	Final			
Taxes					
General property	\$ 4,979,492	\$ 4,979,492	\$ 4,979,492	\$ -	\$ 4,433,544
Public rooms	4,000	4,000	4,580	580	4,359
Interest	200	200	142	(58)	112
Total Taxes	4,983,692	4,983,692	4,984,214	522	4,438,015
Special Assessments					
Interest on assessments	5,000	5,000	3,653	(1,347)	1,579
Intergovernmental					
State aid					
State shared taxes	372,981	372,981	372,981	-	372,953
Expenditure restraint payment	128,999	128,999	128,999	-	134,156
Payment in lieu of taxes	400	400	394	(6)	395
Fire insurance	-	-	36,815	36,815	34,840
Exempt computer aid	15,913	15,913	15,911	(2)	19,088
Transportation	351,938	351,938	351,766	(172)	320,609
Local road improvement	-	-	50,875	50,875	-
Park lands	43	43	43	-	43
Recycling	79,050	79,050	93,704	14,654	98,811
Municipal services	66,236	66,236	69,197	2,961	68,044
Total Intergovernmental	1,015,560	1,015,560	1,120,685	105,125	1,048,939
Licenses and Permits					
Licenses					
Liquor and malt beverages	9,750	9,750	10,119	369	9,584
Operators	1,760	1,760	2,519	759	1,655
Cigarette	600	600	600	-	610
Dog	1,500	1,500	2,773	1,273	2,487
Bicycle	500	500	880	380	-
Building contractors	344	344	871	527	-
Electrical contractors	-	-	165	165	105
Cable television	168,000	168,000	159,195	(8,805)	171,611
Permits					
Building	32,094	32,094	30,186	(1,908)	26,367
Electrical	8,985	8,985	6,566	(2,419)	5,656
Plumbing	6,683	6,683	4,434	(2,249)	3,043
HVAC	10,265	10,265	10,153	(112)	7,988
Street excavation	-	-	750	750	100
Zoning	4,550	4,550	1,910	(2,640)	150
Other	6,776	6,776	5,087	(1,689)	6,768
Total Licenses and Permits	251,807	251,807	236,208	(15,599)	236,124

(Continued)

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Revenues (Continued)
General Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the year ended December 31, 2015)

	2016				2015 Actual
	Budget		Actual	Variance with Final Budget - Positive (Negative)	
	Original	Final			
Fines and Forfeits					
Court fines and penalties	117,000	117,000	85,312	(31,688)	107,919
Parking violations	10,000	10,000	4,345	(5,655)	8,338
False alarm penalties	1,200	1,200	2,625	1,425	1,650
Total Fines and Forfeits	128,200	128,200	92,282	(35,918)	117,907
Public Charges for Services					
General government	7,000	7,000	11,056	4,056	9,868
Sale of maps, plats and codes	1,000	1,000	70	(930)	-
Ambulance	60,000	60,000	49,658	(10,342)	60,715
Public works	3,100	3,100	4,103	1,003	5,554
Weed control	2,500	2,500	3,128	628	5,852
Recreation	78,100	78,100	64,750	(13,350)	35,854
Parks	36,600	36,600	32,400	(4,200)	34,474
Engineering	1,250	1,250	1,394	144	521
Forestry	1,000	1,000	2,005	1,005	2,744
Publication fees	1,200	1,200	939	(261)	1,240
Total Public Charges for Services	191,750	191,750	169,503	(22,247)	156,822
Intergovernmental Charges for Services					
Recycling	10,000	10,000	2,723	(7,277)	3,022
Other	1,400	1,400	-	(1,400)	-
Total Intergovernmental Charges for Services	11,400	11,400	2,723	(8,677)	3,022
Miscellaneous					
Investment interest	20,100	20,100	14,195	(5,905)	22,180
Rentals	68,450	68,450	68,450	-	68,500
Property sales	1,000	1,000	2,050	1,050	1,339
Property lease	1	1	-	(1)	1
Recyclable materials	1,000	1,000	972	(28)	2,075
Insurance recoveries and dividends	10,000	10,000	10,635	635	16,888
Donations	3,000	3,000	4,900	1,900	3,461
Other	9,520	9,520	6,558	(2,962)	13,473
Total Miscellaneous	113,071	113,071	107,760	(5,311)	127,917
Total Revenues	\$ 6,700,480	\$ 6,700,480	\$ 6,717,028	\$ 16,548	\$ 6,130,325

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Expenditures
General Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the year ended December 31, 2015)

	2016				2015 Actual
	Budget		Actual	Variance with Final Budget - Positive (Negative)	
	Original	Final			
General Government					
Village Board and committees	56,286	56,286	58,127	(1,841)	56,018
Municipal court	54,716	54,716	44,727	9,989	44,056
Legal counsel	39,000	41,951	47,617	(5,666)	45,951
Administrator	101,722	101,722	103,359	(1,637)	96,493
General administration	241,691	242,291	249,273	(6,982)	228,317
Clerk-treasurer	93,313	93,313	91,806	1,507	87,774
Elections	38,517	40,934	37,368	3,566	9,178
Internal accounting	95,747	158,785	131,397	27,388	134,420
Auditing and accounting services	11,500	11,500	6,525	4,975	4,980
Assessor	23,566	23,566	23,423	143	23,216
Village hall	83,950	83,950	76,104	7,846	74,450
Community Center building	13,650	13,650	13,640	10	10,201
Land acquisition	-	-	-	-	46,828
Insurance	98,471	98,471	99,830	(1,359)	91,701
Tax refunds	-	-	2,885	(2,885)	3,700
Contingency	15,000	15,000	15,000	-	12,067
Other	2,500	2,500	10	2,490	1,852
Total General Government	969,629	1,038,635	1,001,091	37,544	971,202
Public Safety					
Police department	914,982	914,982	902,240	12,742	909,114
School patrol	45,352	45,352	56,202	(10,850)	48,931
Fire department	1,799,048	1,799,048	1,777,352	21,696	1,761,781
Hydrant rental	276,724	276,724	276,724	-	276,724
Inspections	39,049	39,049	48,948	(9,899)	50,472
Code enforcement	48,527	48,527	45,299	3,228	45,583
Other services	1,900	1,900	1,950	(50)	1,857
Total Public Safety	3,125,582	3,125,582	3,108,715	16,867	3,094,462
Public Works					
Engineering	65,321	65,321	60,867	4,454	57,921
Administration	71,156	71,156	90,220	(19,064)	97,250
Training	3,445	3,445	3,109	336	3,609
Street repairs	136,088	136,088	125,765	10,323	197,957
Snow and ice control	193,663	193,663	228,275	(34,612)	80,868
Signs and markings	39,961	39,961	49,416	(9,455)	61,030
Tree and brush control	149,911	149,911	168,272	(18,361)	200,394
Curb and gutter	10,000	10,000	10,133	(133)	8,876
Street reconstruction	226,000	226,000	263,486	(37,486)	191,640
Street lighting	215,000	215,000	174,611	40,389	220,769
Sidewalks	20,000	20,000	10,001	9,999	9,031

(Continued)

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Expenditures (Continued)
General Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the year ended December 31, 2015)

	2016			Variance with Final Budget Positive (Negative)	2015 Actual
	Budget		Actual		
	Original	Final			
Public Works (continued)					
Weed control	11,729	11,729	12,050	(321)	9,320
Leaf collection	124,762	124,762	118,219	6,543	132,116
Yard waste collection	49,117	49,117	51,418	(2,301)	72,780
Sharps collection	250	250	231	19	280
Recycling - curbside	145,015	145,015	124,686	20,329	133,481
Garbage collection	305,100	305,100	299,368	5,732	324,848
Refuse collection	116,406	116,406	107,615	8,791	114,641
Landfill	170,000	170,000	170,313	(313)	166,814
LeBrun farm	74,877	74,877	78,433	(3,556)	91,128
Total Public Works	2,127,801	2,127,801	2,146,488	(18,687)	2,174,753
Health and Human Services					
Animal control	3,873	3,873	8,371	(4,498)	6,272
Culture and Recreation					
Administration	183,010	183,010	172,990	10,020	162,846
Recreation programs	74,985	74,985	51,156	23,829	36,491
Park maintenance	379,530	379,530	392,183	(12,653)	393,581
Park security	10,010	10,010	11,322	(1,312)	10,291
Park mechanic	13,945	13,945	5,747	8,198	8,956
Total Culture and Recreation	661,480	661,480	633,398	28,082	612,165
Conservation and Development					
Forestry	83,910	95,060	77,219	17,841	72,172
Economic development	34,552	34,552	43,242	(8,690)	37,280
Total Conservation and Development	118,462	129,612	120,461	9,151	109,452
Total Expenditures	\$ 7,006,827	\$ 7,086,983	\$ 7,018,524	\$ 68,459	\$ 6,968,306

VILLAGE OF ALLOUEZ, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2016

(With summarized financial information as of December 31, 2015)

	Special Revenue			Capital Projects		Total Nonmajor Governmental Funds	
	Public Bus Service	Compensated Absences	Excess Stadium District Sales Tax	TID No. 1	Parks Capital Improvement	2016	2015
ASSETS							
Cash and investments	\$ 108,323	\$ 79,046	\$ 717,111	\$ 367,152	\$ 17,408	\$ 1,289,040	\$ 1,056,092
Due from other funds	6,000	10,000	-	333,982	63,000	412,982	372,328
Due from other governments	96,468	-	-	-	-	96,468	96,468
TOTAL ASSETS	\$ 210,791	\$ 89,046	\$ 717,111	\$ 701,134	\$ 80,408	\$ 1,798,490	\$ 1,524,888
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 7,236	\$ -	\$ -	\$ 3,936	\$ -	\$ 11,172	\$ 7,675
Accrued and other current liabilities	-	-	-	1,505	-	1,505	-
Total Liabilities	7,236	-	-	5,441	-	12,677	7,675
Deferred Inflows of Resources							
Property taxes levied for subsequent year	6,000	10,000	-	333,982	63,000	412,982	372,328
Fund Balances							
Nonspendable	96,468	-	-	-	-	96,468	96,468
Restricted for							
Tax incremental district	-	-	-	361,711	-	361,711	179,537
Capital projects	-	-	-	-	17,408	17,408	-
Property tax relief, debt reduction, and economic development	-	-	717,111	-	-	717,111	704,677
Committed for							
Subsequent year's expenditures	101,087	79,046	-	-	-	180,133	164,203
Total Fund Balances	197,555	79,046	717,111	361,711	17,408	1,372,831	1,144,885
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 210,791	\$ 89,046	\$ 717,111	\$ 701,134	\$ 80,408	\$ 1,798,490	\$ 1,524,888

VILLAGE OF ALLOUEZ, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	Special Revenue			Capital Projects		Total Nonmajor Governmental Funds	
	Public Bus Service	Compensated Absences	Excess Stadium District Sales Tax	TID No. 1	Parks Capital Improvement	2016	2015
Revenues							
Taxes	\$ 84,219	\$ 10,000	\$ 21,308	\$ 278,109	\$ -	\$ 393,636	\$ 1,086,028
Intergovernmental	-	-	-	49,469	-	49,469	48,569
Miscellaneous	-	-	-	-	19,732	19,732	-
Total Revenues	84,219	10,000	21,308	327,578	19,732	462,837	1,134,597
Expenditures							
Current							
General government	-	13,258	-	-	-	13,258	3,445
Public works	65,031	-	-	-	-	65,031	81,056
Conservation and development	-	-	8,874	145,404	-	154,278	157,011
Capital outlay	-	-	-	-	27,324	27,324	-
Total Expenditures	65,031	13,258	8,874	145,404	27,324	259,891	241,512
Excess of Revenues Over (Under) Expenditures	19,188	(3,258)	12,434	182,174	(7,592)	202,946	893,085
Other Financing Sources							
Transfers in	-	-	-	-	25,000	25,000	-
Net Change in Fund Balances	19,188	(3,258)	12,434	182,174	17,408	227,946	893,085
Fund Balances - January 1	178,367	82,304	704,677	179,537	-	1,144,885	251,800
Fund Balances - December 31	\$ 197,555	\$ 79,046	\$ 717,111	\$ 361,711	\$ 17,408	\$ 1,372,831	\$ 1,144,885

VILLAGE OF ALLOUEZ, WISCONSIN
Equipment Replacement Internal Service Fund
Statement of Net Position
December 31, 2016
(With summarized financial information as of December 31, 2015)

	2016	2015
ASSETS		
Cash and investments	\$ 2,038,085	\$ 2,436,546
Accounts receivable	1,765	459
Interest receivable	289	333
Prepaid items	3,503	2,769
Capital assets, depreciable		
Machinery and equipment	4,459,380	4,907,106
Less: Accumulated depreciation	<u>(2,522,457)</u>	<u>(2,881,257)</u>
TOTAL ASSETS	<u>3,980,565</u>	<u>4,465,956</u>
LIABILITIES		
Accounts payable	15,764	18,765
Accrued liabilities	<u>3,165</u>	<u>-</u>
TOTAL LIABILITIES	<u>18,929</u>	<u>18,765</u>
NET POSITION		
Net investment in capital assets	1,936,923	2,025,849
Unrestricted	<u>2,024,713</u>	<u>2,421,342</u>
TOTAL NET POSITION	<u>\$ 3,961,636</u>	<u>\$ 4,447,191</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Equipment Replacement Internal Service Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	Equipment Replacement	
	2016	2015
Operating Revenues		
Charges for services		
Equipment rental	\$ 746,097	\$ 825,706
Gasoline and fuel	25,105	28,924
Total Charges for Services	<u>771,202</u>	<u>854,630</u>
Operating Expenses		
Operation and maintenance	469,064	407,984
Depreciation	328,762	296,212
Total Operating Expenses	<u>797,826</u>	<u>704,196</u>
Operating Income (Loss)	<u>(26,624)</u>	150,434
Nonoperating Revenues		
Interest revenue	6,411	463
Gain on sale of capital assets	94,745	32,526
Total Nonoperating Revenues	<u>101,156</u>	<u>32,989</u>
Net Income Before Transfers and Special Items	74,532	183,423
Transfers out	(175,000)	-
Special item - Capital assets transferred to the City of Green Bay	<u>(385,087)</u>	-
Change in Net Position	(485,555)	183,423
Net Position - January 1	<u>4,447,191</u>	<u>4,263,768</u>
Net Position - December 31	<u>\$ 3,961,636</u>	<u>\$ 4,447,191</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Equipment Replacement Internal Service Fund
Statement of Cash Flows
For the Year Ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	Equipment Replacement	
	2016	2015
Cash Flows from Operating Activities		
Cash received from user charges	\$ 769,896	\$ 883,151
Cash payments to suppliers	(337,419)	(268,914)
Cash payments for personnel costs	(132,215)	(122,861)
Net Cash Provided by Operating Activities	<u>300,262</u>	<u>491,376</u>
Cash Flows from Noncapital Financing Activities		
Transfer to other funds	(175,000)	-
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(559,923)	(436,804)
Proceeds from sale of capital assets	29,745	15,243
Net Cash Used by Capital and Related Financing Activities	<u>(530,178)</u>	<u>(421,561)</u>
Cash Flows from Investing Activities		
Interest income received	6,455	130
Change in Cash and Cash Equivalents	(398,461)	69,945
Cash and Cash Equivalents - Beginning of Year	<u>2,436,546</u>	<u>2,366,601</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,038,085</u>	<u>\$ 2,436,546</u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by Operating Activities:		
Operating income (loss)	\$ (26,624)	\$ 150,434
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Depreciation	328,762	296,212
Changes in assets and liabilities:		
Accounts receivable	(1,306)	28,521
Prepaid items	(734)	3,776
Accounts payable	(3,001)	12,433
Accrued liabilities	3,165	-
Net Cash Provided by Operating Activities	<u>\$ 300,262</u>	<u>\$ 491,376</u>
Noncash Investing, Capital and Financing Activities		
Trade in value of equipment	<u>\$ 65,000</u>	<u>\$ 32,700</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, 2016, 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 dated July 13, 2017.

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
July 13, 2017