

VILLAGE OF ALLOUEZ, WISCONSIN
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2014

VILLAGE OF ALLOUEZ, WISCONSIN
December 31, 2014

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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, 2014, 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, 2014, 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

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 purposes of additional analysis and is not a required part of the financial statements.

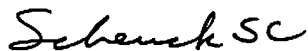
The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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's 2013 financial statements, and our report dated April 29, 2014, 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, 2013, 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 April 24, 2015, 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
April 24, 2015

BASIC FINANCIAL STATEMENTS

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Net Position
December 31, 2014
(With summarized financial information as of December 31, 2013)

	Governmental Activities	Business-type Activities	Total	
			2014	2013
ASSETS				
Cash and investments	\$ 11,595,872	\$ 687,188	\$ 12,283,060	\$ 11,539,093
Receivables				
Taxes	15,263,492	-	15,263,492	16,451,847
Accounts	490,280	554,097	1,044,377	747,582
Special assessments	12,543	46,155	58,698	48,600
Interest	1,309	-	1,309	1,411
Other	-	130,669	130,669	76,295
Internal balances	43,118	(43,118)	-	-
Due from other governments	97,156	-	97,156	96,468
Inventories and prepaid items	20,876	76,988	97,864	102,460
Restricted assets				
Cash and investments	482,873	262,871	745,744	752,922
Capital assets, nondepreciable				
Land	1,894,498	508,787	2,403,285	2,403,285
Construction in progress	634,404	1,247,841	1,882,245	487,821
Capital assets, depreciable				
Land improvements	1,996,486	578,431	2,574,917	1,820,069
Buildings and improvements	6,301,240	664,659	6,965,899	6,941,601
Machinery and equipment	6,044,674	1,280,189	7,324,863	7,285,860
Infrastructure	8,748,007	39,061,059	47,809,066	45,111,275
Less: Accumulated depreciation	(8,303,001)	(13,168,561)	(21,471,562)	(20,396,560)
TOTAL ASSETS	45,323,827	31,887,255	77,211,082	73,470,029
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	91,921	91,921	113,133
Extraordinary property loss	-	-	-	6,586
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	91,921	91,921	119,719
LIABILITIES				
Accounts payable	1,147,614	496,526	1,644,140	1,110,591
Accrued and other current liabilities	76,361	-	76,361	76,037
Accrued interest payable	107,607	117,844	225,451	177,588
Due to other governments	13,437,222	-	13,437,222	14,190,682
Long-term obligations				
Due within one year	853,100	1,036,089	1,889,189	1,759,809
Due in more than one year	11,521,905	13,391,853	24,913,758	22,765,055
TOTAL LIABILITIES	27,143,809	15,042,312	42,186,121	40,079,762
DEFERRED INFLOWS OF RESOURCES				
Property taxes	6,543,843	-	6,543,843	6,266,803
NET POSITION				
Net investment in capital assets	5,771,181	16,018,051	21,789,232	19,629,266
Restricted for				
Debt service	132,391	-	132,391	194,373
Tax incremental district	10,128	-	10,128	-
Unrestricted	5,722,475	918,813	6,641,288	7,419,544
TOTAL NET POSITION	\$ 11,636,175	\$ 16,936,864	\$ 28,573,039	\$ 27,243,183

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, 2014
(With summarized financial information for the year ended December 31, 2013)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,130,090	\$ 151,055	\$ -	\$ -
Public safety	3,140,893	160,622	36,694	-
Public works	2,366,058	17,844	442,885	-
Health and human services	2,183	-	-	-
Culture and recreation	611,131	74,557	9,032	362,033
Conservation and development	88,127	-	-	-
Interest on debt	427,075	-	-	-
Total Governmental Activities	7,765,557	404,078	488,611	362,033
Business-type Activities				
Water utility	3,081,986	3,307,370	-	800
Sanitary sewer utility	2,421,732	2,448,590	-	104,672
Storm sewer utility	681,937	640,939	-	192,057
Total Business-type Activities	6,185,655	6,396,899	-	297,529
Total	\$ 13,951,212	\$ 6,800,977	\$ 488,611	\$ 659,562

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Other taxes

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

Interest and investment earnings

Miscellaneous

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net Position - January 1

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	
		2014	2013

\$ (979,035)	\$ -	\$ (979,035)	\$ (940,545)
(2,943,577)	-	(2,943,577)	(2,886,848)
(1,905,329)	-	(1,905,329)	(1,860,413)
(2,183)	-	(2,183)	(2,966)
(165,509)	-	(165,509)	(725,648)
(88,127)	-	(88,127)	(65,457)
(427,075)	-	(427,075)	(324,101)
<u>(6,510,835)</u>	<u>-</u>	<u>(6,510,835)</u>	<u>(6,805,978)</u>

-	226,184	226,184	345,826
-	131,530	131,530	329,136
-	151,059	151,059	45,334
<u>-</u>	<u>508,773</u>	<u>508,773</u>	<u>720,296</u>

<u>(6,510,835)</u>	<u>508,773</u>	<u>(6,002,062)</u>	<u>(6,085,682)</u>
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5,160,804	-	5,160,804	5,139,150
1,103,189	-	1,103,189	1,142,463
173,225	-	173,225	174,018
661,879	-	661,879	624,161
31,479	3,385	34,864	33,446
123,457	-	123,457	176,093
74,500	-	74,500	13,499
229,711	(229,711)	-	-
<u>7,558,244</u>	<u>(226,326)</u>	<u>7,331,918</u>	<u>7,302,830</u>

1,047,409	282,447	1,329,856	1,217,148
<u>10,588,766</u>	<u>16,654,417</u>	<u>27,243,183</u>	<u>26,026,035</u>

<u>\$ 11,636,175</u>	<u>\$ 16,936,864</u>	<u>\$ 28,573,039</u>	<u>\$ 27,243,183</u>
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VILLAGE OF ALLOUEZ, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2014

(With summarized financial information as of December 31, 2013)

	General	Debt Service	Capital Facilities and Equipment
ASSETS			
Cash and investments	\$ 8,805,575	\$ 132,754	\$ 116,393
Receivables			
Taxes	15,263,492	-	-
Accounts	99,267	-	362,033
Special assessments	12,543	-	-
Interest	974	-	-
Restricted cash and investments	-	-	482,873
Due from other funds	161,981	1,235,908	492,160
Due from other governments	688	-	-
Inventories and prepaid items	14,331	-	-
TOTAL ASSETS	\$ 24,358,851	\$ 1,368,662	\$ 1,453,459
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 756,568	\$ 363	\$ 365,134
Accrued and other current liabilities	76,361	-	-
Due to other funds	2,228,282	-	-
Due to other governments	13,437,222	-	-
Total Liabilities	16,498,433	363	365,134
Deferred Inflows of Resources			
Property taxes	4,434,424	1,235,908	492,160
Fund Balances			
Nonspendable			
Inventories and prepaid items	14,331	-	-
Long-term advance	-	-	-
Restricted for			
Retirement of long-term debt	-	132,391	-
Capital projects	-	-	596,165
Tax incremental district	-	-	-
Committed for			
Subsequent year's expenditures	-	-	-
Assigned for			
Subsequent year's budget	572,938	-	-
Road improvements	147,000	-	-
Other	29,759	-	-
Unassigned, reported in			
General fund	2,661,966	-	-
Special revenue funds	-	-	-
Total Fund Balances	3,425,994	132,391	596,165
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 24,358,851	\$ 1,368,662	\$ 1,453,459

(Continued)

Other Governmental Funds	Total Governmental Funds	
	2014	2013
\$ 174,549	\$ 9,229,271	\$ 7,968,736
-	15,263,492	16,451,847
-	461,300	125,412
-	12,543	48,600
-	974	1,411
-	482,873	-
381,351	2,271,400	1,805,510
96,468	97,156	96,468
-	14,331	13,419
\$ 652,368	\$ 27,833,340	\$ 26,511,403

\$ 19,217	\$ 1,141,282	\$ 432,405
-	76,361	76,037
-	2,228,282	1,679,797
-	13,437,222	14,190,682
19,217	16,883,147	16,378,921

381,351	6,543,843	6,266,803
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-	14,331	13,419
96,468	96,468	96,468
-	132,391	194,373
-	596,165	289,084
10,128	10,128	-
145,204	145,204	67,447
-	572,938	40,000
-	147,000	-
-	29,759	-
-	2,661,966	3,175,694
-	-	(10,806)
251,800	4,406,350	3,865,679

\$ 652,368	\$ 27,833,340	\$ 26,511,403
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VILLAGE OF ALLOUEZ, WISCONSIN
Balance Sheet (Continued)
Governmental Funds
December 31, 2014
(With summarized financial information as of December 31, 2013)

<u>Reconciliation to the Statement of Net Position</u>	Total	
	2014	2013
Total Fund Balances as shown on previous page	\$ 4,406,350	\$ 3,865,679
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	17,316,308	15,337,779
Less amount included as part of the internal service fund	<u>(1,867,639)</u>	<u>(1,851,238)</u>
	15,448,669	13,486,541
Assets and liabilities of internal service funds are included in governmental activities in the statement of net position	4,263,768	4,183,542
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(12,028,000)	(10,540,000)
Compensated absences	(202,849)	(176,729)
Premium on issuance of bonds	(144,156)	(149,859)
Accrued interest on long-term obligations	<u>(107,607)</u>	<u>(80,408)</u>
	<u>(12,482,612)</u>	<u>(10,946,996)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 3)	<u>\$ 11,636,175</u>	<u>\$ 10,588,766</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, 2014
(With summarized financial information for the year ended December 31, 2013)

	General	Debt Service	Capital Facilities and Equipment
Revenues			
Taxes	\$ 4,759,320	\$ 1,103,189	\$ 229,000
Special assessments	8,325	-	-
Intergovernmental	1,095,017	-	362,033
Licenses and permits	288,107	-	-
Fines and forfeits	124,312	-	-
Public charges for services	158,853	-	-
Intergovernmental charges for services	1,458	-	-
Miscellaneous	148,637	273	1,006
Total Revenues	6,584,029	1,103,462	592,039
Expenditures			
General government	922,290	-	-
Public safety	3,133,920	-	-
Public works	1,944,541	-	1,778,656
Health and human services	2,183	-	-
Culture and recreation	573,173	-	16,953
Conservation and development	70,958	-	150
Debt service			
Principal	-	772,000	-
Interest and fiscal charges	-	363,238	42,341
Capital outlay	-	-	756,069
Total Expenditures	6,647,065	1,135,238	2,594,169
Excess of Revenues Over (Under) Expenditures	(63,036)	(31,776)	(2,002,130)
Other Financing Sources (Uses)			
Bonds issued	-	-	1,870,000
Premium on bonds	-	-	29,493
Reallocated debt proceeds	-	-	390,000
Transfers in	259,917	-	19,718
Transfers out	-	(30,206)	-
Total Other Financing Sources (Uses)	259,917	(30,206)	2,309,211
Net Change in Fund Balances	196,881	(61,982)	307,081
Fund Balances - January 1	3,229,113	194,373	289,084
Fund Balances - December 31	\$ 3,425,994	\$ 132,391	\$ 596,165

(Continued)

Other Governmental Funds	Total Governmental Funds	
	2014	2013
\$ 177,236	\$ 6,268,745	\$ 6,287,012
-	8,325	7,990
46,865	1,503,915	1,138,340
-	288,107	284,091
-	124,312	145,072
-	158,853	178,230
-	1,458	2,213
-	149,916	281,560
<u>224,101</u>	<u>8,503,631</u>	<u>8,324,508</u>
3,445	925,735	1,015,301
-	3,133,920	3,063,611
85,228	3,808,425	2,811,809
-	2,183	2,966
-	590,126	578,705
17,019	88,127	65,457
-	772,000	745,000
-	405,579	365,576
-	756,069	79,241
<u>105,692</u>	<u>10,482,164</u>	<u>8,727,666</u>
<u>118,409</u>	<u>(1,978,533)</u>	<u>(403,158)</u>
-	1,870,000	-
-	29,493	-
-	390,000	-
-	279,635	254,446
(19,718)	(49,924)	-
<u>(19,718)</u>	<u>2,519,204</u>	<u>254,446</u>
98,691	540,671	(148,712)
<u>153,109</u>	<u>3,865,679</u>	<u>4,014,391</u>
<u>\$ 251,800</u>	<u>\$ 4,406,350</u>	<u>\$ 3,865,679</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

<u>Reconciliation to the Statement of Activities</u>	Total Governmental Funds	
	2014	2013
Net Change in Fund Balances as shown on previous page	\$ 540,671	\$ (148,712)
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	2,606,871	783,929
Depreciation expense reported in the statement of activities	(644,743)	(597,337)
Amount by which capital outlays are greater than depreciation in current period	1,962,128	186,592
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.		
Proceeds from the disposition of capital assets as reported on the governmental funds operating statement	-	(20,109)
Loss on disposition reported on the statement of activities	-	(22,760)
Cost of assets disposed of	-	(42,869)
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:	(26,120)	51,529
Some capital assets acquired during the year were financed with debt. The amount of the debt is reported in the governmental funds as a source of financing. In the statement of net position, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:	(1,870,000)	-
Internal service funds are reported with governmental activities. Current year revenues were greater (less) than expenses by:	80,226	(168,803)
Proceeds from a prior year debt issue were reallocated during the year from business type activities to the Village's capital project fund to finance the acquisition of capital assets during the year. The reallocated debt proceeds was:	(390,000)	-
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year are:		
Principal payments on bonds and notes payable	772,000	745,000
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.	(27,199)	7,139
Bond premiums are reported in the governmental funds as an other financing source. In the statement of activities, the premiums are amortized as an expense reduction over the life of the bonds.	5,703	34,336
Change in Net Position of Governmental Activities as reported in the Statement of Activities (see pages 4 - 5)	<u>\$ 1,047,409</u>	<u>\$ 664,212</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, 2014
(With summarized financial information for the year ended December 31, 2013)

	2014				2013	Actual
	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)		
	Original	Final				
Revenues						
Taxes	\$ 4,760,262	\$ 4,760,262	\$ 4,759,320	\$ (942)	\$ 4,784,049	
Special assessments	5,500	5,500	8,325	2,825	7,990	
Intergovernmental	1,065,873	1,065,873	1,095,017	29,144	1,138,340	
Licenses and permits	224,590	224,590	288,107	63,517	284,091	
Fines and forfeits	139,200	139,200	124,312	(14,888)	145,072	
Public charges for services	205,387	205,387	158,853	(46,534)	178,230	
Intergovernmental charges for services	2,000	2,000	1,458	(542)	2,213	
Other	143,171	143,171	148,637	5,466	171,326	
Total Revenues	6,545,983	6,545,983	6,584,029	38,046	6,711,311	
Expenditures						
General government	964,898	959,519	922,290	37,229	942,458	
Public safety	3,050,862	3,105,131	3,133,920	(28,789)	3,063,611	
Public works	2,081,284	2,081,284	1,944,541	136,743	2,075,309	
Health and human services	5,504	5,504	2,183	3,321	2,966	
Culture and recreation	664,007	664,007	573,173	90,834	578,705	
Conservation and development	56,690	61,690	70,958	(9,268)	65,307	
Total Expenditures	6,823,245	6,877,135	6,647,065	230,070	6,728,356	
Excess of Revenues Over (Under)						
Expenditures	(277,262)	(331,152)	(63,036)	268,116	(17,045)	
Other Financing Sources						
Transfers in	260,000	260,000	259,917	(83)	254,446	
Net Change in Fund Balance	(17,262)	(71,152)	196,881	268,033	237,401	
Fund Balance - January 1	3,229,113	3,229,113	3,229,113	-	2,991,712	
Fund Balance - December 31	\$ 3,211,851	\$ 3,157,961	\$ 3,425,994	\$ 268,033	\$ 3,229,113	

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, 2014

(With summarized financial information as of December 31, 2013)

	Business-type Activities - Enterprise Funds				
	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals	
				2014	2013
ASSETS					
Cash and investments	\$ 345,558	\$ -	\$ 341,630	\$ 687,188	\$ 1,257,271
Receivables					
Accounts	263,671	231,097	59,329	554,097	576,350
Special assessments	600	39,101	6,454	46,155	-
Interest	-	-	-	-	-
Other	2,977	3,924	123,768	130,669	76,295
Due from other funds	53,930	51,839	13,094	118,863	159,566
Inventories and prepaid items	74,558	-	2,430	76,988	82,976
Restricted assets					
Cash and investments	-	262,871	-	262,871	752,922
Capital assets, nondepreciable					
Land	34,299	-	474,488	508,787	508,787
Construction in progress	-	839,088	408,753	1,247,841	355,010
Capital assets, depreciable					
Land improvements	578,431	-	-	578,431	578,431
Buildings	664,659	-	-	664,659	640,361
Machinery and equipment	1,213,326	49,821	17,042	1,280,189	1,271,565
Infrastructure	13,740,871	13,851,511	11,468,677	39,061,059	37,655,120
Less: Accumulated depreciation	(3,654,880)	(4,685,293)	(4,828,388)	(13,168,561)	(12,693,702)
TOTAL ASSETS	13,318,000	10,643,959	8,087,277	32,049,236	31,220,952
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	56,169	-	35,752	91,921	113,133
Extraordinary property loss	-	-	-	-	6,586
	56,169	-	35,752	91,921	119,719
LIABILITIES					
Accounts payable	203,688	241,114	51,724	496,526	645,519
Accrued and other current liabilities	50,451	39,183	28,210	117,844	97,180
Due to other funds	-	161,981	-	161,981	285,279
Long-term obligations					
Due within one year	357,086	469,200	209,803	1,036,089	1,004,809
Due in more than one year	5,659,484	4,397,622	3,334,747	13,391,853	12,653,467
TOTAL LIABILITIES	6,270,709	5,309,100	3,624,484	15,204,293	14,686,254
NET POSITION					
Net investment in capital assets	6,720,930	5,234,063	4,063,058	16,018,051	14,831,487
Unrestricted	382,530	100,796	435,487	918,813	1,822,930
TOTAL NET POSITION	\$ 7,103,460	\$ 5,334,859	\$ 4,498,545	\$ 16,936,864	\$ 16,654,417

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

Governmental Activities - Internal Service Fund Total	
2014	2013

\$ 2,366,601	\$ 2,313,086
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28,980	45,820
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-	-
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335	-
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-	-
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-	-
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6,545	6,065
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-	-
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-	-
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-	-
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-	-
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-	-
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4,609,599	4,627,243
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<u>(2,741,960)</u>	<u>(2,776,005)</u>
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<u>4,270,100</u>	<u>4,216,209</u>
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-	-
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6,332	32,667
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-	-
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-	-
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-	-
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-	-
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<u>6,332</u>	<u>32,667</u>
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1,867,639	1,851,238
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<u>2,396,129</u>	<u>2,332,304</u>
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<u>\$ 4,263,768</u>	<u>\$ 4,183,542</u>
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VILLAGE OF ALLOUEZ, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year December 31, 2013)

	Business-type Activities - Enterprise Funds				
	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals	
				2014	2013
Operating Revenues					
Charges for services					
Metered sales to general customers					
Residential	\$ 1,860,265	\$ -	\$ -	\$ 1,860,265	\$ 1,895,047
Multifamily	44,358	-	-	44,358	-
Commercial	310,648	-	-	310,648	367,202
Institutions	354,168	-	-	354,168	364,673
Public authorities	24,871	-	-	24,871	24,511
Private fire protection	27,574	-	-	27,574	26,508
Public fire protection	553,523	-	-	553,523	554,259
Storm water	-	-	623,787	623,787	609,472
Sanitary sewer	-	2,444,834	-	2,444,834	2,364,803
Equipment and other charges	-	-	-	-	-
Total charges for services	3,175,407	2,444,834	623,787	6,244,028	6,206,475
Forfeited discounts	21,477	-	-	21,477	25,671
Other	110,486	3,756	17,152	131,394	161,628
Total Operating Revenues	3,307,370	2,448,590	640,939	6,396,899	6,393,774
Operating Expenses					
Operation and maintenance					
Source of supply	1,854,094	-	-	1,854,094	1,805,585
Pumping	60,720	-	-	60,720	73,576
Water treatment	17,898	-	-	17,898	15,328
Transmission and distribution	379,770	-	-	379,770	256,902
Customer accounts	45,832	-	-	45,832	43,680
Administrative and general	198,202	-	-	198,202	200,779
Storm water	-	-	339,094	339,094	334,457
Sanitary sewer	-	2,066,353	-	2,066,353	1,797,928
Other operation and maintenance	-	-	-	-	-
Total operation and maintenance	2,556,516	2,066,353	339,094	4,961,963	4,528,235
Depreciation	327,872	193,537	218,065	739,474	683,586
Amortization of property loss	6,586	-	-	6,586	6,586
Taxes	18,001	-	-	18,001	20,653
Total Operating Expenses	2,908,975	2,259,890	557,159	5,726,024	5,239,060
Operating Income (Loss)	398,395	188,700	83,780	670,875	1,154,714
Nonoperating Revenues (Expenses)					
Interest revenue	1,377	1,639	369	3,385	4,059
Interest expense	(184,741)	(171,446)	(128,969)	(485,156)	(447,162)
Amortization of premium on bonds	11,730	9,604	7,599	28,933	27,953
Gain (loss) on asset removals	-	-	(3,408)	(3,408)	(6,005)
Total Nonoperating Revenues (Expenses)	(171,634)	(160,203)	(124,409)	(456,246)	(421,155)
Net Income (Loss) Before Transfers and Contributions	226,761	28,497	(40,629)	214,629	733,559
Transfers out	(259,917)	(42,528)	(14,624)	(317,069)	(254,446)
Transfers in	87,358	-	-	87,358	-
Capital contributions	800	104,672	192,057	297,529	73,823
Changes in Net Position	55,002	90,641	136,804	282,447	552,936
Net Position - January 1	7,048,458	5,244,218	4,361,741	16,654,417	16,101,481
Net Position - December 31	\$ 7,103,460	\$ 5,334,859	\$ 4,498,545	\$ 16,936,864	\$ 16,654,417

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

Governmental Activities - Internal Service Fund Total	
2014	2013

\$	-	\$	-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	840,807		731,590
	<u>840,807</u>		<u>731,590</u>
	-		-
	-		-
	<u>840,807</u>		<u>731,590</u>
	-		-
	-		-
	-		-
	-		-
	-		-
	523,485		535,046
	<u>523,485</u>		<u>535,046</u>
	312,448		379,329
	-		-
	-		-
	<u>835,933</u>		<u>914,375</u>
	4,874		(182,785)
	852		483
	-		-
	-		-
	74,500		13,499
	<u>75,352</u>		<u>13,982</u>
	80,226		(168,803)
	-		-
	-		-
	-		-
	80,226		(168,803)
	<u>4,183,542</u>		<u>4,352,345</u>
\$	<u>4,263,768</u>	\$	<u>4,183,542</u>

VILLAGE OF ALLOUEZ, WISCONSIN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2014

(With summarized financial information for the year ended December 31, 2013)

	Business-type Activities - Enterprise Funds				
	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals	
				2014	2013
Cash Flows from Operating Activities					
Cash received from user charges	\$ 3,375,381	\$ 2,460,222	\$ 569,878	\$ 6,405,481	\$ 6,534,573
Cash payments to suppliers	(2,389,860)	(1,990,051)	(109,683)	(4,489,594)	(3,777,391)
Cash payments for personnel costs	(297,031)	(129,088)	(204,442)	(630,561)	(667,122)
Net Cash Provided by Operating Activities	688,490	341,083	255,753	1,285,326	2,090,060
Cash Flows from Noncapital Financing Activities					
Changes in temporary cash advances	-	(123,298)	-	(123,298)	285,279
Cash transfers in (out)	(172,559)	(42,528)	(14,624)	(229,711)	(254,446)
Net Cash Provided (Used) by Noncapital Financing Activities	(172,559)	(165,826)	(14,624)	(353,009)	30,833
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(1,026,812)	(1,136,957)	(435,946)	(2,599,715)	(2,500,998)
Proceeds from sale of capital assets	-	-	-	-	-
Capital contributions	200	65,571	185,603	251,374	73,823
Proceeds of long-term debt	720,000	960,000	460,000	2,140,000	1,033,788
Debt premium received	11,198	15,140	7,255	33,593	-
Debt issuance costs	(12,962)	(21,737)	(10,415)	(45,114)	-
Principal payments on long-term debt	(343,269)	(439,322)	(205,217)	(987,808)	(801,426)
Interest payments on long-term debt	(152,751)	(139,100)	(106,315)	(398,166)	(416,052)
Reallocated debt proceeds	(1,130,000)	550,000	190,000	(390,000)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,934,396)	(146,405)	84,965	(1,995,836)	(2,610,865)
Cash Flows from Investing Activities					
Interest income received	1,377	1,639	369	3,385	4,059
Change in Cash and Cash Equivalents	(1,417,088)	30,491	326,463	(1,060,134)	(485,913)
Cash and Cash Equivalents - January 1	1,762,646	232,380	15,167	2,010,193	2,496,106
Cash and Cash Equivalents - December 31	\$ 345,558	\$ 262,871	\$ 341,630	\$ 950,059	\$ 2,010,193
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating income (loss)	\$ 398,395	\$ 188,700	\$ 83,780	\$ 670,875	\$ 1,154,714
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	334,458	193,537	218,065	746,060	690,172
Depreciation allocated to sanitary sewer	35,157	(35,157)	-	-	-
Changes in assets and liabilities					
Accounts receivable	22,492	(34)	(205)	22,253	(23,425)
Other receivables	26,065	(3,924)	(76,515)	(54,374)	163,817
Due from other funds	19,454	15,590	5,659	40,703	407
Inventories and prepaid items	6,713	655	(1,380)	5,988	7,414
Accounts payable	(157,058)	(18,284)	26,349	(148,993)	101,965
Accrued and other current liabilities	2,814	-	-	2,814	(5,004)
Net Cash Provided by Operating Activities	\$ 688,490	\$ 341,083	\$ 255,753	\$ 1,285,326	\$ 2,090,060
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	
2014	2013

\$	857,647	\$	685,770
	(429,010)		(390,852)
	(121,290)		(126,511)
	<u>307,347</u>		<u>168,407</u>

-	-
-	-
-	-

(323,849)	(501,889)
69,500	-
-	-
-	-
-	-
-	-
-	-
-	-

<u>(254,349)</u>	<u>(501,889)</u>
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517	483
53,515	(332,999)
<u>2,313,086</u>	<u>2,646,085</u>
<u>\$ 2,366,601</u>	<u>\$ 2,313,086</u>

\$	4,874	\$	(182,785)
	312,448		379,329
	-		-
	16,840		(45,820)
	-		-
	(480)		(683)
	(26,335)		18,366
	-		-
<u>\$</u>	<u>307,347</u>	<u>\$</u>	<u>168,407</u>

<u>\$</u>	<u>5,000</u>	<u>\$</u>	<u>-</u>
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VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

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.

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.

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.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

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, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

a. Cash and Investments

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

b. Accounts Receivable

Accounts receivable are recorded net of an allowance for uncollectible amounts.

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

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

d. Inventories

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

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

e. Prepaid Items

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

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

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$1,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Infrastructure used in the governmental activities that were constructed prior to January 1, 2004 is not included in capital assets.

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

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

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

g. Compensated Absences

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

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village had one item that qualifies for reporting in this category, deferred charge on refunding. A deferred charge on refunding results 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.

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

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the current period.

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

j. 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, 2014

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, 2013, from which the summarized information was derived.

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting

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

- a. During November, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by the Village Board.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the governmental funds.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

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, 2014.

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, 2014 as follows:

Funds	Function	Excess Expenditures
General	Public Safety	\$ 28,789
	Conservation and Development	9,268
Debt Service	Principal	17,000
	Interest and fiscal charges	14,749
Capital Facilities and Equipment	Public works	313,071
	Interest and fiscal charges	42,341
	Capital outlay	93,199

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 \$13,028,804 on December 31, 2014 as summarized below:

Petty cash funds	\$ 700
Deposits with financial institutions	11,458,158
Investments	
Repurchase agreements	261,617
Negotiable certificates of deposit	1,296,000
Wisconsin local government investment pool	12,329
	<u>\$ 13,028,804</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 11,761,416
Restricted cash and investments	1,267,388
	\$ 13,028,804

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, 2014, \$9,549,505 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. \$7,621,978 was collateralized with securities held by the pledging financial institution but not in the Village's name.

On December 31, 2014, the Village held repurchase agreement investments of \$261,617 of which the underlying securities are held by the investment's counterparty, not in the name of the Village.

Credit Risk

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

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Negotiable certificates of deposit	\$ 1,296,000	\$ -	\$ -	\$ -	\$ 1,296,000
Wisconsin Local Government Investment Pool	12,329	-	-	-	12,329
Totals	\$ 1,308,329	\$ -	\$ -	\$ -	\$ 1,308,329

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Concentration of Credit Risk

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

Investment Type	Reported Amount	Percent of Total Investments
Negotiable certificates of deposit		
BMW Bank NA	\$ 248,000	16%
Comenity Bank	200,000	13%
Ally Bank	248,000	16%
AMEX Centurion Bank	248,000	16%
Sallie Mae Bank	248,000	16%

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	\$ 1,296,000	\$ 448,000	\$ 848,000	\$ -	\$ -
Wisconsin Local Government Investment Pool	12,329	12,329	-	-	-
Repurchase agreements	261,617	261,617	-	-	-
Totals	\$ 1,569,946	\$ 721,946	\$ 848,000	\$ -	\$ -

Investment in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin local government investment pool of \$12,329 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, 2014, 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, 2014

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, 2014 totaled \$1,267,388 and consisted of cash and investments held for the following purposes:

Governmental Activities:	
Unexpended bond funds	\$ 482,873
Business-type activities:	
Sewage equipment reserve fund	262,871
	<u>\$ 745,744</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,894,498	\$ -	\$ -	\$ 1,894,498
Construction in progress	132,811	627,175	125,582	634,404
Total capital assets, not being depreciated	2,027,309	627,175	125,582	2,528,902
Capital assets, being depreciated:				
Land improvements	1,241,638	754,848	-	1,996,486
Buildings and improvements	6,301,240	-	-	6,301,240
Machinery and equipment	6,014,295	387,427	357,048	6,044,674
Infrastructure	7,456,155	1,291,852	-	8,748,007
Subtotals	21,013,328	2,434,127	357,048	23,090,407
Less accumulated depreciation for:				
Land improvements	704,708	61,623	-	766,331
Buildings and improvements	1,891,390	177,378	-	2,068,768
Machinery and equipment	3,585,481	397,038	357,048	3,625,471
Infrastructure	1,521,279	321,152	-	1,842,431
Subtotals	7,702,858	957,191	357,048	8,303,001
Total capital assets, being depreciated, net	13,310,470	1,476,936	-	14,787,406
Governmental activities capital assets, net	\$ 15,337,779	\$ 2,104,111	\$ 125,582	17,316,308
Less capital related long-term debt				11,545,127
Net investment in capital assets				\$ 5,771,181

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 508,787	\$ -	\$ -	\$ 508,787
Construction in progress	355,010	1,062,074	169,243	1,247,841
Total capital assets, not being depreciated	863,797	1,062,074	169,243	1,756,628
Capital assets, being depreciated:				
Land improvements	578,431	-	-	578,431
Buildings	640,361	24,298	-	664,659
Machinery and equipment	1,271,565	8,624	-	1,280,189
Infrastructure	37,655,120	1,880,478	474,539	39,061,059
Subtotals	40,145,477	1,913,400	474,539	41,584,338
Less accumulated depreciation for:				
Buildings	536,529	20,880	-	557,409
Improvements other than buildings	399,615	13,984	-	413,599
Machinery and equipment	521,548	59,916	-	581,464
Infrastructure	11,236,010	644,694	264,615	11,616,089
Subtotals	12,693,702	739,474	264,615	13,168,561
Total capital assets, being depreciated, net	27,451,775	1,173,926	209,924	28,415,777
Business-type activities capital assets, net	\$ 28,315,572	\$ 2,236,000	\$ 379,167	30,172,405
Less related long-term debt outstanding				14,154,354
Net investment in capital assets				\$ 16,018,051
Depreciation expense was charged to functions of the Village as follows:				
Governmental activities				
General government				\$ 179,539
Public safety				43,133
Public works				344,201
Culture and recreation				77,870
Subtotal				644,743
Capital assets held by Village's internal service fund are charged to various functions based on their usage of the assets				
				312,448
Total depreciation expense - governmental activities				\$ 957,191
Business-type activities				
Water utility				\$ 327,872
Water depreciation charged to another fund				35,157
Sanitary sewer utility				158,380
Storm sewer utility				218,065
Total increase to accumulated depreciation - business-type activities				\$ 739,474

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

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	\$ -	\$ 2,228,282
Special revenue funds		
Public bus service	83,500	-
Compensated absences	20,000	-
Debt service fund	1,235,908	-
Capital projects funds		
Capital facilities and equipment fund	492,160	-
TID No. 1	277,851	-
Enterprise funds		
Water utility	53,930	-
Sanitary sewer utility	51,839	-
Storm sewer utility	13,094	-
Temporary Cash Advances to Finance Operating Cash Deficits of Other Funds		
General fund	161,981	-
Enterprise fund		
Sanitary sewer utility	-	161,981
Totals	\$ 2,390,263	\$ 2,390,263

Interfund transfers for the year ended were as follows:

	Transfer to:		
	General Fund	Capital Facilities and Equipment	Water Utility
Transfers from:			
Debt service fund	\$ -	\$ -	\$ 30,206
Capital projects fund			
TID No. 1	-	19,718	-
Enterprise funds			
Water utility	259,917	-	-
Sanitary sewer utility	-	-	42,528
Storm sewer utility	-	-	14,624
Totals	\$ 259,917	\$ 19,718	\$ 87,358

The transfer from the water utility to the general fund represents a tax equivalent payment in accordance with Public Service Commission of Wisconsin requirements. During 2014, the Village created a separate capital projects fund for its Tax Incremental District (TID) No. 1 and transferred prior year costs from date of creation through 2014 which were recorded in the capital facilities and equipment capital projects fund. Finally, the Village reallocated a prior year general obligation debt issue between funds based on actual costs, and transferred interest payments on the reallocated debt proceeds in prior years to reflect the final debt allocation.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

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, 2014:

	Outstanding 1/1/14	Issued	Reallocation	Retired	Outstanding 12/31/14	Due Within One Year
Governmental activities:						
General Obligation Debt						
Bonds	\$10,540,000	\$ 1,870,000	\$ 390,000	\$ 772,000	\$12,028,000	\$ 853,100
Debt premium	149,859	29,493	-	35,196	144,156	-
Compensated absences	176,729	33,852	-	7,732	202,849	-
Governmental activities						
Long-term obligations	<u>\$10,866,588</u>	<u>\$ 1,933,345</u>	<u>\$ 390,000</u>	<u>\$ 814,928</u>	<u>\$12,375,005</u>	<u>\$ 853,100</u>
Business-type activities:						
General Obligation Debt						
Bonds	\$ 9,805,000	\$ 2,130,000	\$ (390,000)	\$ 658,000	\$10,887,000	\$ 696,900
Clean water fund loan	1,268,870	-	-	223,540	1,045,330	230,403
Total General Obligation Debt	<u>11,073,870</u>	<u>2,130,000</u>	<u>(390,000)</u>	<u>881,540</u>	<u>11,932,330</u>	<u>927,303</u>
Revenue bonds						
Safe drinking water loan	2,410,215	10,000	-	106,270	2,313,945	108,786
Debt premium	124,631	33,593	-	28,931	129,293	-
Compensated absences	49,560	2,814	-	-	52,374	-
Business-type activities						
Long-term obligations	<u>\$13,658,276</u>	<u>\$ 2,176,407</u>	<u>\$ (390,000)</u>	<u>\$ 1,016,741</u>	<u>\$14,427,942</u>	<u>\$ 1,036,089</u>

Total interest paid during the year on long-term debt totaled \$755,502.

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

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Bonds

General obligation bonds currently outstanding are detailed as follows:

Bonds

\$10,000,000 issued 5/1/06; \$60,000 to \$1,785,000 due annually through 2024; interest 3.85% to 4.25%	\$ 9,605,000
\$4,965,000 issued 5/10/11; \$195,000 to \$355,000 due annually through 2031; interest 2.00% to 4.00%	4,400,000
\$5,090,000 issued 12/04/12; \$95,000 to \$1,250,000 due annually through 2019; interest 2.00%	4,910,000
\$4,000,000 issued 6/1/14; \$120,000 to \$275,000 due annually through 2034; interest 2.00% to 3.62%	<u>4,000,000</u>

Total Outstanding General Obligation Bonds \$ 22,915,000

Annual principal and interest maturities of the outstanding general obligation bonds of \$22,915,000 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 853,100	\$ 411,322	\$ 696,900	\$ 379,449	\$ 1,550,000	\$ 790,771
2016	881,800	374,842	728,200	343,694	1,610,000	718,536
2017	909,138	355,984	720,863	328,390	1,630,001	684,374
2018	921,138	336,206	768,863	312,105	1,690,001	648,311
2019	923,475	309,540	816,525	289,121	1,740,000	598,661
2020-2024	5,380,748	953,326	4,829,250	583,260	10,209,998	1,536,586
2025-2029	1,217,538	286,197	1,297,463	308,068	2,515,001	594,265
2030-2034	941,063	58,947	1,028,936	75,850	1,969,999	134,797
	<u>\$ 12,028,000</u>	<u>\$ 3,086,364</u>	<u>\$ 10,887,000</u>	<u>\$ 2,619,937</u>	<u>\$ 22,915,000</u>	<u>\$ 5,706,301</u>

Detail of the clean water fund loans follows:

Clean Water Fund Loans

\$3,071,510 authorized by the Wisconsin Department of Natural Resources on 12/11/96; \$3,062,000 received; principal of \$203,400 to \$209,665 due through 2016; interest 3.08%	\$ 413,064
\$684,772 authorized by the Wisconsin Department of Natural Resources on 7/11/12; \$658,483 received; principal of \$27,003 to \$44,632 due through 2032; interest 3.00%	<u>632,266</u>

Total Clean Water Fund Loans \$ 1,045,330

The Clean Water Fund Loans of \$1,045,330 are being financed by revenues of the sanitary sewer utility fund.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities for the outstanding clean water fund loans on December 31, 2014 are as follows:

Year Ended December 31	Business-Type Activities		
	Principal	Interest	Total
2015	\$ 230,403	\$ 28,153	\$ 258,556
2016	237,478	20,970	258,448
2017	28,648	16,894	45,542
2018	29,507	16,021	45,528
2019	30,392	15,123	45,515
2020-2024	166,198	61,165	227,363
2025-2029	192,669	34,297	226,966
2030-2032	130,035	5,928	135,963
	<u>\$ 1,045,330</u>	<u>\$ 198,551</u>	<u>\$ 1,243,881</u>

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2014 was \$20,689,616 as follows:

Equalized valuation of the Village	\$ 890,351,100
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	44,517,555
Total outstanding general obligation debt applicable to debt limitation	\$ 23,960,330
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>132,391</u>
Net outstanding general obligation debt applicable to debt limitation	<u>23,827,939</u>
Legal Margin for New Debt	<u>\$ 20,689,616</u>

Revenue Bonds

Revenue bond debt service requirements are financed from operations of the water utility fund. Revenue bonds outstanding on December 31, 2014 totaled \$2,313,945 and were composed of the following issue:

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; \$108,786 to \$150,433 due through 2032; interest 1.925%

\$ 2,313,945

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities of the above outstanding revenue bonds as of December 31, 2014 are shown below:

Year Ended December 31	Business-type Activities		
	Principal	Interest	Total
2015	\$ 108,786	\$ 43,496	\$ 152,282
2016	110,880	41,382	152,262
2017	113,014	39,227	152,241
2018	115,190	37,031	152,221
2019	117,407	34,792	152,199
2020-2024	621,820	138,841	760,661
2025-2029	684,019	76,043	760,062
2030-2032	442,829	12,895	455,724
	<u>\$ 2,313,945</u>	<u>\$ 423,707</u>	<u>\$ 2,737,652</u>

7. 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 2032. The total principal and interest remaining to be paid on the bonds is \$2,737,652. Principal and interest paid for the current year and total customer net revenues were \$151,711 and \$727,643, respectively.

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:

	2015 Budget
General Fund Expenditures	\$ 6,999,446
Fund Balance Policy	30% 2,099,834

The Village's unassigned general fund balance of \$2,661,966 is above the minimum fund balance amount.

NOTE D - OTHER INFORMATION

1. Retirement Commitments

All eligible Village employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 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. 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. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE D - OTHER INFORMATION (Continued)

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General Employment category, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions 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.

Contribution rates for 2014 were:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	7.00%	7.00%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for Village employees covered by the WRS for the year ended December 31, 2014 was \$1,752,012; the employer's total payroll was \$1,911,203. The total required contribution for the year ended December 31, 2014 was \$245,282, which consisted of \$122,641, or 7.00% of covered payroll from the employer and \$122,641, or 7.00% of covered payroll from employees. Total contributions for the years ended December 31, 2013 and 2012 were \$229,080 and \$348,856, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

2. 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 City of Manitowoc. To provide funds to complete construction projects, the Authority issued \$136,625,000 of revenue bonds in June of 2005.

VILLAGE OF ALLOUEZ, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE D - OTHER INFORMATION (Continued)

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 2014, the Village paid the Authority \$1,802,066 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.

3. 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.

4. 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.

5. 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 2014 and 2015 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 2014 budget was 0.00%. The actual limit for the Village for the 2015 budget was 0.77%. 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.

6. Upcoming Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide and proprietary statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ending December 31, 2015.

SUPPLEMENTARY INFORMATION

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Revenues
General Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the year ended December 31, 2013)

	2014			Variance with Final Budget - Positive (Negative)	2013	Actual
	Budget		Actual			
	Original	Final				
Taxes						
General property	\$ 4,754,562	\$ 4,754,562	\$ 4,754,568	\$ 6	\$ 4,778,650	
Public rooms	5,500	5,500	4,659	(841)	5,305	
Interest	200	200	93	(107)	94	
Total Taxes	4,760,262	4,760,262	4,759,320	(942)	4,784,049	
Special Assessments						
Interest on assessments	5,500	5,500	8,325	2,825	7,990	
Intergovernmental						
State aid						
State shared taxes	372,981	372,981	372,981	-	372,981	
Expenditure restraint payment	137,976	137,976	137,991	15	142,520	
Payment in lieu of taxes	375	375	381	6	382	
Fire insurance	-	-	36,694	36,694	32,505	
Exempt computer aid	21,380	21,380	21,379	(1)	17,262	
Transportation	344,026	344,026	344,026	-	382,252	
Park lands	43	43	43	-	43	
Recycling	106,414	106,414	98,859	(7,555)	98,997	
Municipal services	82,678	82,678	82,663	(15)	91,398	
Total Intergovernmental	1,065,873	1,065,873	1,095,017	29,144	1,138,340	
Licenses and Permits						
Licenses						
Liquor and malt beverages	10,250	10,250	9,250	(1,000)	10,250	
Operators	1,800	1,800	2,095	295	2,615	
Cigarette	800	800	800	-	800	
Dog	1,500	1,500	1,635	135	2,759	
Bicycle	40	40	-	(40)	60	
Building contractors	-	-	100	100	-	
Electrical contractors	-	-	-	-	50	
Cable television	172,000	172,000	168,065	(3,935)	168,221	
Permits						
Building	16,000	16,000	50,943	34,943	47,445	
Electrical	4,800	4,800	14,694	9,894	11,169	
Plumbing	4,000	4,000	10,974	6,974	8,486	
HVAC	4,500	4,500	14,949	10,449	13,799	
Street excavation	-	-	1,875	1,875	2,350	
Zoning	4,000	4,000	6,980	2,980	5,510	
Other	4,900	4,900	5,747	847	10,577	
Total Licenses and Permits	224,590	224,590	288,107	63,517	284,091	

(Continued)

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Revenues (Continued)
General Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the year ended December 31, 2013)

	2014				2013	Actual
	Budget		Actual	Variance with Final Budget - Positive (Negative)		
	Original	Final				
Fines and Forfeits						
Court fines and penalties	118,000	118,000	103,677	(14,323)		113,979
Parking violations	20,000	20,000	19,643	(357)		28,819
False alarm penalties	1,200	1,200	992	(208)		2,274
Total Fines and Forfeits	139,200	139,200	124,312	(14,888)		145,072
Public Charges for Services						
General government	8,500	8,500	9,554	1,054		10,910
Sale of maps, plats and codes	1,050	1,050	2,535	1,485		2,054
Ambulance	103,137	103,137	60,591	(42,546)		75,895
Public works	4,750	4,750	7,603	2,853		3,168
Weed control	2,500	2,500	4,613	2,113		2,864
Recreation	44,750	44,750	36,183	(8,567)		41,258
Parks	37,100	37,100	34,555	(2,545)		39,215
Engineering	1,250	1,250	525	(725)		919
Forestry	1,350	1,350	1,314	(36)		947
Publication fees	1,000	1,000	1,380	380		1,000
Total Public Charges for Services	205,387	205,387	158,853	(46,534)		178,230
Intergovernmental Charges for Services						
Other	2,000	2,000	1,458	(542)		2,213
Miscellaneous						
Investment interest	20,100	20,100	20,930	830		20,464
Rentals	68,450	68,450	68,450	-		68,450
Property sales	2,500	2,500	3,193	693		22,218
Property lease	1	1	1	-		1
Recyclable materials	27,500	27,500	22,398	(5,102)		29,176
Insurance recoveries and dividends	5,000	5,000	14,517	9,517		13,535
Donations	10,000	10,000	8,989	(1,011)		1,141
Other	9,620	9,620	10,159	539		16,341
Total Miscellaneous	143,171	143,171	148,637	5,466		171,326
Total Revenues	\$ 6,545,983	\$ 6,545,983	\$ 6,584,029	\$ 38,046		\$ 6,711,311

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Expenditures
General Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the year ended December 31, 2013)

	2014				2013	Actual
	Budget		Actual	Variance with Final Budget - Positive (Negative)		
	Original	Final				
General Government						
Board	\$ 55,758	\$ 55,758	\$ 56,200	\$ (442)	\$ 54,675	
Administrator	111,154	120,775	107,375	13,400	102,268	
Clerk-treasurer	91,843	91,843	86,517	5,326	81,573	
General administration	235,559	235,559	231,971	3,588	193,366	
Elections	33,976	33,976	24,118	9,858	13,573	
Assessor	23,546	23,546	23,048	498	71,318	
Internal accounting	77,026	77,026	76,353	673	51,501	
Auditing and accounting services	11,210	11,210	15,045	(3,835)	34,152	
Legal counsel	37,500	37,500	52,240	(14,740)	46,355	
Labor relations	500	500	6,481	(5,981)	2,111	
Municipal court	55,030	55,030	48,324	6,706	51,569	
Village hall	89,215	99,215	76,346	22,869	148,741	
Other buildings	15,702	15,702	12,744	2,958	13,828	
Insurance	95,325	95,325	96,626	(1,301)	74,917	
Tax refunds	2,500	2,500	5,160	(2,660)	(106)	
Contingency	15,000	-	-	-	-	
Other	14,054	4,054	3,742	312	2,617	
Total General Government	964,898	959,519	922,290	37,229	942,458	
Public Safety						
Police department	889,666	928,556	914,173	14,383	871,730	
School patrol	45,387	45,387	38,690	6,697	35,789	
Fire department	1,750,190	1,750,190	1,748,056	2,134	1,751,498	
Rescue squad	-	-	-	-	463	
Hydrant rental	276,724	276,724	276,724	-	276,724	
Inspections	86,900	102,279	154,420	(52,141)	125,550	
Other services	1,995	1,995	1,857	138	1,857	
Total Public Safety	3,050,862	3,105,131	3,133,920	(28,789)	3,063,611	
Public Works						
Engineering	66,827	66,827	65,211	1,616	57,228	
Administration	74,271	74,271	78,743	(4,472)	71,311	
Training	3,613	3,613	9,113	(5,500)	4,706	
Street lighting	210,000	210,000	204,889	5,111	221,896	
Street repairs	240,013	240,013	146,543	93,470	247,676	
Curb and gutter	11,500	11,500	11,500	-	14,661	
Snow and ice control	216,790	216,790	180,082	36,708	221,005	
Street reconstruction	126,000	126,000	36,941	89,059	126,714	
Signs and markings	45,342	45,342	40,058	5,284	48,150	
Weed control	13,030	13,030	10,647	2,383	4,925	
Tree and brush control	137,996	137,996	175,390	(37,394)	141,566	
Sidewalks	10,000	10,000	10,000	-	9,440	
Leaf collection	115,093	115,093	161,441	(46,348)	128,869	
Yard waste collection	50,292	50,292	10,977	39,315	38,922	

(Continued)

VILLAGE OF ALLOUEZ, WISCONSIN
Detailed Comparison of Budgeted and Actual Expenditures (Continued)
General Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the year ended December 31, 2013)

	2014				Actual Prior Year
	Budget		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
Public Works (continued)					
Sharps collection	250	250	248	2	256
Recycling - curbside	148,599	148,599	125,009	23,590	121,937
Garbage collection	286,440	286,440	321,271	(34,831)	297,851
Refuse collection	103,090	103,090	118,635	(15,545)	90,080
Landfill	150,000	150,000	153,614	(3,614)	159,516
LeBrun farm	72,138	72,138	84,229	(12,091)	68,600
Total Public Works	2,081,284	2,081,284	1,944,541	136,743	2,075,309
Health and Human Services					
Animal control	5,504	5,504	2,183	3,321	2,966
Culture and Recreation					
Administration	188,058	188,058	143,207	44,851	163,753
Parks	431,820	431,820	395,693	36,127	383,158
Recreation programs	44,129	44,129	34,273	9,856	31,794
Total Culture and Recreation	664,007	664,007	573,173	90,834	578,705
Conservation and Development					
Forestry	56,690	61,690	70,958	(9,268)	65,307
Total Expenditures	\$ 6,823,245	\$ 6,877,135	\$ 6,647,065	\$ 230,070	\$ 6,728,356

VILLAGE OF ALLOUEZ, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2014

(With summarized financial information as of December 31, 2013)

	Special Revenue		Capital Projects	Total Nonmajor Governmental Funds	
	Public Bus Service	Compensated Absences	TID No. 1	2014	2013
ASSETS					
Cash and investments	\$ 87,558	\$ 65,749	\$ 21,242	\$ 174,549	\$ 75,301
Due from other funds	83,500	20,000	277,851	381,351	177,236
Due from other governments	96,468	-	-	96,468	96,468
TOTAL ASSETS	\$ 267,526	\$ 85,749	\$ 299,093	\$ 652,368	\$ 349,005
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 8,103	\$ -	\$ 11,114	\$ 19,217	\$ 7,854
Due to other funds	-	-	-	-	10,806
Total Liabilities	8,103	-	11,114	19,217	18,660
Deferred Inflows of Resources					
Property taxes	83,500	20,000	277,851	381,351	177,236
Fund Balances					
Nonspendable	96,468	-	-	96,468	96,468
Restricted for					
Tax incremental district	-	-	10,128	10,128	-
Committed for					
Subsequent year's expenditures	79,455	65,749	-	145,204	67,447
Unassigned	-	-	-	-	(10,806)
Total Fund Balances	175,923	65,749	10,128	251,800	153,109
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 267,526	\$ 85,749	\$ 299,093	\$ 652,368	\$ 349,005

VILLAGE OF ALLOUEZ, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	Special Revenue		Capital Projects	Total Nonmajor Governmental Funds	
	Public Bus Service	Compensated Absences	TID No. 1	2014	2013
Revenues					
Taxes	\$ 97,236	\$ 80,000	\$ -	\$ 177,236	\$ 175,000
Intergovernmental	-	-	46,865	46,865	-
Total Revenues	97,236	80,000	46,865	224,101	175,000
Expenditures					
Current					
General government	-	3,445	-	3,445	72,843
Public works	85,228	-	-	85,228	85,914
Conservation and development	-	-	17,019	17,019	-
Total Expenditures	85,228	3,445	17,019	105,692	158,757
Excess of Revenues Over Expenditures	12,008	76,555	29,846	118,409	16,243
Other Financing Uses					
Transfers out	-	-	(19,718)	(19,718)	-
Net Change in Fund Balances	12,008	76,555	10,128	98,691	16,243
Fund Balances (Deficit) - January 1	163,915	(10,806)	-	153,109	136,866
Fund Balances - December 31	\$ 175,923	\$ 65,749	\$ 10,128	\$ 251,800	\$ 153,109

VILLAGE OF ALLOUEZ, WISCONSIN
Internal Service Fund
Statement of Net Position
December 31, 2014
(With summarized financial information as of December 31, 2013)

	Equipment Replacement	
	2014	2013
ASSETS		
Cash and investments	\$ 2,366,601	\$ 2,313,086
Accounts receivable	28,980	45,820
Interest receivable	335	-
Prepaid items	6,545	6,065
Capital assets, depreciable		
Machinery and equipment	4,609,599	4,627,243
Less: Accumulated depreciation	<u>(2,741,960)</u>	<u>(2,776,005)</u>
TOTAL ASSETS	<u>4,270,100</u>	<u>4,216,209</u>
LIABILITIES		
Accounts payable	<u>6,332</u>	<u>32,667</u>
NET POSITION		
Net investment in capital assets	1,867,639	1,851,238
Unrestricted	<u>2,396,129</u>	<u>2,332,304</u>
TOTAL NET POSITION	<u>\$ 4,263,768</u>	<u>\$ 4,183,542</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Internal Service Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	Equipment Replacement	
	2014	2013
Operating Revenues		
Charges for services		
Equipment rental	\$ 796,999	\$ 701,027
Gasoline and fuel	43,808	30,563
Total Operating Revenues	<u>840,807</u>	<u>731,590</u>
Operating Expenses		
Operation and maintenance	523,485	535,046
Depreciation	312,448	379,329
Total Operating Expenses	<u>835,933</u>	<u>914,375</u>
Operating Income (Loss)	<u>4,874</u>	<u>(182,785)</u>
Nonoperating Revenues		
Interest revenue	852	483
Gain on sale of capital assets	74,500	13,499
Total Nonoperating Revenues	<u>75,352</u>	<u>13,982</u>
Change in Net Position	80,226	(168,803)
Net Position - January 1	<u>4,183,542</u>	<u>4,352,345</u>
Net Position - December 31	<u>\$ 4,263,768</u>	<u>\$ 4,183,542</u>

VILLAGE OF ALLOUEZ, WISCONSIN
Internal Service Fund
Statement of Cash Flows
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	Equipment Replacement	
	2014	2013
Cash Flows from Operating Activities		
Cash received from user charges	\$ 857,647	\$ 685,770
Cash payments to suppliers	(429,010)	(390,852)
Cash payments for personnel costs	(121,290)	(126,511)
Net Cash Provided by Operating Activities	<u>307,347</u>	<u>168,407</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(323,849)	(501,889)
Proceeds from sale of capital assets	69,500	-
Net Cash Used by Capital and Related Financing Activities	<u>(254,349)</u>	<u>(501,889)</u>
Cash Flows from Investing Activities		
Interest income received	517	483
Change in Cash and Cash Equivalents	53,515	(332,999)
Cash and Cash Equivalents - Beginning of Year	<u>2,313,086</u>	<u>2,646,085</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,366,601</u>	<u>\$ 2,313,086</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ 4,874	\$ (182,785)
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation	312,448	379,329
Changes in assets and liabilities:		
Accounts receivable	16,840	(45,820)
Prepaid items	(480)	(683)
Accounts payable	(26,335)	18,366
Net Cash Provided by Operating Activities	<u>\$ 307,347</u>	<u>\$ 168,407</u>
Noncash Investing, Capital and Financing Activities		
Trade in value of equipment	<u>\$ 5,000</u>	<u>\$ -</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, 2014, and the related notes to the financial statements, which collectively comprise the Village of Allouez's basic financial statements, and have issued our report thereon dated April 24, 2015.

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 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
April 24, 2015