

Village of Allouez, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2017

Village of Allouez, Wisconsin

DECEMBER 31, 2017

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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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions on page 48 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

REPORT ON SUMMARIZED FINANCIAL INFORMATION

We have previously audited the Village's 2016 financial statements, and our report dated July 13, 2017, 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, 2016, 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 May 25, 2018, 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

May 25, 2018

BASIC FINANCIAL STATEMENTS

Village of Allouez, Wisconsin

STATEMENT OF NET POSITION DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Totals	
			2017	2016
ASSETS				
Cash and investments	\$ 8,765,515	\$ 569,279	\$ 9,334,794	\$ 11,081,945
Receivables				
Taxes and special charges	20,238,729	-	20,238,729	16,742,243
Delinquent taxes	7,195	-	7,195	3,472
Accounts, net	71,733	717,545	789,278	790,589
Special assessments	10,015	106,268	116,283	74,454
Other	442	318,165	318,607	235,203
Internal balances	(140,749)	140,749	-	-
Due from other governments	96,468	-	96,468	96,918
Inventories and prepaid items	25,214	91,868	117,082	124,137
Restricted assets				
Cash and investments	-	561,096	561,096	263,914
Capital assets, nondepreciable	3,347,236	682,205	4,029,441	2,652,503
Capital assets, depreciable	14,712,502	31,243,286	45,955,788	45,738,218
Total assets	47,134,300	34,430,461	81,564,761	77,803,596
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding	-	28,284	28,284	49,496
Pension related amounts	683,532	273,213	956,745	1,349,795
Total deferred outflows of resources	683,532	301,497	985,029	1,399,291
LIABILITIES				
Accounts payable	173,947	693,433	867,380	697,372
Accrued and other current liabilities	117,032	-	117,032	151,995
Due to other governments	14,849,860	-	14,849,860	14,241,811
Accrued interest payable	60,876	82,610	143,486	137,424
Special deposits	11,551	-	11,551	22,404
Long-term obligations				
Due within one year	1,011,137	1,195,252	2,206,389	2,007,780
Due in more than one year	10,068,711	13,748,368	23,817,079	22,546,320
Net pension liability	76,620	30,712	107,332	207,367
Total liabilities	26,369,734	15,750,375	42,120,109	40,012,473
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	6,842,958	-	6,842,958	6,721,165
Pension related amounts	243,075	97,429	340,504	436,400
Total deferred inflows of resources	7,086,033	97,429	7,183,462	7,157,565
NET POSITION				
Net investment in capital assets	7,207,417	17,297,211	24,504,628	24,072,705
Restricted	1,132,844	309,402	1,442,246	1,378,666
Unrestricted	6,021,804	1,277,541	7,299,345	6,581,478
Total net position	\$ 14,362,065	\$ 18,884,154	\$ 33,246,219	\$ 32,032,849

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, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,126,119	\$ 120,857	\$ -	\$ -
Public safety	3,089,649	120,251	40,284	-
Public works	2,724,359	26,906	457,824	-
Health and human services	7,594	-	-	-
Culture, recreation and forestry	886,051	112,906	8,567	144,485
Conservation and development	279,774	-	-	-
Interest and fiscal charges	231,778	-	-	-
Total governmental activities	8,345,324	380,920	506,675	144,485
BUSINESS-TYPE ACTIVITIES				
Water utility	3,212,504	3,622,291	-	-
Sanitary sewer utility	2,584,501	2,937,450	-	-
Storm water utility	707,569	708,484	-	70,926
Total business-type activities	6,504,574	7,268,225	-	70,926
Total	\$ 14,849,898	\$ 7,649,145	\$ 506,675	\$ 215,411
General revenues				
Taxes				
Property taxes				
Tax increments				
Sales tax				
Other taxes				
Federal and state grants and other contributions not restricted to specific functions				
Interest and investment earnings				
Miscellaneous				
Gain on sale of asset				
Special item - capital assets transferred to the City of Green Bay				
Transfers				
Total general revenues, special item 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	
		2017	2016
\$ (1,005,262)	\$ -	\$ (1,005,262)	\$ (1,089,676)
(2,929,114)	-	(2,929,114)	(2,990,240)
(2,239,629)	-	(2,239,629)	(1,978,707)
(7,594)	-	(7,594)	(9,083)
(620,093)	-	(620,093)	(769,259)
(279,774)	-	(279,774)	(192,770)
(231,778)	-	(231,778)	(308,074)
<u>(7,313,244)</u>	<u>-</u>	<u>(7,313,244)</u>	<u>(7,337,809)</u>
-	409,787	409,787	651,621
-	352,949	352,949	379,132
-	71,841	71,841	(14,547)
<u>-</u>	<u>834,577</u>	<u>834,577</u>	<u>1,016,206</u>
<u>(7,313,244)</u>	<u>834,577</u>	<u>(6,478,667)</u>	<u>(6,321,603)</u>
6,386,368	-	6,386,368	6,354,555
333,982	-	333,982	278,109
20,293	-	20,293	21,308
144,370	-	144,370	164,289
628,938	-	628,938	636,557
26,881	2,326	29,207	27,797
87,335	-	87,335	86,523
61,544	-	61,544	97,415
-	-	-	(385,087)
<u>292,673</u>	<u>(292,673)</u>	<u>-</u>	<u>-</u>
<u>7,982,384</u>	<u>(290,347)</u>	<u>7,692,037</u>	<u>7,281,466</u>
669,140	544,230	1,213,370	959,863
<u>13,692,925</u>	<u>18,339,924</u>	<u>32,032,849</u>	<u>31,072,986</u>
<u>\$ 14,362,065</u>	<u>\$ 18,884,154</u>	<u>\$ 33,246,219</u>	<u>\$ 32,032,849</u>

Village of Allouez, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Facilities and Equipment</u>	<u>Other Governmental Funds</u>
ASSETS				
Cash and investments	\$ 4,779,005	\$ 162,873	\$ 298,278	\$ 1,373,429
Receivables				
Taxes and special charges	20,238,729	-	-	-
Delinquent taxes	7,195	-	-	-
Accounts, net	69,723	-	-	-
Special assessments	10,015	-	-	-
Other	442	-	-	-
Due from other funds	32,412	1,236,122	-	559,191
Due from other governments	-	-	-	96,468
Prepaid items	24,965	-	-	-
	<u>25,162,486</u>	<u>1,398,995</u>	<u>298,278</u>	<u>2,029,088</u>
Total assets	<u>\$ 25,162,486</u>	<u>\$ 1,398,995</u>	<u>\$ 298,278</u>	<u>\$ 2,029,088</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 78,115	\$ 475	\$ 19,163	\$ 28,684
Accrued and other current liabilities	117,032	-	-	-
Due to other funds	1,968,474	-	-	-
Due to other governments	14,849,860	-	-	-
Special deposits	11,551	-	-	-
	<u>17,025,032</u>	<u>475</u>	<u>19,163</u>	<u>28,684</u>
Total liabilities	<u>17,025,032</u>	<u>475</u>	<u>19,163</u>	<u>28,684</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	5,047,645	1,236,122	-	559,191
	<u>5,047,645</u>	<u>1,236,122</u>	<u>-</u>	<u>559,191</u>
Fund balances				
Nonspendable	24,965	-	-	96,468
Restricted	-	162,398	-	1,075,258
Committed	-	-	279,115	269,487
Assigned	160,181	-	-	-
Unassigned	2,904,663	-	-	-
	<u>3,089,809</u>	<u>162,398</u>	<u>279,115</u>	<u>1,441,213</u>
Total fund balances	<u>3,089,809</u>	<u>162,398</u>	<u>279,115</u>	<u>1,441,213</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,162,486</u>	<u>\$ 1,398,995</u>	<u>\$ 298,278</u>	<u>\$ 2,029,088</u>

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

Totals	
2017	2016
\$ 6,613,585	\$ 8,758,274
20,238,729	16,745,715
7,195	-
69,723	77,916
10,015	8,445
442	729
1,827,725	1,885,928
96,468	96,918
24,965	35,301
<u>\$ 28,888,847</u>	<u>\$ 27,609,226</u>

\$ 126,437	\$ 122,504
117,032	151,067
1,968,474	1,743,641
14,849,860	14,241,811
11,551	-
<u>17,073,354</u>	<u>16,259,023</u>

<u>6,842,958</u>	<u>6,721,165</u>
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121,433	131,769
1,237,656	1,494,451
548,602	191,883
160,181	55,450
<u>2,904,663</u>	<u>2,755,485</u>

<u>4,972,535</u>	<u>4,629,038</u>
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<u>\$ 28,888,847</u>	<u>\$ 27,609,226</u>
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Village of Allouez, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	<u>2017</u>	<u>2016</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 4,972,535	\$ 4,629,038
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:		
Total capital assets reported in governmental activities	\$18,059,738	
Less governmental activities capital assets reported in an internal service fund	<u>(1,916,545)</u>	
	16,143,193	15,254,796
Net position of the internal service fund is reported in the statement of net position as governmental activities	4,029,931	3,961,636
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	676,825	959,282
Deferred inflows related to pensions	(243,075)	(309,380)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(10,543,962)	(10,093,100)
Premium on debt	(330,327)	(297,196)
Compensated absences	(205,559)	(201,581)
Net pension liability	(76,620)	(147,010)
Accrued interest on long-term obligations	<u>(60,876)</u>	<u>(63,560)</u>
Net position of governmental activities as reported on the Statement of Net Position (see page 4)	<u>\$14,362,065</u>	<u>\$13,692,925</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, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Facilities and Equipment</u>	<u>Other Governmental Funds</u>
REVENUES				
Taxes	\$ 5,143,244	\$ 1,170,876	\$ -	\$ 433,275
Special assessments	1,624	-	-	-
Intergovernmental	1,092,052	-	-	110,649
Licenses and permits	241,474	-	-	-
Fines and forfeits	94,864	-	-	-
Public charges for services	170,738	-	-	-
Intergovernmental charges for services	-	-	-	-
Miscellaneous	121,723	-	-	74,485
Total revenues	<u>6,865,719</u>	<u>1,170,876</u>	<u>-</u>	<u>618,409</u>
EXPENDITURES				
Current				
General government	930,767	-	-	-
Public safety	3,050,289	-	-	-
Public works	2,175,947	-	-	149,698
Health and human services	7,281	-	-	-
Culture, recreation and forestry	730,424	-	-	-
Conservation and development	31,861	-	-	322,874
Debt service				
Principal	-	924,138	-	-
Interest and fiscal charges	-	270,697	11,726	5,775
Capital outlay	-	-	929,140	525,430
Total expenditures	<u>6,926,569</u>	<u>1,194,835</u>	<u>940,866</u>	<u>1,003,777</u>
Excess of revenues under expenditures	<u>(60,850)</u>	<u>(23,959)</u>	<u>(940,866)</u>	<u>(385,368)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	921,250	453,750
Premium on debt issued	-	86,867	-	-
Payment to current noteholder	-	-	-	-
Transfers in	292,673	-	-	-
Total other financing sources (uses)	<u>292,673</u>	<u>86,867</u>	<u>921,250</u>	<u>453,750</u>
Net change in fund balances	231,823	62,908	(19,616)	68,382
Fund balances - January 1	<u>2,857,986</u>	<u>99,490</u>	<u>298,731</u>	<u>1,372,831</u>
Fund balances - December 31	<u>\$ 3,089,809</u>	<u>\$ 162,398</u>	<u>\$ 279,115</u>	<u>\$ 1,441,213</u>

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

Totals	
<u>2017</u>	<u>2016</u>
\$ 6,747,395	\$ 6,658,694
1,624	3,653
1,202,701	1,170,154
241,474	236,208
94,864	92,282
170,738	169,503
-	2,723
<u>196,208</u>	<u>127,569</u>
<u>8,655,004</u>	<u>8,460,786</u>
930,767	1,014,349
3,050,289	3,108,715
2,325,645	2,211,519
7,281	8,371
730,424	633,398
354,735	274,739
924,138	932,670
288,198	386,219
<u>1,454,570</u>	<u>318,161</u>
<u>10,066,047</u>	<u>8,888,141</u>
<u>(1,411,043)</u>	<u>(427,355)</u>
1,375,000	4,910,000
86,867	206,852
-	(5,059,130)
<u>292,673</u>	<u>474,010</u>
<u>1,754,540</u>	<u>531,732</u>
343,497	104,377
<u>4,629,038</u>	<u>4,524,661</u>
<u>\$ 4,972,535</u>	<u>\$ 4,629,038</u>

Village of Allouez, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2017</u>	<u>2016</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ 343,497	\$ 104,377
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 in governmental fund statements	1,650,024	505,414
Depreciation expense reported in the statement of activities	(753,117)	(738,773)
Net book value of disposals	(8,510)	(1,078)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(1,375,000)	(4,910,000)
Premium on debt issued	(86,867)	(175,852)
Principal repaid	924,138	5,991,800
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	2,684	47,145
Amortization of premiums	53,736	-
Compensated absences	(3,978)	16,230
Net pension liability	70,390	(424,789)
Deferred outflows of resources related to pensions	(282,457)	619,809
Deferred inflows of resources related to pensions	66,305	(309,380)
An internal service fund is used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	<u>68,295</u>	<u>(485,555)</u>
Change in net position of governmental activities as reported in the statement of activities (see pages 5 - 6)	<u>\$ 669,140</u>	<u>\$ 239,348</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, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
REVENUES					
Taxes	\$ 5,140,645	\$ 5,140,645	\$ 5,143,244	\$ 2,599	\$ 4,984,214
Special assessments	2,000	2,000	1,624	(376)	3,653
Intergovernmental	1,052,505	1,052,505	1,092,052	39,547	1,120,685
Licenses and permits	235,390	235,390	241,474	6,084	236,208
Fines and forfeits	119,000	119,000	94,864	(24,136)	92,282
Public charges for services	174,150	174,150	170,738	(3,412)	169,503
Miscellaneous	102,470	102,470	121,723	19,253	110,483
Total revenues	6,826,160	6,826,160	6,865,719	39,559	6,717,028
EXPENDITURES					
Current					
General government	1,007,128	1,007,128	930,767	76,361	1,001,091
Public safety	3,046,676	3,046,676	3,050,289	(3,613)	3,108,715
Public works	2,270,219	2,270,219	2,175,947	94,272	2,146,488
Health and human services	6,169	6,169	7,281	(1,112)	8,371
Culture, recreation and forestry	741,544	741,544	730,424	11,120	710,617
Conservation and development	59,424	59,424	31,861	27,563	43,242
Total expenditures	7,131,160	7,131,160	6,926,569	204,591	7,018,524
Excess of revenues over (under) expenditures	(305,000)	(305,000)	(60,850)	244,150	(301,496)
OTHER FINANCING SOURCES					
Transfers in	305,000	305,000	292,673	(12,327)	299,010
Net change in fund balance	-	-	231,823	231,823	(2,486)
Fund balance - January 1	2,857,986	2,857,986	2,857,986	-	2,860,472
Fund balance - December 31	\$ 2,857,986	\$ 2,857,986	\$ 3,089,809	\$ 231,823	\$ 2,857,986

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, 2017
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
ASSETS			
Current assets			
Cash and investments	\$ 322,038	\$ -	\$ 247,241
Receivables			
Customer accounts	345,688	299,488	72,369
Special assessments	-	34,374	71,894
Other	97,800	176,273	44,092
Due from other funds	75,944	83,927	13,290
Inventories and prepaid items	85,953	-	5,915
Total current assets	927,423	594,062	454,801
Noncurrent assets			
Restricted assets			
Cash and investments	185,929	375,167	-
Capital assets			
Nondepreciable	34,299	-	647,906
Depreciable	14,404,432	10,117,909	6,720,945
Total capital assets	14,438,731	10,117,909	7,368,851
Total assets	15,552,083	11,087,138	7,823,652
DEFERRED OUTFLOWS OF RESOURCES			
Loss on advance refunding	17,283	-	11,001
Pension related amounts	157,828	54,255	61,130
Total deferred outflows of resources	175,111	54,255	72,131

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

Totals		Governmental Activities - Internal Service Fund	
2017	2016	Equipment	
2017	2016	2017	2016
\$ 569,279	\$ 285,586	\$ 2,151,930	\$ 2,038,085
717,545	710,619	1,684	1,765
106,268	66,009	-	-
318,165	234,474	326	289
173,161	159,783	-	-
91,868	85,333	249	3,503
<u>1,976,286</u>	<u>1,541,804</u>	<u>2,154,189</u>	<u>2,043,642</u>
<u>561,096</u>	<u>263,914</u>	<u>-</u>	<u>-</u>
682,205	682,205	-	-
<u>31,243,286</u>	<u>30,516,797</u>	<u>1,916,545</u>	<u>1,936,923</u>
<u>31,925,491</u>	<u>31,199,002</u>	<u>1,916,545</u>	<u>1,936,923</u>
<u>34,462,873</u>	<u>33,004,720</u>	<u>4,070,734</u>	<u>3,980,565</u>
28,284	49,496	-	-
<u>273,213</u>	<u>390,513</u>	<u>6,707</u>	<u>-</u>
<u>301,497</u>	<u>440,009</u>	<u>6,707</u>	<u>-</u>

Village of Allouez, Wisconsin

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2017
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	Enterprise Funds		
	<u>Water Utility</u>	<u>Sanitary Sewer Utility</u>	<u>Storm Water Utility</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 393,184	\$ 282,634	\$ 17,615
Accrued and other current liabilities	-	-	-
Due to other funds	-	32,412	-
Accrued interest	33,207	28,883	20,520
Current portion of long-term debt	<u>549,686</u>	<u>366,600</u>	<u>278,966</u>
Total current liabilities	<u>976,077</u>	<u>710,529</u>	<u>317,101</u>
Long-term obligations, less current portion			
General obligation debt	3,135,725	3,740,600	2,931,067
Revenue bonds	3,589,400	-	-
Debt premium	129,544	107,153	79,517
Compensated absences	35,362	-	-
Net pension liability	<u>17,567</u>	<u>6,323</u>	<u>6,822</u>
Total long-term liabilities	<u>6,907,598</u>	<u>3,854,076</u>	<u>3,017,406</u>
Total liabilities	<u>7,883,675</u>	<u>4,564,605</u>	<u>3,334,507</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	<u>55,729</u>	<u>20,059</u>	<u>21,641</u>
NET POSITION			
Net investment in capital assets	7,237,588	5,969,321	4,090,302
Restricted	-	309,402	-
Unrestricted	<u>550,202</u>	<u>278,006</u>	<u>449,333</u>
Total net position	<u>\$ 7,787,790</u>	<u>\$ 6,556,729</u>	<u>\$ 4,539,635</u>

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

Totals		Governmental Activities - Internal Service Fund	
2017	2016	Equipment	
2017	2016	2017	2016
\$ 693,433	\$ 559,104	\$ 47,510	\$ 15,764
-	20,167	-	3,165
32,412	302,070	-	-
82,610	73,864	-	-
<u>1,195,252</u>	<u>1,009,973</u>	<u>-</u>	<u>-</u>
<u>2,003,707</u>	<u>1,965,178</u>	<u>47,510</u>	<u>18,929</u>
9,807,392	9,039,728	-	-
3,589,400	3,615,373	-	-
316,214	262,646	-	-
35,362	34,503	-	-
<u>30,712</u>	<u>60,357</u>	<u>-</u>	<u>-</u>
<u>13,779,080</u>	<u>13,012,607</u>	<u>-</u>	<u>-</u>
<u>15,782,787</u>	<u>14,977,785</u>	<u>47,510</u>	<u>18,929</u>
<u>97,429</u>	<u>127,020</u>	<u>-</u>	<u>-</u>
17,297,211	17,271,282	1,916,545	1,936,923
309,402	263,914	-	-
<u>1,277,541</u>	<u>804,728</u>	<u>2,113,386</u>	<u>2,024,713</u>
<u>\$ 18,884,154</u>	<u>\$ 18,339,924</u>	<u>\$ 4,029,931</u>	<u>\$ 3,961,636</u>

Village of Allouez, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
OPERATING REVENUES			
Charges for services	\$ 3,477,975	\$ 2,937,450	\$ 708,484
Other	144,316	-	-
Total operating revenues	<u>3,622,291</u>	<u>2,937,450</u>	<u>708,484</u>
OPERATING EXPENSES			
Operation and maintenance	2,685,131	2,268,025	398,494
Depreciation	370,816	210,630	221,168
Total operating expenses	<u>3,055,947</u>	<u>2,478,655</u>	<u>619,662</u>
Operating income (loss)	<u>566,344</u>	<u>458,795</u>	<u>88,822</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	12	2,270	44
Gain on disposal of capital assets	-	-	-
Interest and fiscal charges	<u>(156,557)</u>	<u>(105,846)</u>	<u>(87,907)</u>
Total nonoperating revenues (expenses)	<u>(156,545)</u>	<u>(103,576)</u>	<u>(87,863)</u>
Income before contributions, transfers and special item	409,799	355,219	959
Capital contributions	-	-	70,926
Transfers out	(292,673)	-	-
Special item - capital assets transferred to the City of Green Bay	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	117,126	355,219	71,885
Net position - January 1	<u>7,670,664</u>	<u>6,201,510</u>	<u>4,467,750</u>
Net position - December 31	<u>\$ 7,787,790</u>	<u>\$ 6,556,729</u>	<u>\$ 4,539,635</u>

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

Totals		Governmental Activities - Internal Service Fund	
2017	2016	Equipment	
2017	2016	2017	2016
\$ 7,123,909	\$ 6,889,753	\$ 761,636	\$ 771,202
144,316	161,411	-	-
<u>7,268,225</u>	<u>7,051,164</u>	<u>761,636</u>	<u>771,202</u>
5,351,650	4,872,462	472,657	469,064
802,614	793,718	287,471	328,762
<u>6,154,264</u>	<u>5,666,180</u>	<u>760,128</u>	<u>797,826</u>
<u>1,113,961</u>	<u>1,384,984</u>	<u>1,508</u>	<u>(26,624)</u>
2,326	3,319	7,734	6,411
-	-	59,053	94,745
<u>(350,310)</u>	<u>(404,449)</u>	<u>-</u>	<u>-</u>
<u>(347,984)</u>	<u>(401,130)</u>	<u>66,787</u>	<u>101,156</u>
765,977	983,854	68,295	74,532
70,926	35,671	-	-
(292,673)	(299,010)	-	(175,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(385,087)</u>
544,230	720,515	68,295	(485,555)
<u>18,339,924</u>	<u>17,619,409</u>	<u>3,961,636</u>	<u>4,447,191</u>
<u>\$ 18,884,154</u>	<u>\$ 18,339,924</u>	<u>\$ 4,029,931</u>	<u>\$ 3,961,636</u>

Village of Allouez, Wisconsin

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,639,713	\$ 2,759,308	\$ 666,815
Cash paid for employee wages and benefits	(456,824)	(102,499)	(149,926)
Cash paid to suppliers	(2,038,482)	(2,113,463)	(225,512)
Net cash provided by operating activities	<u>1,144,407</u>	<u>543,346</u>	<u>291,377</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Changes in temporary cash advances	(122,325)	(147,333)	-
Transfer out	(292,673)	-	-
Net cash used by noncapital financing activities	<u>(414,998)</u>	<u>(147,333)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(557,418)	(525,992)	(447,225)
Capital contributions	200	28,813	1,654
Sale of capital assets	1,532	-	-
Proceeds of long-term debt	901,426	575,000	405,000
Debt premium received	42,930	33,175	23,809
Debt issuance costs paid	(14,070)	(11,159)	(7,860)
Principal paid on long-term debt	(451,735)	(279,600)	(223,121)
Interest paid on long-term debt	(144,319)	(107,267)	(82,023)
Net cash used by capital and related financing activities	<u>(221,454)</u>	<u>(287,030)</u>	<u>(329,766)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>12</u>	<u>2,270</u>	<u>44</u>
Change in cash and cash equivalents	<u>507,967</u>	<u>111,253</u>	<u>(38,345)</u>
Cash and cash equivalents - January 1	<u>-</u>	<u>263,914</u>	<u>285,586</u>
Cash and cash equivalents - December 31	<u>\$ 507,967</u>	<u>\$ 375,167</u>	<u>\$ 247,241</u>

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

Totals		Governmental Activities - Internal Service Fund	
2017	2016	Equipment	
2017	2016	2017	2016
\$ 7,065,836	\$ 6,965,670	\$ 761,680	\$ 769,896
(709,249)	(548,196)	(138,828)	(132,215)
<u>(4,377,457)</u>	<u>(4,435,437)</u>	<u>(308,701)</u>	<u>(337,419)</u>
<u>1,979,130</u>	<u>1,982,037</u>	<u>314,151</u>	<u>300,262</u>
(269,658)	88,341	-	-
<u>(292,673)</u>	<u>(299,010)</u>	<u>-</u>	<u>(175,000)</u>
<u>(562,331)</u>	<u>(210,669)</u>	<u>-</u>	<u>(175,000)</u>
(1,530,635)	(563,689)	(269,209)	(559,923)
30,667	55,777	-	-
1,532	-	61,169	29,745
1,881,426	4,219,328	-	-
99,914	177,120	-	-
(33,089)	(49,434)	-	-
(954,456)	(5,451,072)	-	-
<u>(333,609)</u>	<u>(388,296)</u>	<u>-</u>	<u>-</u>
<u>(838,250)</u>	<u>(2,000,266)</u>	<u>(208,040)</u>	<u>(530,178)</u>
<u>2,326</u>	<u>3,319</u>	<u>7,734</u>	<u>6,455</u>
580,875	(225,579)	113,845	(398,461)
<u>549,500</u>	<u>775,079</u>	<u>2,038,085</u>	<u>2,436,546</u>
<u>\$ 1,130,375</u>	<u>\$ 549,500</u>	<u>\$ 2,151,930</u>	<u>\$ 2,038,085</u>

Village of Allouez, Wisconsin

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 566,344	\$ 458,795	\$ 88,822
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	370,816	210,630	221,168
Depreciation charged to sanitary sewer utility	38,280	(38,280)	-
Change in liability (asset) and deferred outflows and inflows of resources			
Pension	29,018	14,484	14,562
Change in operating assets and liabilities			
Accounts receivables	128,002	(176,363)	(42,256)
Due from other funds	(12,186)	(1,779)	587
Inventories and prepaid items	(12,281)	6,997	(1,251)
Accounts payable	49,010	71,606	13,713
Accrued and other current liabilities	(13,455)	(2,744)	(3,968)
Compensated absences	859	-	-
Net cash provided by operating activities	<u>\$ 1,144,407</u>	<u>\$ 543,346</u>	<u>\$ 291,377</u>
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents in current assets	\$ 322,038	\$ -	\$ 247,241
Cash and cash equivalents in restricted assets	<u>185,929</u>	<u>375,167</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 507,967</u>	<u>\$ 375,167</u>	<u>\$ 247,241</u>
Noncash capital and related financing activities			
Trade in value of equipment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Totals		Governmental Activities - Internal Service Fund	
2017	2016	Equipment	
2017	2016	2017	2016
\$ 1,113,961	\$ 1,384,984	\$ 1,508	\$ (26,624)
802,614	793,718	287,471	328,762
-	-	-	-
58,064	51,002	(6,707)	-
(90,617)	(246,766)	44	(1,306)
(13,378)	(43,052)	-	-
(6,535)	730	3,254	(734)
134,329	40,612	31,746	(3,001)
(20,167)	20,167	(3,165)	3,165
859	(19,358)	-	-
<u>\$ 1,979,130</u>	<u>\$ 1,982,037</u>	<u>\$ 314,151</u>	<u>\$ 300,262</u>
\$ 569,279	\$ 285,586	\$ 2,151,930	\$ 2,038,085
<u>561,096</u>	<u>263,914</u>	<u>-</u>	<u>-</u>
<u>\$ 1,130,375</u>	<u>\$ 549,500</u>	<u>\$ 2,151,930</u>	<u>\$ 2,038,085</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,000</u>

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

NOTE 1: 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:

A. REPORTING ENTITY

The Village 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 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 in GASB Statement No. 61.

B. 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 funds 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 primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

Capital Facilities and Equipment Capital Projects Fund

This fund accounts for the acquisition or construction of major capital facilities other than those financed by proprietary fund types and the nonmajor TID No. 1 and parks capital projects funds.

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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 Water Utility Fund

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

Additionally, the Village reports the following fund types:

- ▶ *Internal service fund* accounts for the purchase and operation of equipment provided to other departments of the Village, on a cost reimbursement basis.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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.

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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 proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Village properties. 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 and special charges 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. Special charges not paid by January 31 are held in trust by the County and remitted to the Village, including interest, when collected by the County.

In addition to its levy, the Village also levies and collects taxes for the Green Bay Area Public School District, Brown County, Northeast Wisconsin Technical College and the State of Wisconsin. Brown County currently collects the Village's property taxes by agreement.

3. Accounts Receivable

Accounts receivable are recorded net of an allowance for uncollectible amounts of \$21,963.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2017 tax roll are recognized as revenue in 2018.)

5. 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.

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

6. 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.

7. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

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.

8. 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 a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Infrastructure used in the governmental activities that were constructed prior to January 1, 2004 is not included in capital assets.

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

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

Assets	Governmental	Business-type
	Activities	Activities
	Years	
Land improvements	30	-
Buildings and improvements	50 - 60	50 - 60
Machinery and equipment	5 - 25	5 - 25
Infrastructure	30 - 100	30 - 100

9. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies. 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.

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

11. 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 as incurred.

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

12. Pensions

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

13. 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, 2017

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.

E. 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.

F. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the Village's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

G. RECLASSIFICATIONS

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

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. 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 Village Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all 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.

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

3. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
4. 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.
5. 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, 2017.

B. 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 2017 and 2018 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2017 budget was 0.72%. The actual limit for the Village for the 2018 budget was 0.14%. 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.

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. 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 on 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 \$9,895,890 on December 31, 2017 as summarized below:

Petty cash and cash on hand	\$ 700
Deposits with financial institutions	9,034,689
Investments	860,501
	<u>\$ 9,895,890</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 9,334,794
Restricted cash and investments	561,096
	<u>\$ 9,895,890</u>

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village has the following fair value measurement as of December 31, 2017:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Negotiable certificates of deposit	\$ -	\$ 848,000	\$ -

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

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 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. This coverage has been considered in determining custodial credit risk.

As of December 31, 2017, \$6,816,716 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. The Village's financial institution collateralizes bank balances with collateral of \$9,967,362 as of December 31, 2017.

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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 investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure			Not Rated
		AAA	Aa		
Negotiable certificates of deposit	\$ 848,000	\$ -	\$ -	\$ -	\$ 848,000
Wisconsin local government investment pool	12,501	-	-	-	12,501
Totals	<u>\$ 860,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 860,501</u>

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:

Issuer	Investment Type	Reported Amount	Percent of Total Investments
Wells Fargo	Negotiable certificate of deposit	\$ 248,000	29%
Ally Bank	Negotiable certificate of deposit	248,000	29%
First Bank	Negotiable certificate of deposit	248,000	29%
Sallie Mae Bank	Negotiable certificate of deposit	104,000	12%

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	\$ 848,000	\$ 744,000	\$ 104,000	\$ -	\$ -
Wisconsin local government investment pool	12,501	12,501	-	-	-
Totals	<u>\$ 860,501</u>	<u>\$ 756,501</u>	<u>\$ 104,000</u>	<u>\$ -</u>	<u>\$ -</u>

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Investment in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin local government investment pool of \$12,501 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, 2017, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

B. RESTRICTED ASSETS

Restricted assets on December 31, 2017 totaled \$561,096 and consisted of cash and investments held by the Village's sanitary sewer utility for replacing equipment of \$309,402 as required by the Wisconsin Department of Natural Resources and unspent debt proceeds of \$65,765 and \$185,929 held by the Village's water and sanitary sewer utilities, respectively.

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 1,941,326	\$ -	\$ -	\$ 1,941,326
Construction in progress	28,972	1,385,812	8,874	1,405,910
Total capital assets, nondepreciable	<u>1,970,298</u>	<u>1,385,812</u>	<u>8,874</u>	<u>3,347,236</u>
Capital assets, depreciable:				
Land improvements	2,067,289	143,642	-	2,210,931
Buildings and improvements	6,301,240	-	-	6,301,240
Machinery and equipment	5,874,431	368,441	294,513	5,948,359
Infrastructure	10,423,340	30,212	-	10,453,552
Subtotals	<u>24,666,300</u>	<u>542,295</u>	<u>294,513</u>	<u>24,914,082</u>
Less accumulated depreciation for:				
Land improvements	906,431	84,150	-	990,581
Buildings and improvements	2,419,040	174,388	-	2,593,428
Machinery and equipment	3,505,649	355,812	283,887	3,577,574
Infrastructure	2,613,759	426,238	-	3,039,997
Subtotals	<u>9,444,879</u>	<u>1,040,588</u>	<u>283,887</u>	<u>10,201,580</u>
Total capital assets, depreciable, net	<u>15,221,421</u>	<u>(498,293)</u>	<u>10,626</u>	<u>14,712,502</u>
Governmental activities capital assets, net	<u>\$ 17,191,719</u>	<u>\$ 887,519</u>	<u>\$ 19,500</u>	18,059,738
Less: Capital related debt				(10,521,994)
Less: Debt premium				<u>(330,327)</u>
Net investment in capital assets				<u>\$ 7,207,417</u>

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 508,787	\$ -	\$ -	\$ 508,787
Construction in progress	173,418	-	-	173,418
Total capital assets, nondepreciable	<u>682,205</u>	<u>-</u>	<u>-</u>	<u>682,205</u>
Capital assets, depreciable:				
Buildings and improvements	670,449	-	-	670,449
Machinery and equipment	1,308,152	-	-	1,308,152
Infrastructure	42,593,368	1,530,635	332,765	43,791,238
Subtotals	44,571,969	1,530,635	332,765	45,769,839
Less accumulated depreciation for:				
Buildings and improvements	600,225	21,454	-	621,679
Machinery and equipment	676,428	64,112	-	740,540
Infrastructure	12,778,519	717,048	331,233	13,164,334
Subtotals	<u>14,055,172</u>	<u>802,614</u>	<u>331,233</u>	<u>14,526,553</u>
Total capital assets, depreciable, net	<u>30,516,797</u>	<u>728,021</u>	<u>1,532</u>	<u>31,243,286</u>
Business-type activities capital assets, net	<u>\$ 31,199,002</u>	<u>\$ 728,021</u>	<u>\$ 1,532</u>	31,925,491
Less: Capital related debt				(14,340,350)
Less: Debt premium				(316,214)
Add: Loss on advance refunding				<u>28,284</u>
Net investment in capital assets				<u>\$ 17,297,211</u>

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

Governmental activities	
General government	\$ 173,261
Public safety	35,864
Public works	430,442
Culture and recreation	113,550
Subtotal	<u>753,117</u>
Capital assets held by Village's internal service fund are charged to various functions based on their usage of the assets	
	287,471
Total depreciation expense - governmental activities	<u>\$ 1,040,588</u>
Business-type activities	
Water utility	\$ 370,816
Sanitary sewer utility	210,630
Storm water utility	221,168
Total depreciation expense - business-type activities	<u>\$ 802,614</u>

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2017 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Tax Levies, Special Charges and Special Assessments in Subsequent Year Tax Roll		
General fund	\$ -	\$ 1,968,474
Special revenue funds		
Public bus service	65,000	-
Compensated absences	10,000	-
Debt service fund	1,236,122	-
Capital projects funds		
TID No. 1	471,191	-
Parks capital improvement fund	13,000	-
Enterprise funds		
Water utility	75,944	-
Sanitary sewer utility	83,927	-
Storm water utility	13,290	-
Subtotal	<u>1,968,474</u>	<u>1,968,474</u>
Temporary cash advances		
General fund	32,412	-
Enterprise fund		
Sanitary sewer utility	-	32,412
Subtotal	<u>32,412</u>	<u>32,412</u>
Totals	<u>\$ 2,000,886</u>	<u>\$ 2,000,886</u>

Interfund transfers for the year ended December 31, 2017 were a transfer of \$292,673 from the water utility to the general fund for the tax equivalent payment.

E. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2017:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation debt					
Bonds	\$10,093,100	\$ -	\$ 924,138	\$ 9,168,962	\$ 936,137
Notes	-	1,375,000	-	1,375,000	75,000
Total general obligation debt	<u>10,093,100</u>	<u>1,375,000</u>	<u>924,138</u>	<u>10,543,962</u>	<u>1,011,137</u>
Debt premium	297,196	86,867	53,736	330,327	-
Compensated absences	201,581	5,455	1,477	205,559	-
Governmental activities long-term obligations	<u>\$10,591,877</u>	<u>\$ 1,467,322</u>	<u>\$ 979,351</u>	<u>\$11,079,848</u>	<u>\$ 1,011,137</u>

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
General obligation debt					
Bonds	\$ 9,291,900	\$ -	\$ 735,862	\$ 8,556,038	\$ 783,863
Notes	-	1,705,000	-	1,705,000	180,000
Clean water fund loan	567,355	-	28,147	539,208	28,991
Total general obligation debt	9,859,255	1,705,000	764,009	10,800,246	992,854
Revenue bonds					
Safe Drinking water fund loan	3,805,819	176,426	190,447	3,791,798	202,398
Debt premium	262,646	99,914	46,346	316,214	-
Compensated absences	34,503	859	-	35,362	-
Business-type activities long-term obligations	<u>\$13,962,223</u>	<u>\$ 1,982,199</u>	<u>\$ 1,000,802</u>	<u>\$14,943,620</u>	<u>\$ 1,195,252</u>

Interest paid during the year on long-term debt totaled \$590,032.

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

General Obligation Debt

General obligation debt totals \$21,344,208, consisting of general obligation bonds and notes of \$20,805,000 and clean water fund loans of \$539,208. Outstanding bonds and notes are detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>
General obligation bonds	05/10/11	04/01/31	2.50% - 4.00%	\$ 4,965,000	\$ 3,805,000
General obligation refunding bonds	12/04/12	04/01/19	2.00%	5,090,000	1,345,000
General obligation bonds	06/01/14	04/01/34	2.00% - 3.62%	4,000,000	3,555,000
General obligation refunding bonds	03/09/16	10/01/24	2.00%	9,115,000	9,020,000
General obligation promissory notes	05/25/17	04/01/27	3.00%	3,080,000	3,080,000
Total outstanding general obligation debt					<u>\$ 20,805,000</u>

Annual principal and interest maturities of the outstanding general obligation bonds and notes of \$20,805,000 on December 31, 2017 are detailed below:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,011,137	\$ 262,734	\$ 963,863	\$ 263,247	\$ 1,975,000	\$ 525,981
2019	1,018,475	240,542	981,525	240,989	2,000,000	481,531
2020	1,018,475	217,981	981,525	218,425	2,000,000	436,406
2021	1,040,813	194,988	1,009,187	195,423	2,050,000	390,411
2022	1,063,150	171,377	1,031,850	171,555	2,095,000	342,931
2023 - 2027	3,930,150	512,872	3,709,850	519,084	7,640,000	1,031,956
2028 - 2032	1,209,312	146,936	1,295,688	160,652	2,505,000	307,588
2033 - 2034	252,450	9,159	287,550	10,432	540,000	19,591
	<u>\$10,543,962</u>	<u>\$ 1,756,589</u>	<u>\$10,261,038</u>	<u>\$ 1,779,806</u>	<u>\$20,805,000</u>	<u>\$ 3,536,395</u>

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

General Obligation Debt - Clean Water Fund Loan

Clean Water Fund loans issued as general obligation debt but being supported by revenues of the storm water utility enterprise fund totals \$539,208 as of December 31, 2017. The Clean Water Fund loan outstanding on December 31, 2017 were comprised of the following issue:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>
Clean Water Fund Notes	07/11/12	05/01/32	3.00%	\$ 658,483	\$ 539,208

Annual principal and interest maturities of the outstanding Clean Water Fund loan of \$539,208 on December 31, 2017 are detailed below:

<u>Year Ended December 31,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 28,991	\$ 15,741	\$ 44,732
2019	29,861	14,859	44,720
2020	30,757	13,949	44,706
2021	31,680	13,013	44,693
2022	32,630	12,048	44,678
2023 - 2027	178,434	44,727	223,161
2028 - 2032	206,855	15,881	222,736
	<u>\$ 539,208</u>	<u>\$ 130,218</u>	<u>\$ 669,426</u>

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2017 was \$28,223,225 as follows:

Equalized valuation of the Village		\$ 988,100,700
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>49,405,035</u>
Total outstanding general obligation debt applicable to debt limitation	21,344,208	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>162,398</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>21,181,810</u>
Legal margin for new debt		<u>\$ 28,223,225</u>

Revenue Bonds

Revenue bonds outstanding on December 31, 2017 totaled \$3,791,798 and were comprised of the following issues:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>
Safe Drinking Water Fund revenue bonds	12/26/12	05/01/32	1.93%	\$ 2,420,215	\$ 1,981,265
Safe Drinking Water Fund revenue bonds	06/24/15	05/01/35	1.65%	1,887,966	1,810,533
Total outstanding revenue bonds					<u>\$ 3,791,798</u>

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Annual principal and interest maturities of the outstanding revenue bonds of \$3,791,798 on December 31, 2017 are detailed below:

Year Ended December 31,	Business-type Activities		
	Principal	Interest	Total
2018	\$ 202,398	\$ 66,185	\$ 268,583
2019	206,054	62,495	268,549
2020	209,777	58,739	268,516
2021	213,568	54,914	268,482
2022	217,427	51,020	268,447
2023 - 2027	1,147,522	194,160	1,341,682
2028 - 2032	1,255,087	85,617	1,340,704
2033 - 2035	339,965	8,475	348,440
	<u>\$ 3,791,798</u>	<u>\$ 581,606</u>	<u>\$ 4,373,404</u>

Utility Revenues Pledged

The Village has pledged future water utility 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 systems. The bonds are payable solely from water customer net revenues and are payable through 2035. The total principal and interest remaining to be paid on the bonds is \$4,373,404. Principal and interest paid for the current year and total customer net revenues were \$258,771 and \$937,160, respectively.

F. PENSION PLAN

1. Plan Description

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

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are 1) final average earnings, 2) years of creditable service, and 3) a formula factor.

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

2. Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remained of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period ending December 31, 2016, the WRS recognized \$128,439 in contributions from the Village.

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Contribution rates for the reporting period are:

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

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

At December 31, 2017, the Village reported a liability of \$107,332 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the Village's proportion was .01302191%, which was an increase of .00026073% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Village recognized pension expense of \$325,509.

At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,927	\$ 337,548
Net differences between projected and actual earnings on pension plan investments	534,264	-
Changes in assumptions	112,219	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	138,456	2,956
Employer contributions subsequent to the measurement date	130,879	-
Total	\$ 956,745	\$ 340,504

\$130,879 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Expense
2017	\$ 191,659
2018	191,659
2019	131,340
2020	(29,452)
2021	156
Total	\$ 485,362

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

5. Actuarial Assumptions

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2015
Measurement date of net pension liability:	December 31, 2016
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Value
Long-term expected rate of return:	7.2%
Discount rate:	7.2%
Salary increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

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

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

	<u>Current Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-term Expected Nominal Rate of Return %</u>	<u>Long-term Expected Real Rate of Return %</u>
<u>Core Fund Asset Class</u>				
Global equities	50%	45%	8.3%	5.4%
Fixed income	24.5%	37%	4.2%	1.4%
Inflation sensitive assets	15.5%	20%	4.3%	1.5%
Real estate	8%	7%	6.5%	3.6%
Private equity/debt	8%	7%	9.4%	6.5%
Multi-asset	4%	4%	6.6%	3.7%
Total Core Fund	110%	120%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. equities	70%	70%	7.6%	4.7%
International equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's proportionate share of the net pension liability to changes in the discount rate. The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 1,412,016	\$ 107,332	\$ (897,335)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

6. Payables to the Pension Plan

At December 31, 2017, the Village reported a payable of \$32,857 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2017.

G. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2017, nonspendable fund balances were as follows:

General Fund		
Nonspendable		
Prepaid items	\$	24,965
Special Revenue Fund		
Nonspendable		
Public bus service		<u>96,468</u>
Total Nonspendable Fund Balance	\$	<u>121,433</u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2017, restricted fund balances were as follows:

Special Revenue Fund		
Restricted for		
Economic development or property tax relief	\$	<u>553,303</u>
Debt Service Fund		
Restricted for		
Retirement of long-term debt		<u>162,398</u>
Capital Project Funds		
Restricted for		
Park improvements		21,968
Tax incremental district project plan		<u>499,987</u>
Total Capital Project Restricted Fund Balance		<u>521,955</u>
Total Restricted Fund Balance	\$	<u>1,237,656</u>

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by Village Board action. At December 31, 2017, governmental fund balance was committed as follows:

Special Revenue Funds		
Committed for		
Public bus service	\$	54,971
Compensated absences		<u>89,046</u>
Capital Project Funds		
Committed for		
Capital improvements		279,115
Park improvements		<u>125,470</u>
Total Committed Fund Balance	\$	<u><u>548,602</u></u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2017, fund balances were assigned as follows:

General Fund		
Software and sidewalk maintenance	\$	2,250
Emerald Ash borer		20,647
Village hall equipment		35,384
Elections		3,000
Zoning		3,900
Public works		80,000
Village hall improvements		15,000
Total	\$	<u><u>160,181</u></u>

Minimum General Fund Balance Policy

The Village has also adopted a minimum fund balance policy of 30% of subsequent year budgeted expenditures for the general fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2018 General Fund Expenditures	\$	7,124,358
Minimum Fund Balance %		(x) 30%
Minimum Fund Balance Amount	\$	<u><u>2,137,307</u></u>

The Village's unassigned general fund balance of \$2,904,663 is above the minimum fund balance amount.

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Net Position

The Village reports restricted net position at December 31, 2017 as follows:

Governmental activities

Restricted for

Debt service	\$ 101,522
Economic development or property tax relief	553,303
Tax incremental district project plan	499,987
Total governmental activities restricted net position	<u>1,154,812</u>

Business-type activities

Sanitary sewer utility

Restricted for capital improvements	<u>309,402</u>
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Total restricted net position	<u>\$ 1,464,214</u>
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NOTE 4: OTHER INFORMATION

A. TAX INCREMENTAL FINANCING DISTRICTS

The Village has established a separate capital projects fund for Tax Incremental District (TID) No. 1 which was created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village's District is still eligible to incur project costs.

As of December 31, 2017, the Village has recovered all costs from tax increment revenues. The Village's TID No. 1 has \$499,987 in tax increment revenue at December 31, 2017 to use for future TID expenditures.

Unless terminated by the Village prior thereto, the TID has a statutory termination year of 2038.

B. WATER PURCHASE CONTRACT WITH CENTRAL BROWN COUNTY WATER AUTHORITY

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

Each Charter Member has entered into a water sales contract under which they agree to purchase wholesale water from the Authority. Rates charged to each member are billed monthly and are based on (1) operation and maintenance costs, (2) fixed costs, including debt service on the revenue bonds and (3) required Security Fund deposits. During 2017, the Village paid the Authority \$2,024,868 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.

Village of Allouez, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

C. 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.

D. 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 the 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.

E. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The Village is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Allouez, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered-Employee Payroll (plan year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/15	0.01595205%	\$ (391,829)	\$ 1,752,012	22.36%	102.74%
12/31/16	0.01276118%	207,367	1,860,950	11.14%	98.20%
12/31/17	0.01302191%	107,332	1,946,043	5.52%	99.12%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll (fiscal year)</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
12/31/15	\$ 126,544	\$ 126,544	\$ -	\$ 1,860,950	6.80%
12/31/16	128,439	128,439	-	1,946,043	6.60%
12/31/17	130,879	130,879	-	1,924,680	6.80%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

SUPPLEMENTARY INFORMATION

Village of Allouez, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance	2016 Actual
	Original	Final		Final Budget - Positive (Negative)	
Taxes					
General property	\$ 5,136,495	\$ 5,136,495	\$ 5,136,492	\$ (3)	\$ 4,979,492
Room tax	4,000	4,000	5,897	1,897	4,580
Interest on taxes	150	150	855	705	142
Total taxes	5,140,645	5,140,645	5,143,244	2,599	4,984,214
Special assessments	2,000	2,000	1,624	(376)	3,653
Intergovernmental					
State					
State shared taxes	372,981	372,981	372,981	-	372,981
Expenditure restraint payment	137,507	137,507	137,507	-	128,999
Payment in lieu of taxes	400	400	393	(7)	394
Fire insurance	-	-	40,284	40,284	36,815
Exempt computer aid	10,885	10,885	10,885	-	15,911
Transportation	360,194	360,194	359,415	(779)	351,766
Local road improvement	-	-	-	-	50,875
Park lands	43	43	43	-	43
Urban forestry grant	-	-	5,219	5,219	-
Recycling	98,600	98,600	98,409	(191)	93,704
Municipal services	71,895	71,895	66,916	(4,979)	69,197
Total intergovernmental	1,052,505	1,052,505	1,092,052	39,547	1,120,685
Licenses and permits					
Licenses					
Liquor and malt beverages	9,750	9,750	9,750	-	10,119
Operators	1,600	1,600	2,185	585	2,519
Cigarette	600	600	700	100	600
Dog	2,000	2,000	2,551	551	2,773
Bicycle	-	-	-	-	-
Building contractors	-	-	130	130	871
Electrical contractors	165	165	-	(165)	165
Cable television	167,000	167,000	137,960	(29,040)	159,195
Permits					
Building	25,600	25,600	43,814	18,214	30,186
Electrical	6,500	6,500	8,565	2,065	6,566
Plumbing	4,500	4,500	7,932	3,432	4,434
HVAC	7,500	7,500	14,796	7,296	10,153
Street excavation	-	-	-	-	750
Zoning	2,200	2,200	1,779	(421)	1,910
Peddler/2nd hand	750	750	1,930	1,180	880
Other	7,225	7,225	9,382	2,157	5,087
Total licenses and permits	235,390	235,390	241,474	6,084	236,208
Fines and forfeits					
Court fines and penalties	112,000	112,000	85,678	(26,322)	85,312
Parking violations	6,000	6,000	7,261	1,261	4,345
False alarm penalties	1,000	1,000	1,925	925	2,625
Total fines and forfeits	119,000	119,000	94,864	(24,136)	92,282

Village of Allouez, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
Public charges for services					
General government	7,500	7,500	10,109	2,609	11,056
Sale of maps, plats and codes	550	550	639	89	70
Ambulance	40,000	40,000	38,410	(1,590)	49,658
Public works	5,250	5,250	4,578	(672)	4,103
Weed control	4,000	4,000	3,623	(377)	3,128
Recreation	76,650	76,650	81,309	4,659	64,750
Parks	36,500	36,500	30,667	(5,833)	32,400
Engineering	500	500	95	(405)	1,394
Forestry	2,000	2,000	267	(1,733)	2,005
Publication fees	1,200	1,200	1,041	(159)	939
Total public charges for services	<u>174,150</u>	<u>174,150</u>	<u>170,738</u>	<u>(3,412)</u>	<u>169,503</u>
Miscellaneous					
Interest on investments	8,100	8,100	16,668	8,568	14,195
Facilities use charge/rental	68,450	68,450	68,450	-	68,450
Property sales	1,000	1,000	2,491	1,491	2,050
Recyclable materials	6,000	6,000	11,179	5,179	3,695
Insurance recoveries and dividends	8,000	8,000	12,416	4,416	10,635
Donations	4,500	4,500	3,930	(570)	4,900
Other	6,420	6,420	6,589	169	6,558
Total miscellaneous	<u>102,470</u>	<u>102,470</u>	<u>121,723</u>	<u>19,253</u>	<u>110,483</u>
Total Revenues	<u>\$ 6,826,160</u>	<u>\$ 6,826,160</u>	<u>\$ 6,865,719</u>	<u>\$ 39,559</u>	<u>\$ 6,717,028</u>

Village of Allouez, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
General government					
Village board and committees	\$ 56,296	\$ 56,296	\$ 51,908	\$ 4,388	\$ 58,127
Municipal court	55,993	55,993	45,943	10,050	44,727
Legal counsel	37,000	37,000	48,102	(11,102)	47,617
Administrator	104,347	104,347	102,897	1,450	103,359
General administration	251,032	251,032	243,108	7,924	249,273
Clerk-treasurer	95,281	95,281	94,985	296	91,806
Elections	22,479	22,479	16,897	5,582	37,368
Internal accounting	98,301	98,301	82,059	16,242	131,397
Auditing and accounting services	10,160	10,160	6,660	3,500	6,525
Assessor	24,765	24,765	24,515	250	23,423
Village hall	104,680	104,680	89,726	14,954	76,104
Community Center building	18,939	18,939	10,173	8,766	13,640
Insurance	111,855	111,855	104,806	7,049	99,830
Tax refunds	-	-	-	-	2,885
Contingency	15,000	15,000	8,918	6,082	15,000
Other	1,000	1,000	70	930	10
Total general government	<u>1,007,128</u>	<u>1,007,128</u>	<u>930,767</u>	<u>76,361</u>	<u>1,001,091</u>
Public safety					
Police department	917,883	917,883	914,134	3,749	902,240
School patrol	53,671	53,671	57,796	(4,125)	56,202
Fire department	1,851,666	1,851,666	1,845,314	6,352	1,777,352
Public fire protection	138,362	138,362	138,362	-	276,724
Building inspection	42,927	42,927	58,709	(15,782)	48,948
Code enforcement	40,167	40,167	33,927	6,240	45,299
Other services	2,000	2,000	2,047	(47)	1,950
Total public safety	<u>3,046,676</u>	<u>3,046,676</u>	<u>3,050,289</u>	<u>(3,613)</u>	<u>3,108,715</u>
Public works					
Engineering	65,351	65,351	60,674	4,677	60,867
Administration	72,459	72,459	104,661	(32,202)	90,220
Training	3,438	3,438	3,223	215	3,109
Street repairs	135,022	135,022	133,944	1,078	125,765
Snow and ice control	199,141	199,141	135,546	63,595	228,275
Signs and markings	42,257	42,257	44,884	(2,627)	49,416
Tree and brush control	151,689	151,689	163,592	(11,903)	168,272
Curb and gutter	10,000	10,000	9,974	26	10,133
Street reconstruction	363,000	363,000	333,948	29,052	263,486
Street lighting	220,000	220,000	187,704	32,296	174,611
Sidewalks	20,000	20,000	20,866	(866)	10,001
Weed control	13,216	13,216	13,047	169	12,050
Leaf collection	116,461	116,461	116,675	(214)	118,219
Yard waste collection	49,074	49,074	66,687	(17,613)	51,418
Sharps collection	300	300	295	5	231

Village of Allouez, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
Recycling - curbside	145,183	145,183	122,209	22,974	124,686
Garbage collection	295,171	295,171	300,671	(5,500)	299,368
Refuse collection	118,532	118,532	112,673	5,859	107,615
Landfill	170,000	170,000	170,128	(128)	170,313
LeBrun farm	79,925	79,925	74,546	5,379	78,433
Total public works	2,270,219	2,270,219	2,175,947	94,272	2,146,488
Health and human services					
Animal control	6,169	6,169	7,281	(1,112)	8,371
Culture, recreation and forestry					
Administration	174,727	174,727	171,550	3,177	172,990
Recreation programs	70,362	70,362	69,224	1,138	51,087
Parks	410,917	410,917	413,310	(2,393)	409,321
Forestry	85,538	85,538	76,340	9,198	77,219
Total culture, recreation and forestry	741,544	741,544	730,424	11,120	710,617
Conservation and development					
Economic development	59,424	59,424	31,861	27,563	43,242
Total Expenditures	\$ 7,131,160	\$ 7,131,160	\$ 6,926,569	\$ 204,591	\$ 7,018,524

Village of Allouez, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	Special Revenue		
	Public Bus Service	Compensated Absences	Excess Stadium District Sales Tax
ASSETS			
Cash and investments	\$ 61,528	\$ 89,046	\$ 566,760
Due from other funds	65,000	10,000	-
Due from other governments	96,468	-	-
Total assets	\$ 222,996	\$ 99,046	\$ 566,760
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 6,557	\$ -	\$ 13,457
Accrued and other current liabilities	-	-	-
Total liabilities	6,557	-	13,457
Deferred inflows of resources			
Property taxes levied for subsequent year	65,000	10,000	-
Fund balances			
Nonspendable	96,468	-	-
Restricted	-	-	553,303
Committed	54,971	89,046	-
Total fund balances	151,439	89,046	553,303
Total liabilities, deferred inflows of resources, and fund balances	\$ 222,996	\$ 99,046	\$ 566,760

Capital Projects			
TID No. 1	Parks Capital Improvement	Totals	
		2017	2016
\$ 501,917	\$ 154,178	\$ 1,373,429	\$ 1,289,040
471,191	13,000	559,191	412,982
-	-	96,468	96,468
<u>\$ 973,108</u>	<u>\$ 167,178</u>	<u>\$ 2,029,088</u>	<u>\$ 1,798,490</u>
\$ 1,930	\$ 6,740	\$ 28,684	\$ 11,172
-	-	-	1,505
<u>1,930</u>	<u>6,740</u>	<u>28,684</u>	<u>12,677</u>
<u>471,191</u>	<u>13,000</u>	<u>559,191</u>	<u>412,982</u>
-	-	96,468	96,468
499,987	21,968	1,075,258	1,096,230
-	125,470	269,487	180,133
<u>499,987</u>	<u>147,438</u>	<u>1,441,213</u>	<u>1,372,831</u>
<u>\$ 973,108</u>	<u>\$ 167,178</u>	<u>\$ 2,029,088</u>	<u>\$ 1,798,490</u>

Village of Allouez, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	Special Revenue		
	Public Bus Service	Compensated Absences	Excess Stadium District Sales Tax
REVENUES			
Taxes	\$ 6,000	\$ 10,000	\$ 20,293
Intergovernmental	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>6,000</u>	<u>10,000</u>	<u>20,293</u>
EXPENDITURES			
Current			
General government	-	-	-
Public works	52,116	-	97,582
Conservation and development	-	-	86,519
Debt service			
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>52,116</u>	<u>-</u>	<u>184,101</u>
Excess of revenues over (under) expenditures	<u>(46,116)</u>	<u>10,000</u>	<u>(163,808)</u>
OTHER FINANCING SOURCES			
Long-term debt issued	-	-	-
Transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(46,116)	10,000	(163,808)
Fund balances - January 1	<u>197,555</u>	<u>79,046</u>	<u>717,111</u>
Fund balances - December 31	<u>\$ 151,439</u>	<u>\$ 89,046</u>	<u>\$ 553,303</u>

Capital Projects			
TID No. 1	Parks Capital Improvement	Totals	
		2017	2016
\$ 333,982	\$ 63,000	\$ 433,275	\$ 393,636
40,649	70,000	110,649	49,469
-	74,485	74,485	19,732
<u>374,631</u>	<u>207,485</u>	<u>618,409</u>	<u>462,837</u>
-	-	-	13,258
-	-	149,698	65,031
236,355	-	322,874	154,278
-	5,775	5,775	-
-	525,430	525,430	27,324
<u>236,355</u>	<u>531,205</u>	<u>1,003,777</u>	<u>259,891</u>
<u>138,276</u>	<u>(323,720)</u>	<u>(385,368)</u>	<u>202,946</u>
-	453,750	453,750	-
-	-	-	25,000
-	453,750	453,750	25,000
138,276	130,030	68,382	227,946
<u>361,711</u>	<u>17,408</u>	<u>1,372,831</u>	<u>1,144,885</u>
<u>\$ 499,987</u>	<u>\$ 147,438</u>	<u>\$ 1,441,213</u>	<u>\$ 1,372,831</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 of Allouez 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, (the "Village") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 25, 2018.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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



Certified Public Accountants

Green Bay, Wisconsin

May 25, 2018