

**CITY OF DE PERE, WISCONSIN**  
**ANNUAL FINANCIAL REPORT**  
**DECEMBER 31, 2016**

**CITY OF DE PERE, WISCONSIN**

December 31, 2016

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## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of De Pere, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of De Pere, Wisconsin ("the City") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note C.1 the City implemented GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinions are not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and the schedules relating to pensions and other post-employment benefits on pages 51 and 52 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

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

### **Report on Summarized Financial Information**

We have previously audited the City of De Pere's 2015 financial statements, and our report dated July 29, 2016, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Certified Public Accountants  
Green Bay, Wisconsin  
June 16, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Management's Discussion and Analysis December 31, 2016**

As management of the City of De Pere, Wisconsin, we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2016 by \$95,885,510 (*net position*). Of this amount, \$13,187,697 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total property taxes increased 2.2% per \$1,000 of property value for the year ended December 31, 2016.
- As of December 31, 2016, the City's governmental funds reported combined ending fund balances of \$10,218,483, a decrease of \$4,182,898 in comparison with the prior year. Approximately 37% of this total amount, \$3,813,085 is *available for spending* at the City's discretion (*unassigned fund balance*).
- As of December 31, 2016, unassigned fund balance for the general fund was \$5,544,762, or approximately 34% of total general fund expenditures.
- The City's total general-obligation debt increased by \$1,735,000 (5.0%) during 2016. The key factor in this increase was the issuance of \$8,805,000 to refinance 2006 debt issuances (\$2,395,000), for public improvements (\$2,775,000), TID district projects (\$1,620,000) and for water and sewer utilities (\$2,015,000) while the City paid principal on debt of \$7,070,000 in 2016.

### **Overview of the Basic Financial Statements**

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, sanitation, health and human services, culture and recreation, and conservation and development. The business-type activities of the City include the water, wastewater treatment, wastewater collection and stormwater utilities.

The government-wide financial statements can be found on pages 10 - 12 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The City maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, public improvements capital project fund and TID No. 6 capital projects fund, all of which are considered to be major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 13 - 19 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater treatment plant, stormwater utility, and wastewater collection utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health and dental self insurance funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the enterprise and internal service funds. The four enterprise funds are considered to be major funds of the City. The two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 20 - 22 of this report.



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

The basic fiduciary fund financial statements can be found on page 23 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 24 - 50 of this report.

**Other information.** Required supplementary information relating to pensions and other postemployment benefits and the combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the notes to the basic financial statements. These statements and schedules can be found on pages 51 - 65.

### **Government-wide Financial Analysis**

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$95,885,510 at the close of 2016.

<b>City of De Pere's Net Position</b> (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 29,266	\$ 34,301	\$ 6,565	\$ 5,381	\$ 35,831	\$ 39,682
Capital assets	67,051	64,585	50,566	47,764	117,617	112,349
<b>Total Assets</b>	<b>96,317</b>	<b>98,886</b>	<b>57,131</b>	<b>53,145</b>	<b>153,448</b>	<b>152,031</b>
Deferred Outflows of Resources	7,246	2,047	684	188	7,930	2,235
Other liabilities	2,654	2,328	1,422	1,732	4,076	4,060
Long-term liabilities outstanding	37,237	35,398	5,869	4,300	43,106	39,698
<b>Total Liabilities</b>	<b>39,891</b>	<b>37,726</b>	<b>7,291</b>	<b>6,032</b>	<b>47,182</b>	<b>43,758</b>
Deferred Inflows of Resources	18,053	14,560	258	-	18,311	14,560
<b>Net Position</b>						
Net Investment in Capital Assets	33,950	32,833	45,147	43,709	79,097	76,542
Restricted	3,396	5,329	205	165	3,601	5,494
Unrestricted	8,273	10,485	4,914	3,427	13,187	13,912
<b>Total Net Assets</b>	<b>\$ 45,619</b>	<b>\$ 48,647</b>	<b>\$ 50,266</b>	<b>\$ 47,301</b>	<b>\$ 95,885</b>	<b>\$ 95,948</b>

By far the largest portion of the City's net position (82%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$13,187,697) may be used to meet the City's ongoing obligations to citizens and creditors.

**Change in net position.** Governmental activities decreased the City's net position by \$3,027,752, while business-type activities increased \$2,965,278. Key elements of the changes in net position are as follows:

<b>City of De Pere's Change in Net Position</b> (In thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 3,423	\$ 3,170	\$ 16,544	\$ 16,222	\$ 19,967	\$ 19,392
Operating grants and contributions	1,482	1,467	-	-	1,482	1,467
Capital grants and contributions	690	1,036	1,230	1,582	1,920	2,618
<b>General Revenues</b>						
Property taxes	14,561	14,200	-	-	14,561	14,200
Other taxes	376	1,587	-	-	376	1,587
Grants and contributions not restricted to specific programs	2,078	2,111	-	-	2,078	2,111
Other	962	384	72	75	1,034	459
<b>Total Revenues</b>	<b>23,572</b>	<b>23,955</b>	<b>17,846</b>	<b>17,879</b>	<b>41,418</b>	<b>41,834</b>
<b>Expenses</b>						
General government	1,855	1,653	-	-	1,855	1,653
Public safety	9,592	8,540	-	-	9,592	8,540
Public works and sanitation	7,122	7,126	-	-	7,122	7,126
Health and human services	494	486	-	-	494	486
Culture and recreation	2,710	2,416	-	-	2,710	2,416
Conservation and development	4,473	1,010	-	-	4,473	1,010
Interest on long-term debt	1,079	1,101	-	-	1,079	1,101
Water utility	-	-	5,160	5,264	5,160	5,264
Wastewater Collection	-	-	7,699	7,921	7,699	7,921
Stormwater utility	-	-	1,296	897	1,296	897
<b>Total Expenses</b>	<b>27,325</b>	<b>22,332</b>	<b>14,155</b>	<b>14,082</b>	<b>41,480</b>	<b>36,414</b>
<b>Change in Net Position Before Transfers</b>	<b>(3,753)</b>	<b>1,623</b>	<b>3,689</b>	<b>3,797</b>	<b>(64)</b>	<b>5,420</b>
<b>Transfers</b>	<b>725</b>	<b>721</b>	<b>(725)</b>	<b>(721)</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(3,028)</b>	<b>2,344</b>	<b>2,964</b>	<b>3,076</b>	<b>(64)</b>	<b>5,420</b>
<b>Cumulative Effect of Change in Accounting Principle</b>	<b>-</b>	<b>3,994</b>	<b>-</b>	<b>335</b>	<b>-</b>	<b>4,329</b>
<b>Net Position - January 1</b>	<b>48,647</b>	<b>42,309</b>	<b>47,301</b>	<b>43,890</b>	<b>95,948</b>	<b>86,199</b>
<b>Net Position - December 31</b>	<b>\$ 45,619</b>	<b>\$ 48,647</b>	<b>\$ 50,265</b>	<b>\$ 47,301</b>	<b>\$ 95,884</b>	<b>\$ 95,948</b>

Property taxes increased by \$360,572 (2.5%) during the year.

## **Financial Analysis of the City's Funds**

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

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

As of December 31, 2016, the City's governmental funds reported combined ending fund balances of \$10,218,483, a decrease of \$4,182,898 in comparison with the prior year. Approximately 37% of this amount (\$3,813,085) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is either restricted (\$5,134,593) or committed (\$879,701) or it is nonspendable (\$391,104).

The general fund is the main operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$5,544,762, while total fund balance reached \$7,427,383. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 34% of total general fund expenditures, while total fund balance represents 45% of that same amount.

The fund balance of the City's general fund increased by \$301,235 during the current year. The key factor in this increase was favorable budget to actual variances in expenditures.

The debt service fund has a total fund balance of \$710,514. This fund balance represents 13% of total debt service fund expenditures.

The public improvements fund has a total fund balance of \$593,343. This decreased by \$331,349 during the current year.

TID No. 6 has a fund deficit of \$1,332,299, a reduction in fund balance of \$3,938,708 during the current year. The City escrowed the final projects of the district's project plan during 2016, resulting in the change. The deficit will be recovered through future increments.

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

Unrestricted net position of the water utility fund at the end of the year amounted to \$1,360,054. The total increase in net position was \$768,334.

Unrestricted net position of the wastewater treatment plant fund at the end of the year amounted to \$1,568,787.

Unrestricted net position of the wastewater utility fund at the end of the year amounted to \$1,059,556. The total increase in net position was \$1,091,507.

Unrestricted net position of the stormwater utility fund at the end of the year amounted to \$1,058,104. The total increase in net position was \$1,040,094.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

Generally the original budget is modified in small amounts. The City allocated a total of \$131,137 from the contingency account to various expenditure accounts in the general fund as approved by the City Council.

During the year, actual revenues were more than budgeted revenues by \$85,632. Actual expenditures were less than budgeted expenditures by \$358,899 primarily in general government and public works.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2016 amounts to \$117,617,886 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, infrastructure (highways and bridges), and construction in progress. The total increase in the City's investment in capital assets for the current year was \$5,268,350 or 4.69% over last year.

<b>City of De Pere's Capital Assets</b> (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	\$ 9,731	\$ 9,878	\$ 53	\$ 53	\$ 9,784	\$ 9,931
Land improvements	6,139	5,978	-	-	6,139	5,978
Buildings	12,290	11,301	892	892	13,182	12,193
Machinery and equipment	3,984	3,689	6,044	5,979	10,028	9,668
Vehicles	6,231	5,509	-	-	6,231	5,509
Infrastructure	73,498	71,866	67,452	63,571	140,950	135,437
Accumulated depreciation	(44,822)	(43,636)	(23,875)	(22,731)	(68,697)	(66,367)
Net Capital Assets	\$ 67,051	\$ 64,585	\$ 50,566	\$ 47,764	\$ 117,617	\$ 112,349

**Long-term debt.** At the end of the current fiscal year, the City had total general obligation debt outstanding of \$36,755,000. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

<b>City of De Pere's Outstanding Debt</b> <b>General Obligation Debt and Revenue Bonds</b> (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
General Obligation Debt						
Bonds	\$ 19,145	\$ 24,090	\$ -	\$ -	\$ 19,145	\$ 24,090
Notes	13,920	8,915	3,690	2,015	17,610	10,930
Total General Obligation Debt	33,065	33,005	3,690	2,015	36,755	35,020
Revenue bonds	-	-	1,730	2,040	1,730	2,040
Total	\$ 33,065	\$ 33,005	\$ 5,420	\$ 4,055	\$ 38,485	\$ 37,060

The City's total general obligation debt increased by \$1,735,000 (5%) during the current fiscal year. The key factor in this increase was the newly incurred debt was more than debt retirements.

The City maintains an Aa2 rating from Moody's Investors Service for its general obligation debt.

State statutes limit the amount of general obligation debt the City may issue to 5% of its total equalized valuation. The current debt limitation for the City is \$96,773,485 which is significantly in excess of the City's \$36,755,000 in outstanding general obligation debt.

#### **Economic Factors and Next Year's Budgets and Rates**

- The economic condition and outlook of the City has remained fairly stable based on a relatively healthy mix of manufacturing, tourism, service industry, retail, and farming activities which support our tax base.
- Inflationary trends in our region compare favorably to national indices.
- During the current year, unassigned fund balance in the general fund increased by \$285,622 to \$5,544,762.

All of these factors were considered in preparing the City's budget for the 2017 fiscal year.

#### **Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Joseph G. Zegers, Finance Director of the City of De Pere, 335 S. Broadway, De Pere, Wisconsin 54115.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF DE PERE, WISCONSIN**  
**Statement of Net Position**  
**December 31, 2016**  
(With summarized financial information as of December 31, 2015)

	Governmental Activities	Business-type Activities	Totals	
			2016	2015
<b>ASSETS</b>				
Cash and investments	\$ 9,746,296	\$ 1,322,337	\$ 11,068,633	\$ 13,936,083
Receivables				
Taxes	15,332,810	-	15,332,810	14,571,445
Accounts	529,985	3,929,633	4,459,618	4,261,996
Special assessments	747,648	-	747,648	771,555
Loans	280,086	-	280,086	335,305
Other	-	235,238	235,238	140,781
Internal balances	640,700	(640,700)	-	-
Due from other governments	-	1,333,057	1,333,057	1,422,421
Inventories and prepaid items	233,692	25,181	258,873	247,366
Restricted assets				
Cash and investments	1,754,620	360,000	2,114,620	1,865,814
Net pension asset	-	-	-	2,128,138
Capital assets, nondepreciable				
Land	9,731,371	53,207	9,784,578	9,931,248
Capital assets, depreciable				
Land improvements	6,139,432	-	6,139,432	5,977,759
Buildings and improvements	12,290,118	892,181	13,182,299	12,193,281
Machinery and equipment	10,214,530	6,044,285	16,258,815	15,177,198
Infrastructure	73,498,030	67,452,303	140,950,333	135,437,404
Less: Accumulated depreciation	(44,822,384)	(23,875,187)	(68,697,571)	(66,367,354)
<b>TOTAL ASSETS</b>	<b>96,316,934</b>	<b>57,131,535</b>	<b>153,448,469</b>	<b>152,030,440</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related deferred outflows	7,246,264	683,685	7,929,949	2,235,051
<b>LIABILITIES</b>				
Accounts and claims payable	1,456,346	1,387,116	2,843,462	2,912,656
Short-term notes payable	275,000	-	275,000	147,000
Accrued and other current liabilities	697,037	8,999	706,036	763,234
Due to other governments	97,479	-	97,479	96,138
Accrued interest payable	125,479	25,843	151,322	138,111
Unearned revenue	2,789	-	2,789	2,789
Long-term obligations				
Due within one year	4,552,103	790,552	5,342,655	5,101,730
Due in more than one year	31,021,463	4,956,128	35,977,591	34,534,350
Other post-employment benefits	368,742	-	368,742	61,918
Net pension liability	1,295,114	122,179	1,417,293	-
<b>TOTAL LIABILITIES</b>	<b>39,891,552</b>	<b>7,290,817</b>	<b>47,182,369</b>	<b>43,757,926</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related deferred inflows	2,735,589	258,069	2,993,658	-
Property taxes levied for subsequent year	15,316,881	-	15,316,881	14,559,581
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>18,052,470</b>	<b>258,069</b>	<b>18,310,539</b>	<b>14,559,581</b>
<b>NET POSITION</b>				
Net investment in capital assets	33,949,742	45,146,789	79,096,531	76,542,806
Restricted for				
Debt service	585,035	204,507	789,542	629,584
Property tax relief and economic development	1,300,348	-	1,300,348	1,249,256
Loans	1,377,581	-	1,377,581	1,367,033
Recreation scholarship	22,624	-	22,624	21,726
Fire UTV fund	19,850	-	19,850	-
Park land acquisition	91,337	-	91,337	97,967
Pension benefits	-	-	-	2,128,138
Unrestricted	8,272,659	4,915,038	13,187,697	13,911,474
<b>TOTAL NET POSITION</b>	<b>\$ 45,619,176</b>	<b>\$ 50,266,334</b>	<b>\$ 95,885,510</b>	<b>\$ 95,947,984</b>

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

**CITY OF DE PERE, WISCONSIN**  
**Statement of Activities**  
For the Year Ended December 31, 2016  
(With summarized financial information for the year ended December 31, 2015)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 1,855,108	\$ 365,364	\$ -	\$ -
Public safety	9,591,778	1,485,457	94,898	-
Public works	6,436,651	959,251	1,231,419	532,144
Sanitation	685,510	-	100,993	-
Health and human services	494,491	3,849	53,118	-
Culture and recreation	2,709,845	587,939	1,716	157,740
Conservation and development	4,472,505	21,024	-	-
Interest on debt	1,078,693	-	-	-
<b>Total Governmental Activities</b>	<b>27,324,581</b>	<b>3,422,884</b>	<b>1,482,144</b>	<b>689,884</b>
<b>Business-type Activities</b>				
Water utility	5,160,384	6,195,328	-	183,344
Wastewater collection	7,699,189	8,927,203	-	132,049
Stormwater utility	1,295,942	1,421,398	-	914,109
<b>Total Business-type Activities</b>	<b>14,155,515</b>	<b>16,543,929</b>	<b>-</b>	<b>1,229,502</b>
<b>Total</b>	<b>\$ 41,480,096</b>	<b>\$ 19,966,813</b>	<b>\$ 1,482,144</b>	<b>\$ 1,919,386</b>

**General revenues**

**Taxes**

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for capital projects

Property tax increments

Other taxes and franchise fees

Excess stadium sales tax

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

Interest and investment earnings

Miscellaneous

Gain on sale of assets

Transfers

Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

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



Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals	
		2016	2015

\$ (1,489,744)	\$ -	\$ (1,489,744)	\$ (1,316,826)
(8,011,423)	-	(8,011,423)	(7,047,455)
(3,713,837)	-	(3,713,837)	(3,524,478)
(584,517)	-	(584,517)	(590,109)
(437,524)	-	(437,524)	(414,971)
(1,962,450)	-	(1,962,450)	(1,724,414)
(4,451,481)	-	(4,451,481)	(938,978)
(1,078,693)	-	(1,078,693)	(1,100,807)
<u>(21,729,669)</u>	<u>-</u>	<u>(21,729,669)</u>	<u>(16,658,038)</u>

-	1,218,288	1,218,288	1,024,078
-	1,360,063	1,360,063	2,273,153
-	1,039,565	1,039,565	423,999
<u>-</u>	<u>3,617,916</u>	<u>3,617,916</u>	<u>3,721,230</u>
<u>(21,729,669)</u>	<u>3,617,916</u>	<u>(18,111,753)</u>	<u>(12,936,808)</u>

7,971,828	-	7,971,828	7,932,835
1,837,313	-	1,837,313	1,656,282
1,741,276	-	1,741,276	1,643,276
3,010,312	-	3,010,312	2,967,764
337,772	-	337,772	338,185
38,218	-	38,218	1,249,256
2,078,364	-	2,078,364	2,110,668
99,192	71,950	171,142	239,186
333,014	-	333,014	141,851
530,040	-	530,040	78,271
724,588	(724,588)	-	-
<u>18,701,917</u>	<u>(652,638)</u>	<u>18,049,279</u>	<u>18,357,574</u>
<u>(3,027,752)</u>	<u>2,965,278</u>	<u>(62,474)</u>	<u>5,420,766</u>
<u>48,646,928</u>	<u>47,301,056</u>	<u>95,947,984</u>	<u>90,527,218</u>
<u>\$ 45,619,176</u>	<u>\$ 50,266,334</u>	<u>\$ 95,885,510</u>	<u>\$ 95,947,984</u>

**CITY OF DE PERE, WISCONSIN**

Balance Sheet

Governmental Funds

December 31, 2016

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

	General	Debt Service	Capital Projects - Public Improvements	TID No.6
<b>ASSETS</b>				
Cash and investments	\$ 5,820,843	\$ -	\$ 1,261,347	\$ -
Receivables				
Taxes	8,056,704	2,174,850	700,000	1,905,735
Accounts	446,877	-	57,326	-
Special assessments	103,888	-	643,760	-
Loans	-	-	-	-
Due from other funds	2,259,497	-	-	-
Advance to other funds	60,000	-	-	-
Due from other governments	-	-	-	-
Inventories and prepaid items	233,692	-	-	-
Restricted assets				
Cash and investments	-	710,514	-	-
<b>TOTAL ASSETS</b>	<b>\$ 16,981,501</b>	<b>\$ 2,885,364</b>	<b>\$ 2,662,433</b>	<b>\$ 1,905,735</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 539,080	\$ -	\$ 725,330	\$ 7,459
Short-term notes payable	275,000	-	-	-
Accrued and other current liabilities	695,528	-	-	504
Due to other funds	-	-	-	1,324,336
Due to other governments	946	-	95,976	-
Unearned revenues	2,789	-	-	-
Total Liabilities	1,513,343	-	821,306	1,332,299
Deferred Inflows of Resources				
Property taxes levied for subsequent year	8,040,775	2,174,850	700,000	1,905,735
Special assessments	-	-	547,784	-
Loans receivable	-	-	-	-
Total Deferred Inflows of Resources	8,040,775	2,174,850	1,247,784	1,905,735
Fund Balances				
Nonspendable for				
Inventories and prepaid items	233,692	-	-	-
Special assessments	97,412	-	-	-
Advances to other funds	60,000	-	-	-
Restricted for				
Debt service	-	710,514	-	-
Property tax relief and economic development	1,300,348	-	-	-
Loans	-	-	-	-
Recreation scholarship	22,624	-	-	-
Fire UTV fund	19,850	-	-	-
Park land acquisition	-	-	-	-
Tax increment district projects	-	-	-	-
Committed for				
Subsequent years' expenditures	148,695	-	-	-
Capital outlay	-	-	593,343	-
Unassigned				
General fund	5,544,762	-	-	-
Special revenue fund	-	-	-	-
Capital projects funds	-	-	-	(1,332,299)
Total Fund Balances	7,427,383	710,514	593,343	(1,332,299)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 16,981,501</b>	<b>\$ 2,885,364</b>	<b>\$ 2,662,433</b>	<b>\$ 1,905,735</b>

(Continued)

Nonmajor Governmental Funds	Total Governmental Funds	
	2016	2015

\$ 2,229,736    \$ 9,311,926    \$ 12,177,398

2,495,521	15,332,810	14,571,445
25,225	529,428	384,888
-	747,648	771,555
280,086	280,086	335,305
-	2,259,497	1,970,468
-	60,000	60,000
-	-	3
-	233,692	222,723

1,044,106    1,754,620    1,629,504

\$ 6,074,674    \$ 30,509,707    \$ 32,123,289

\$ 52,596    \$ 1,324,465    \$ 1,099,232

-	275,000	147,000
1,005	697,037	754,477
425,924	1,750,260	281,268
-	96,922	95,976
-	2,789	2,789

479,525    4,146,473    2,380,742

2,495,521	15,316,881	14,559,581
-	547,784	446,280
280,086	280,086	335,305

2,775,607    16,144,751    15,341,166

-	233,692	222,723
-	97,412	226,689
-	60,000	60,000

-	710,514	629,584
-	1,300,348	1,249,256
1,097,495	1,097,495	1,031,729
-	22,624	21,726
-	19,850	-
91,337	91,337	97,967
1,892,425	1,892,425	4,601,372

37,424	186,119	216,654
100,239	693,582	1,023,731

-	5,544,762	5,259,140
(127,250)	(127,250)	(66,331)
(272,128)	(1,604,427)	(172,859)

2,819,542    10,218,483    14,401,381

\$ 6,074,674    \$ 30,509,707    \$ 32,123,289

**CITY OF DE PERE, WISCONSIN**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**December 31, 2016**  
(With summarized financial information as of December 31, 2015)

	2016	2015
<u>Reconciliation to the Statement of Net Position</u>		
Total Fund Balances as shown on previous page	\$ 10,218,483	\$ 14,401,381
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.	67,051,097	64,585,039
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	827,870	781,585
Benefit plan payments in excess of actuarially determined costs for post-employment benefits are not financial resources; therefore, are not reported in the fund financial statements.	(368,742)	(61,918)
The City's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:		
Deferred outflows of resources	\$ 7,246,264	
Net pension liability	(1,295,114)	
Deferred inflows of resources	<u>(2,735,589)</u>	4,010,548
Internal service funds are used by management to charge the costs of health and dental insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	373,952	384,757
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	\$ (33,065,000)	
Capital leases payable	(36,355)	
Compensated absences	(1,740,403)	
Bond premium	(731,808)	
Accrued interest on long-term obligations	<u>(125,479)</u>	(35,454,464)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 10)	<u>\$ 45,619,176</u>	<u>\$ 48,646,928</u>

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

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

	General	Debt Service	Capital Projects - Public Improvements	TID No.6
<b>Revenues</b>				
Taxes	\$ 8,088,741	\$ 1,837,313	\$ 941,276	\$ 1,788,033
Special assessments	-	-	401,840	-
Intergovernmental	3,002,036	31,600	292,405	9,066
Licenses and permits	695,507	-	-	-
Fines and forfeits	195,226	-	-	-
Public charges for services	1,451,339	-	-	-
Intergovernmental charges for services	1,244,295	-	-	-
Miscellaneous	367,854	-	47,242	925
<b>Total Revenues</b>	<b>15,044,998</b>	<b>1,868,913</b>	<b>1,682,763</b>	<b>1,798,024</b>
<b>Expenditures</b>				
Current				
General government	1,698,540	-	-	-
Public safety	8,791,882	-	-	-
Public works	2,270,888	-	-	-
Sanitation	667,999	-	-	-
Health and human services	461,939	-	-	-
Culture and recreation	2,308,960	-	-	-
Conservation and development	260,743	-	-	124,468
Debt service				
Principal	-	4,335,000	-	-
Interest and fiscal charges	-	1,034,552	75,743	-
Capital outlay	-	-	4,654,468	3,838,179
<b>Total Expenditures</b>	<b>16,460,951</b>	<b>5,369,552</b>	<b>4,730,211</b>	<b>3,962,647</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,415,953)</b>	<b>(3,500,639)</b>	<b>(3,047,448)</b>	<b>(2,164,623)</b>
<b>Other Financing Sources (Uses)</b>				
Long-term debt issued	-	2,395,000	2,775,000	-
Debt premium	-	61,016	66,099	-
Payment to current noteholder	-	(2,395,000)	-	-
Capital leases	75,600	-	-	-
Sale of capital assets	18,500	-	-	-
Transfers in	1,623,088	3,520,553	-	-
Transfers out	-	-	(125,000)	(1,774,085)
<b>Total Other Financing Sources (Uses)</b>	<b>1,717,188</b>	<b>3,581,569</b>	<b>2,716,099</b>	<b>(1,774,085)</b>
<b>Net Change in Fund Balances</b>	<b>301,235</b>	<b>80,930</b>	<b>(331,349)</b>	<b>(3,938,708)</b>
<b>Fund Balances - January 1</b>	<b>7,126,148</b>	<b>629,584</b>	<b>924,692</b>	<b>2,606,409</b>
<b>Fund Balances (Deficit) - December 31</b>	<b>\$ 7,427,383</b>	<b>\$ 710,514</b>	<b>\$ 593,343</b>	<b>\$ (1,332,299)</b>

(Continued)

Nonmajor Governmental Funds	Total Governmental Funds	
	2016	2015

\$ 2,022,279	\$ 14,677,642	\$ 15,508,084
-	401,840	645,819
237,577	3,572,684	3,588,495
103,631	799,138	694,760
-	195,226	190,859
10,870	1,462,209	1,442,642
-	1,244,295	1,296,225
128,568	544,589	519,470
<u>2,502,925</u>	<u>22,897,623</u>	<u>23,886,354</u>

-	1,698,540	1,704,347
-	8,791,882	8,574,280
-	2,270,888	2,357,659
-	667,999	689,701
-	461,939	483,832
151,586	2,460,546	2,210,035
1,825,847	2,211,058	839,134

-	4,335,000	7,640,000
29,465	1,139,760	1,136,350
576,540	9,069,187	6,426,996
<u>2,583,438</u>	<u>33,106,799</u>	<u>32,062,334</u>

<u>(80,513)</u>	<u>(10,209,176)</u>	<u>(8,175,980)</u>
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1,620,000	6,790,000	6,270,000
27,265	154,380	235,916
-	(2,395,000)	-
-	75,600	96,730
658,210	676,710	146,069
-	5,143,641	4,452,111
<u>(2,519,968)</u>	<u>(4,419,053)</u>	<u>(3,731,576)</u>
<u>(214,493)</u>	<u>6,026,278</u>	<u>7,469,250</u>

(295,006)	(4,182,898)	(706,730)
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<u>3,114,548</u>	<u>14,401,381</u>	<u>15,108,111</u>
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<u>\$ 2,819,542</u>	<u>\$ 10,218,483</u>	<u>\$ 14,401,381</u>
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**CITY OF DE PERE, WISCONSIN**  
**Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended December 31, 2016**  
(With summarized financial information for the year ended December 31, 2015)

	2016	2015
<u>Reconciliation to the Statement of Activities</u>		
Net Change in Fund Balances as shown on previous page	\$ (4,182,898)	\$ (706,730)
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 capital outlay in governmental fund statements	\$ 5,151,084	
Capital assets reported as capital contributions in government-wide statements	157,740	
Depreciation expense reported in the statement of activities	<u>(2,696,096)</u>	
Amount by which capital additions are greater than depreciation in current period	2,612,728	2,458,704
Some capital assets acquired during the year were financed with a capital lease. The amount of the capital lease is reported in the governmental funds as a source of financing. In the statement of net position, however, capital leases constitute a long-term liability. The amount of capital leases reported in the governmental statement is:	(75,600)	(96,730)
In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.		
Net book value of assets disposed of	(146,670)	(67,798)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits increased by:	(458,467)	(82,714)
Change in the net pension liability (asset) and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan	(794,987)	17,045
Internal service funds are used by management to charge the costs of health and dental insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(10,805)	(47,876)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	46,285	(331,635)
The issuance of long-term debt provides current financial resources to governmental funds, but is reported as an increase in long-term debt in the statement of net position and does not affect the statement of activities. amount of debt issued in the current year is:	(6,790,000)	(6,270,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year, including \$135,975 of capital lease payments in current expenditures, is:	6,865,975	7,672,802
Bond premiums issued are reported in the governmental funds as an other financing source. In the statement of activities, these costs are capitalized and amortized over the life of the bonds.	(86,712)	(190,709)
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.	<u>(6,601)</u>	<u>(9,664)</u>
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 11 - 12)	<u>\$ (3,027,752)</u>	<u>\$ 2,344,695</u>

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

**CITY OF DE PERE, WISCONSIN**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2016**  
**(With summarized financial information for the year ended December 31, 2015)**

	2016				2015 Actual
	Budget		Actual	Variance Final Budget - Positive (Negative)	
	Original	Final			
Revenues					
Taxes	\$ 8,122,695	\$ 8,031,500	\$ 8,088,741	\$ 57,241	\$ 9,240,762
Intergovernmental	2,886,866	3,020,256	3,002,036	(18,220)	2,976,327
Licenses and permits	566,765	573,520	695,507	121,987	582,954
Fines and forfeits	327,000	217,500	195,226	(22,274)	190,859
Public charges for services	1,611,883	1,563,686	1,451,339	(112,347)	1,431,182
Intergovernmental charges for services	1,248,400	1,245,900	1,244,295	(1,605)	1,259,025
Miscellaneous	310,240	307,004	367,854	60,850	259,262
Total Revenues	15,073,849	14,959,366	15,044,998	85,632	15,940,371
Expenditures					
Current					
General government	1,883,525	1,890,886	1,698,540	192,346	1,704,347
Public safety	8,716,725	8,737,837	8,791,882	(54,045)	8,574,280
Public works	2,508,159	2,512,814	2,270,888	241,926	2,357,659
Sanitation	639,604	639,604	667,999	(28,395)	689,701
Health and human services	516,265	516,265	461,939	54,326	483,832
Culture and recreation	2,403,614	2,199,063	2,308,960	(109,897)	2,076,918
Conservation and development	292,465	323,381	260,743	62,638	312,864
Total Expenditures	16,960,357	16,819,850	16,460,951	358,899	16,199,601
Excess of Revenues Under Expenditures	(1,886,508)	(1,860,484)	(1,415,953)	444,531	(259,230)
Other Financing Sources					
Capital leases	-	-	75,600	75,600	96,730
Sale of capital assets	-	-	18,500	18,500	35,644
Transfers in	1,863,400	1,779,500	1,623,088	(156,412)	1,519,035
Total Other Financing Sources	1,863,400	1,779,500	1,717,188	(62,312)	1,651,409
Net Change in Fund Balance	(23,108)	(80,984)	301,235	382,219	1,392,179
Fund Balance - January 1	7,126,148	7,126,148	7,126,148	-	5,733,969
Fund Balance - December 31	\$ 7,103,040	\$ 7,045,164	\$ 7,427,383	\$ 382,219	\$ 7,126,148

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



**CITY OF DE PERE, WISCONSIN**  
Statement of Net Position  
Proprietary Funds  
December 31, 2016  
(With summarized financial information as of December 31, 2015)

	Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals		
					2016	2015	
<b>ASSETS</b>							
Cash and investments	\$ 37,844	\$ 235,730	\$ -	\$ 1,048,763	\$ 1,322,337	\$ 1,329,321	\$ 434,369
Receivables							
Accounts	1,680,691	-	2,248,942	-	3,929,633	3,876,943	-
Other	235,238	-	-	-	235,238	140,781	-
Due from other governments	-	1,333,057	-	-	1,333,057	1,422,421	-
Inventories and prepaid items	25,181	-	-	-	25,181	24,643	-
Restricted assets							
Cash and investments	210,000	-	150,000	-	360,000	236,310	-
Net pension asset	-	-	-	-	-	164,712	-
Capital assets, nondepreciable							
Land	53,207	-	-	-	53,207	53,207	-
Capital assets, depreciable							
Buildings and improvements	892,181	-	-	-	892,181	892,181	-
Machinery and equipment	4,062,731	-	1,578,574	402,980	6,044,285	5,979,452	-
Infrastructure	24,759,726	-	25,069,743	17,622,834	67,452,303	63,571,059	-
Less: Accumulated depreciation	(6,459,537)	-	(10,392,007)	(7,023,643)	(23,875,187)	(22,731,402)	-
<b>TOTAL ASSETS</b>	<b>25,497,262</b>	<b>1,568,787</b>	<b>18,655,252</b>	<b>12,050,934</b>	<b>57,772,235</b>	<b>54,959,628</b>	<b>434,369</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension related deferred outflows	282,273	-	228,895	172,517	683,685	187,929	-
<b>LIABILITIES</b>							
Accounts and claims payable	650,825	-	725,841	10,450	1,387,116	1,703,132	131,881
Accrued and other current liabilities	4,128	-	2,997	1,874	8,999	8,757	-
Accrued interest payable	8,647	-	17,196	-	25,843	19,233	-
Due to other funds	-	-	509,237	-	509,237	1,689,200	-
Advance from other funds	-	-	-	-	-	-	60,000
Long-term obligations							
Due within one year	420,200	-	370,352	-	790,552	650,000	-
Due in more than one year	2,403,127	-	2,496,721	56,280	4,956,128	3,650,494	-
Net pension liability	50,523	-	41,268	30,388	122,179	-	-
<b>TOTAL LIABILITIES</b>	<b>3,537,450</b>	<b>-</b>	<b>4,163,612</b>	<b>98,992</b>	<b>7,800,054</b>	<b>7,720,816</b>	<b>191,881</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pension related deferred inflows	106,716	-	87,169	64,184	258,069	-	-
<b>NET POSITION</b>							
Net investment in capital assets	20,570,808	-	13,573,810	11,002,171	45,146,789	43,709,497	-
Restricted for							
Debt service	204,507	-	-	-	204,507	-	-
Pension benefits	-	-	-	-	-	164,712	-
Unrestricted	1,360,054	1,568,787	1,059,556	1,058,104	5,046,501	3,552,532	242,488
<b>TOTAL NET POSITION</b>	<b>\$ 22,135,369</b>	<b>\$ 1,568,787</b>	<b>\$ 14,633,366</b>	<b>\$ 12,060,275</b>	<b>50,397,797</b>	<b>47,426,741</b>	<b>\$ 242,488</b>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds					(131,463)	(125,685)	
Net position of business-type activities as reported on the Statement of Net Position (page 10)					\$ 50,266,334	\$ 47,301,056	

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

**CITY OF DE PERE, WISCONSIN**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2016**  
(With summarized financial information for the year ended December 31, 2015)

	Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals		
					2016	2015	
Operating Revenues							
Charges for services	\$ 5,811,268	\$ -	\$ 5,729,527	\$ 1,421,398	\$ 12,962,193	\$ 12,445,516	\$ 2,809,078
Other	384,060	-	3,197,676	-	3,581,736	3,776,508	-
Total Operating Revenues	6,195,328	-	8,927,203	1,421,398	16,543,929	16,222,024	2,809,078
Operating Expenses							
Claims and administrative fees	-	-	-	-	-	-	2,826,215
Operation and maintenance	4,507,771	-	6,948,383	902,654	12,358,808	12,316,915	-
Depreciation	526,434	-	701,892	392,759	1,621,085	1,570,510	-
Taxes	38,330	-	-	-	38,330	46,350	-
Total Operating Expenses	5,072,535	-	7,650,275	1,295,413	14,018,223	13,933,775	2,826,215
Operating Income (Loss)	1,122,793	-	1,276,928	125,985	2,525,706	2,288,249	(17,137)
Nonoperating Revenues (Expenses)							
Interest income	829	71,121	-	-	71,950	75,376	553
Interest and fiscal charges	(85,742)	-	(45,772)	-	(131,514)	(120,079)	-
Total Nonoperating Revenues (Expenses)	(84,913)	71,121	(45,772)	-	(59,564)	(44,703)	553
Income (Loss) Before Contributions and Transfers	1,037,880	71,121	1,231,156	125,985	2,466,142	2,243,546	(16,584)
Capital contributions	183,344	-	132,049	914,109	1,229,502	1,582,009	-
Transfers out	(452,890)	-	(271,698)	-	(724,588)	(720,535)	-
Total Contributions and Transfers	(269,546)	-	(139,649)	914,109	504,914	861,474	-
Change in Net Position	768,334	71,121	1,091,507	1,040,094	2,971,056	3,105,020	(16,584)
Net Position - January 1	21,367,035	1,497,666	13,541,859	11,020,181	47,426,741	44,321,721	259,072
Net Position - December 31	\$ 22,135,369	\$ 1,568,787	\$ 14,633,366	\$ 12,060,275	\$ 50,397,797	\$ 47,426,741	\$ 242,488
Change in Net Position per above					\$ 2,971,056	\$ 3,105,020	
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds					(5,778)	(28,949)	
Change in net position of business-type activities as reported on the Statement of Activities (pages 11-12)					\$ 2,965,278	\$ 3,076,071	

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

**CITY OF DE PERE, WISCONSIN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2016**  
(With summarized financial information for the year ended December 31, 2015)

	Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals		
					2016	2015	
Cash Flows from Operating Activities							
Cash received from user charges	\$ 6,200,596	\$ -	8,774,788	\$ 1,421,398	\$ 16,396,782	\$ 15,929,340	\$ -
Cash received from interfund services provided	69,847	-	(69,847)	-	-	-	2,809,078
Cash payments to suppliers	(3,811,329)	-	(6,760,362)	(408,837)	(10,980,528)	(10,667,321)	(2,804,626)
Cash payments to employees	(665,259)	-	(503,808)	(475,459)	(1,644,526)	(1,779,455)	-
Net Cash Provided by Operating Activities	1,793,855	-	1,440,771	537,102	3,771,728	3,482,564	4,452
Cash Flows from Noncapital Financing Activities							
Changes in assets and liabilities							
Due to other funds	(618,583)	-	(561,380)	-	(1,179,963)	592,730	-
Transfers out	(452,890)	-	(271,698)	-	(724,588)	(720,535)	-
Net Cash Used by Noncapital Financing Activities	(1,071,473)	-	(833,078)	-	(1,904,551)	(127,805)	-
Cash Flows from Capital and Related Financing Activities							
Acquisition of capital assets	(1,351,678)	-	(1,099,782)	(742,415)	(3,193,875)	(4,522,372)	-
Proceeds of long-term debt	1,007,500	-	1,007,500	-	2,015,000	2,015,000	-
Debt premium received	26,523	-	26,523	-	53,046	90,572	-
Proceeds from sale of treatment plant	-	89,364	-	-	89,364	85,109	-
Principal payments on long-term debt	(310,000)	-	(340,000)	-	(650,000)	(300,000)	-
Debt issuance costs paid	(6,299)	-	(6,299)	-	(12,598)	(21,296)	-
Interest payments on long-term debt	(77,723)	-	(45,635)	-	(123,358)	(89,521)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(711,677)	89,364	(457,693)	(742,415)	(1,822,421)	(2,742,508)	-
Cash Flows from Investing Activities							
Investment income	829	71,121	-	-	71,950	75,376	553
Change in Cash and Cash Equivalents	11,534	160,485	150,000	(205,313)	116,706	687,627	5,005
Cash and Cash Equivalents - January 1	236,310	75,245	-	1,254,076	1,565,631	878,004	429,364
Cash and Cash Equivalents - December 31	\$ 247,844	\$ 235,730	\$ 150,000	\$ 1,048,763	\$ 1,682,337	\$ 1,565,631	\$ 434,369
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ 1,122,793	\$ -	\$ 1,276,928	\$ 125,985	\$ 2,525,706	\$ 2,288,249	\$ (17,137)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	526,434	-	701,892	392,759	1,621,085	1,570,510	-
Depreciation charged to sewer	69,847	-	(69,847)	-	-	-	-
Changes in pension assets, liabilities and related deferred outflows & inflows	10,692	-	24,285	14,227	49,204	(17,626)	-
Changes in assets and liabilities							
Accounts receivable	99,725	-	(152,415)	-	(52,690)	(295,044)	-
Other accounts receivable	(94,457)	-	-	-	(94,457)	2,360	-
Inventories and prepaid items	(538)	-	-	-	(538)	358	-
Accounts and claims payable	47,014	-	(359,583)	(3,447)	(316,016)	31,818	21,589
Accrued liabilities	295	-	248	(301)	242	(263)	-
Compensated absences	12,050	-	19,263	7,879	39,192	(97,798)	-
Net Cash Provided (Used) by Operating Activities	\$ 1,793,855	\$ -	1,440,771	\$ 537,102	\$ 3,771,728	\$ 3,482,564	\$ 4,452
Noncash Investing, Capital and Financing Activities							
Capital contributions	\$ 183,344	\$ -	\$ 132,049	\$ 914,109	\$ 1,229,502	\$ 1,582,009	\$ -

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

**CITY OF DE PERE, WISCONSIN****Statement of Net Position****Agency Funds****December 31, 2016****(With summarized financial information as of December 31, 2015)**

	Tax Collection	Trust Deposits	Totals	
			2016	2015
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,236,401	\$ 25,130	\$ 8,261,531	\$ 5,360,785
Accounts receivable				
Taxes receivable	20,672,856	-	20,672,856	23,753,892
<b>TOTAL ASSETS</b>	<b>\$ 28,909,257</b>	<b>\$ 25,130</b>	<b>\$ 28,934,387</b>	<b>\$ 29,114,677</b>
<b>LIABILITIES</b>				
Due to other governments				
State of Wisconsin	\$ 328,461	\$ -	\$ 328,461	\$ 322,208
Brown County	8,370,688	-	8,370,688	8,209,730
Northeast Wisconsin Technical College	1,502,178	-	1,502,178	1,374,672
School District of De Pere	9,414,242	-	9,414,242	9,516,401
West De Pere School District	9,293,688	-	9,293,688	9,666,536
Deposits held in trust	-	25,130	25,130	25,130
<b>TOTAL LIABILITIES</b>	<b>\$ 28,909,257</b>	<b>\$ 25,130</b>	<b>\$ 28,934,387</b>	<b>\$ 29,114,677</b>

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

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Reporting Entity**

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

**2. Related Organization**

The Mayor and City Council are responsible for appointing the board members of the De Pere Housing Authority, but the City's involvement with this organization does not extend beyond making the appointments. The City is not financially accountable for the Housing Authority as defined by standards in GASB Statement No. 61. Therefore this organization is not included in the City's reporting entity.

**3. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

**GENERAL FUND**

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

**DEBT SERVICE FUND**

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

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PUBLIC IMPROVEMENTS FUND**

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

**TAX INCREMENTAL DISTRICT (TID) NO. 6 FUND**

This fund is used to account for financing and construction of tax incremental district projects. Significant revenues include tax increments and special assessments.

The City reports the following major enterprise funds:

**WATER UTILITY FUND**

This fund is used to account for the operations of the City's water utility.

**WASTEWATER TREATMENT PLANT UTILITY FUND**

This fund is used to account for the collection of the long-term receivable from the sale of the City's wastewater treatment plant utility.

**WASTEWATER UTILITY FUND**

This fund is used to account for the operations of the City's wastewater utility.

**STORMWATER UTILITY FUND**

This fund is used to account for the operations of the City's stormwater utility.

Additionally, the government reports the following fund types:

*Internal service funds* account for health insurance and dental insurance services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

The City accounts for property taxes collected on behalf of other governments and trust deposits in *agency funds*.

**4. 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 (other than agency funds) 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. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

**a. Cash and Investments**

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

**b. Accounts Receivable**

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

**c. Interfund Receivables and Payables**

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

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

**d. Inventories**

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

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

e. Prepaid Items

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

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

f. Capital Assets

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

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

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

	Governmental Activities	Business-type Activities
	Years	
<u>Assets</u>		
Land improvements	10 - 40	-
Buildings and improvements	30 - 40	25 - 50
Machinery and equipment	3 - 15	3 - 10
Infrastructure	15 - 75	25 - 100

Annual depreciation expense for the enterprise fund reported on the statement of cash flows may exceed depreciation expense reported on the statement of revenues, expenses and changes in net position. The difference results from depreciation expense applicable to transportation and certain other operating equipment of the water utility enterprise fund being charged to operating expense accounts other than the depreciation expense account. This accounting procedure is required by the Public Service Commission of the State of Wisconsin.

g. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements. 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.



**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category in the statement of net position. This item is related to the City's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category, with the first being property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The second is related to the City's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. The City also has an additional type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, special assessments and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

i. Long-term Obligations

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

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

j. Pensions

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

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

k. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of City management. The City Council has not authorized any City official or committee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned, unless committed by City Council action.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City 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.

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.

l. Use of Estimates

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

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

n. 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 to previously reported net position, changes in net position, fund balance or changes in fund balance.

**NOTE B - STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

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

- a. During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue, debt service, capital project, and enterprise funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the general, debt service and certain capital project funds. Management control of special revenue funds and other capital projects funds are achieved through grant contracts, bond issuance resolutions, Tax Incremental District project plans and available balances.
- d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.
- e. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2016.

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)**

2. Deficit Fund Balance

The following funds had a deficit fund balance as of December 31, 2016:

Funds	Deficit Fund Equity
Special Revenue Fund	
Cable Access	\$ 127,250
Capital Projects Funds	
TID No. 6	1,332,299
TID No. 9	256,778
TID No. 11	15,350

The City anticipates funding the above deficits from future revenues of the fund.

**NOTE C - DETAILED NOTES ON ALL FUNDS**

1. Cash and Investments

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed 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 City's cash and investments totaled \$21,444,784 on December 31, 2016 as summarized below:

Petty cash funds	\$ 3,367
Deposits with financial institutions	1,536,354
Investments	19,905,063
	<u>\$21,444,784</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$11,068,633
Restricted cash and investments	2,114,620
Fiduciary funds statement of net position	
Agency funds	8,261,531
	<u>\$21,444,784</u>

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Fair Value Measurements

The City implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ending December 31, 2016. The City 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 City has the following fair value measurements as of December 31, 2016:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
US Treasury notes	\$ -	\$ 4,280,951	\$ -
Federal agency securities	-	6,307,665	-
Money market mutual funds	141,228	-	-
Total investments by fair value level	\$ 141,228	\$ 10,588,616	\$ -

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

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City's policy requires collateralization for depository institutions rated average. Collateralization is not required for institutions rated superior or excellent.

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

As of December 31, 2016, \$1,304,922 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. All deposits in excess of federal and state depository insurance limits were fully collateralized as of December 31, 2016.

Credit Risk

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

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Investment Type	Amount	Exempt From Disclosure	AAA	Not Rated
U.S. Treasury notes	\$ 4,280,951	\$ 4,280,951	\$ -	\$ -
Money market mutual funds	141,228	-	-	141,228
Federal agency securities	6,307,665	-	6,307,665	-
Wisconsin local government investment pool	9,175,219	-	-	9,175,219
<b>Totals</b>	<b>\$ 19,905,063</b>	<b>\$ 4,280,951</b>	<b>\$ 6,307,665</b>	<b>\$ 9,316,447</b>

**Concentration of Credit Risk**

The investment policy of the City limits the amount that can be invested in any one security type or 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 City investments are as follows:

Issuer	Reported Amount	Percent of Total
Federal National Mortgage Association	\$ 2,121,649	10.8%
Federal Home Loan Mortgage Corporation	2,122,324	10.8%

**Interest Rate Risk**

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

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$ 4,280,951	\$ -	\$ 2,307,160	\$ 1,771,761	\$ 202,030
Money market mutual funds	141,228	141,228	-	-	-
Federal agency securities	6,307,665	-	491,767	962,306	4,853,592
Wisconsin local government investment pool	9,175,219	9,175,219	-	-	-
<b>Totals</b>	<b>\$19,905,063</b>	<b>\$ 9,316,447</b>	<b>\$ 2,798,927</b>	<b>\$ 2,734,067</b>	<b>\$ 5,055,622</b>

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 4,977,516

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$9,175,219 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2016, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

2. Restricted Cash and Investments

Restricted cash and investments as of December 31, 2016 totaled \$2,114,620. Of this total, \$710,514 is held in the Debt Service fund for debt retirement, \$1,044,106 is held in the Development Loan Program restricted for use in that program, \$210,000 is held in the Water Utility fund for revenue bond retirement, and \$150,000 is held in the Wastewater Utility fund for general obligation note retirement.

3. Property Taxes

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

The City bills and collects its own property taxes and also levies and collects taxes for the School District of De Pere, West De Pere School District, Brown County and the State of Wisconsin. The Brown County Treasurer collects property taxes billed by the City in accordance with a contract between the County and the City.

4. Due From Other Governments

On December 31, 2007, the City of De Pere sold its wastewater treatment facility to the Green Bay Metropolitan Sewerage District (GBMSD). The 20 year note receivable from GBMSD was discounted using a 5% interest rate. Annual principal and interest payments of \$1,765,335 are due through 2027, as summarized below:

Due	Principal	Interest	Total
2017	\$ 93,832	\$ 66,653	\$ 160,485
2018	98,524	61,961	160,485
2019	103,450	57,035	160,485
2020	108,622	51,863	160,485
2021	114,054	46,431	160,485
2022-2026	661,728	140,697	802,425
2027	152,847	7,638	160,485
	<u>\$ 1,333,057</u>	<u>\$ 432,278</u>	<u>\$ 1,765,335</u>

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

**5. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 9,878,041	\$ -	\$ 146,670	\$ 9,731,371
Capital assets, being depreciated:				
Land improvements	5,977,759	161,673	-	6,139,432
Buildings and improvements	11,301,100	989,018	-	12,290,118
Machinery and equipment	3,688,905	358,045	63,437	3,983,513
Vehicles	5,508,841	990,626	268,450	6,231,017
Infrastructure	71,866,345	2,809,462	1,177,777	73,498,030
Subtotals	98,342,950	5,308,824	1,509,664	102,142,110
Less accumulated depreciation for:				
Land improvements	2,338,015	107,695	-	2,445,710
Buildings and improvements	6,771,073	280,204	-	7,051,277
Machinery and equipment	2,021,752	287,182	63,437	2,245,497
Vehicles	4,554,368	308,599	268,450	4,594,517
Infrastructure	27,950,744	1,712,416	1,177,777	28,485,383
Subtotals	43,635,952	2,696,096	1,509,664	44,822,384
Total capital assets, being depreciated, net	54,706,998	2,612,728	-	57,319,726
Governmental activities capital assets, net	<u>\$ 64,585,039</u>	<u>\$ 2,612,728</u>	<u>\$ 146,670</u>	67,051,097
Less related long-term debt outstanding				<u>33,101,355</u>
Net investment in capital assets				<u>\$ 33,949,742</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 53,207	\$ -	\$ -	\$ 53,207
Capital assets, being depreciated:				
Buildings	892,181	-	-	892,181
Machinery and equipment	5,979,452	363,348	298,515	6,044,285
Infrastructure	63,571,059	4,060,029	178,785	67,452,303
Subtotals	70,442,692	4,423,377	477,300	74,388,769
Less accumulated depreciation:	22,731,402	1,621,085	477,300	23,875,187
Total capital assets, being depreciated, net	47,711,290	2,802,292	-	50,513,582
Business-type activities capital assets, net	<u>\$ 47,764,497</u>	<u>\$ 2,802,292</u>	<u>\$ -</u>	50,566,789
Less related long-term debt outstanding				<u>5,420,000</u>
Net investment in capital assets				<u>\$ 45,146,789</u>



**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

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

<b>Governmental activities</b>	
General government	\$ 56,591
Public safety	249,657
Public works	2,106,143
Culture and recreation	283,705
Total depreciation expense - governmental activities	<u>\$ 2,696,096</u>
<b>Business-type activities</b>	
Water utility	\$ 526,434
Wastewater utility	701,892
Stormwater utility	392,759
Total depreciation expense - business-type activities	<u>\$ 1,621,085</u>

6. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2016 are detailed below:

	Interfund Receivables	Interfund Payables
Long Term Advance		
General Fund	\$ 60,000	\$ -
Internal Service Funds		
Health Self Insurance	-	50,000
Dental Self Insurance	-	10,000
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General Fund	2,259,497	-
Special Revenue Funds		
Cable Access	-	148,098
Capital Project Funds		
Capital Equipment	-	5,698
TID No. 6	-	1,324,336
TID No. 9	-	256,778
TID No. 11	-	15,350
Enterprise Fund		
Wastewater Utility	-	509,237
Totals	<u>\$ 2,319,497</u>	<u>\$ 2,319,497</u>

Internal balances on the Statement of Net Position total \$640,700 and consist of the following:

Due from other funds	\$ 509,237
Add: Adjustment for internal service fund activities	131,463
Total Internal Balances - Statement of Net Position	<u>\$ 640,700</u>

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Interfund transfers for the year ended December 31, 2016 were as follows:

	Transfer to:		
	General Fund	Debt Service	Total
Transfers from:			
Public Improvements	\$ -	\$ 125,000	\$ 125,000
Cable Access	18,500	-	18,500
Riverwalk Pier	80,000	-	80,000
Capital Equipment	800,000	-	800,000
TID No. 5	-	657,822	657,822
TID No. 6	-	1,774,085	1,774,085
TID No. 7	-	365,717	365,717
TID No. 8	-	351,503	351,503
TID No. 9	-	130,978	130,978
TID No. 10	-	115,448	115,448
Water Utility	452,890	-	452,890
Wastewater Utility	271,698	-	271,698
	<u>\$ 1,623,088</u>	<u>\$ 3,520,553</u>	<u>\$ 5,143,641</u>

Transfers are made in accordance with annual budgets.

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2016:

	Outstanding 1/1/16	Issued	Retired	Outstanding 12/31/16	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Bonds	\$ 17,910,000	\$ -	\$ 4,390,000	\$ 13,520,000	\$ 1,640,000
Taxable Bonds	6,180,000	-	555,000	5,625,000	575,000
Notes	8,540,000	5,900,000	1,665,000	12,775,000	2,010,000
Taxable Notes	375,000	890,000	120,000	1,145,000	210,000
Total General Obligation Debt	33,005,000	6,790,000	6,730,000	33,065,000	4,435,000
Debt premium	645,096	154,380	67,668	731,808	80,748
Capital lease payable	96,730	75,600	135,975	36,355	36,355
Compensated absences	1,588,760	1,357,640	1,205,997	1,740,403	-
Governmental activities Long-term obligations	<u>\$ 35,335,586</u>	<u>\$ 8,377,620</u>	<u>\$ 8,139,640</u>	<u>\$ 35,573,566</u>	<u>\$ 4,552,103</u>
<b>Business-type activities:</b>					
General Obligation Debt					
Notes	\$ 2,015,000	\$ 2,015,000	\$ 340,000	\$ 3,690,000	\$ 455,000
Debt premium	88,034	53,046	11,052	130,028	15,552
Water utility revenue bonds	2,040,000	-	310,000	1,730,000	320,000
Compensated absences	157,460	39,192	-	196,652	-
Business-type activities Long-term obligations	<u>\$ 4,300,494</u>	<u>\$ 2,107,238</u>	<u>\$ 661,052</u>	<u>\$ 5,746,680</u>	<u>\$ 790,552</u>

Total interest paid during the year on long-term debt totaled \$1,054,537.

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

**Bonds**

\$2,020,000 issued 11/7/07; \$105,000 to \$155,000 due annually through 2026; interest 4.05%	\$ 1,265,000
\$1,000,000 issued 8/1/08; \$50,000 to \$75,000 due annually through 2027; interest 4.25% to 4.50%	675,000
\$2,270,000 issued 8/1/08; \$100,000 to \$255,000 due annually through 2027; interest 5.30% to 5.60%	1,870,000
\$2,245,000 issued 8/15/11; \$145,000 to \$180,000 due annually through 2025; interest 1.75% to 3.45%	1,435,000
\$2,980,000 issued 9/20/2012; \$150,000 to \$175,000 due annually through 2027; interest 0.9% to 2.40%	1,800,000
\$5,650,000 issued 8/13/2013; \$150,000 to \$600,000 due annually through 2028; interest 3.00% to 3.625%	3,850,000
\$1,075,000 issued 11/20/14; \$65,000 to \$85,000 due annually through 2029; interest 2.0% to 3.0%	945,000
\$2,530,000 issued 11/20/14; \$75,000 to \$470,000 due annually through 2023; interest 2.0% to 3.0%	1,680,000
<b>Total Bonds</b>	<u><u>13,520,000</u></u>

**Taxable Bonds**

\$1,875,000 issued 5/12/09; \$95,000 to \$155,000 due annually through 2028; interest 4.5% to 5.625%	1,445,000
\$2,850,000 issued 9/20/2012; \$50,000 to \$235,000 due annually through 2031; interest 1.3% to 3.90%	2,565,000
\$2,530,000 issued 8/13/2013; \$140,000 to \$340,000 due annually through 2023; interest 2.00% to 3.50%	1,615,000
<b>Total Taxable Bonds</b>	<u><u>5,625,000</u></u>

**Notes**

\$1,220,000 issued 8/1/08; remaining balance of \$155,000 due in 2017; interest 3.75%	155,000
\$2,985,000 issued 10/28/10; \$205,000 to \$360,000 due annually through 2020; interest 1.50% to 3.0%	1,120,000
\$1,565,000 issued 8/15/11; \$75,000 to \$80,000 due annually through 2020; interest 2.0% to 2.70%	310,000
\$8,285,000 issued 9/24/15; \$180,000 to \$1,095,000 due annually through 2025; interest 2.0% to 3.0%	6,965,000
\$7,915,000 issued 10/19/16; \$585,000 to \$910,000 due annually through 2026; interest 1.0% to 2.0%	7,915,000
<b>Total Notes</b>	<u><u>16,465,000</u></u>

**Taxable Notes**

\$800,000 issued 5/12/09; \$125,000 to \$130,000 due annually through 2018; interest 4.5% to 4.75%	255,000
\$890,000 issued 10/19/2016; \$85,000 to \$90,000 due annually through 2026; interest 2.0% to 2.25%	890,000
	<u><u>1,145,000</u></u>

<b>Total General Obligation Debt</b>	<u><u><b>\$ 36,755,000</b></u></u>
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**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Annual principal and interest maturities of the outstanding general obligation debt of \$36,755,000 on December 31, 2016 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 4,435,000	\$ 999,285	\$ 455,000	\$ 69,283	\$ 4,890,000	\$ 1,068,568
2018	4,385,000	902,867	460,000	66,338	4,845,000	969,205
2019	4,105,000	788,456	470,000	59,038	4,575,000	847,494
2020	3,625,000	675,576	475,000	48,838	4,100,000	724,414
2021	2,635,000	565,986	490,000	38,000	3,125,000	603,986
2022-2026	11,620,000	1,585,289	1,340,000	69,100	12,960,000	1,654,389
2027-2031	2,260,000	158,239	-	-	2,260,000	158,239
	<u>\$ 33,065,000</u>	<u>\$ 5,675,698</u>	<u>\$ 3,690,000</u>	<u>\$ 350,597</u>	<u>\$ 36,755,000</u>	<u>\$ 6,026,295</u>

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

**Build America Bonds**

The taxable general obligation bonds and notes issued on May 12, 2009 totaling \$1,875,000 qualify as Build America Bonds, as described in Section 54AA of the Internal Revenue Code. The interest on the debt is taxable as set forth in the regulations. The City is eligible to receive a 35% subsidy of the annual interest payment from the Federal government. In order to receive this subsidy it is necessary for the City to file a claim form annually.

**Legal Margin for New Debt**

The City's legal margin for creation of additional general obligation debt on December 31, 2016 was \$60,728,999 as follows:

Equalized valuation of the City		\$ 1,935,469,700
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		96,773,485
Total outstanding general obligation debt applicable to debt limitation	\$ 36,755,000	
Less: Funds held in debt service fund for retirement of general obligation debt	710,514	36,044,486
Legal Margin for New Debt		<u>\$ 60,728,999</u>

**Water Utility Revenue Bonds**

Water Utility Revenue Bonds outstanding on December 31, 2016 totaled \$1,730,000 and is composed of the following issue:

\$4,395,000 issued 3/7/07; \$320,000 to \$370,000 due annually through 2021; interest 3.810%	<u>\$ 1,730,000</u>
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**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Annual principal and interest maturities of the outstanding water utility revenue bonds of \$1,730,000 on December 31, 2016 are detailed below:

Due	Business-type Activities		
	Principal	Interest	Total
2017	\$ 320,000	\$ 65,913	\$ 385,913
2018	335,000	53,721	388,721
2019	345,000	40,957	385,957
2020	360,000	27,813	387,813
2021	370,000	14,097	384,097
	<u>\$ 1,730,000</u>	<u>\$ 202,501</u>	<u>\$ 1,932,501</u>

Water Utility Revenues Pledged

The City has pledged future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the utility. The bonds are payable through 2021. The total principal and interest remaining to be paid on the bonds is \$1,932,501. Principal and interest paid for the current year and total customer net revenues were \$387,724 and \$1,664,002 respectively.

Capital Leases

During 2016 the City entered into a capital lease for the purchase of police vehicles. The future payment on the capital lease is as follows as of December 31, 2016.

Year Ending December 31,	Amount
2017	\$ 36,355
Less: Amount representing interest	2,890
Present Value of Future Minimum Lease Payments	<u>\$ 33,465</u>

8. Short-term Debt

Short-term debt activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Issued	Paid	Ending Balance
Promissory Note	<u>\$ 147,000</u>	<u>\$ 275,000</u>	<u>\$ 147,000</u>	<u>\$ 275,000</u>

Interest paid on short-term debt was \$343.

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

8. Fund Equity

In the fund financial statements, portions of governmental fund balances are committed by City Council action. At December 31, 2016, fund balance was committed as follows:

General Fund

Committed for subsequent years' expenditures	
Administrator - sustainability funds - LED lighting	\$ 6,993
Information Management - technology initiatives	20,537
Economic Development - zoning code update	20,000
Police - community policing	1,613
Police - training	8,467
Fire - fire rescue - ACT 102	6,985
Fire - mobile digital computers	35,000
Fire - physicals	15,000
Public Works Administration - two ipads for field work	1,000
Public Works Engineering - laptop	800
Community Center - heated gutter coiling	9,000
Historic Preservation - plaques in residential historic district	3,200
Parks & Public Lands - trees for urban orchard	3,600
Parks & Public Lands - Legion Park ball field concrete dugouts	1,000
Boat Ramps - Bomier boat launch parking lot	14,500
Swimming Pools - laptop for each pool	1,000
Total	<u>\$ 148,695</u>

Special Revenue Funds

Committed for subsequent years' expenditures	
Dog park	\$ 5,754
Riverwalk Pier	31,670
Total	<u>\$ 37,424</u>

Capital Projects Funds

Committed for capital outlay	
Public improvements	\$ 593,343
Capital equipment	93,528
Community center	3,779
Police/Fire expansion	2,932
Total	<u>\$ 693,582</u>

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

9. Minimum Fund Balance Policy

The City Council has adopted a policy that fund balance in the amount of 25% of the ensuing year's budgeted general fund expenditures be maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2017 General Fund Expenditures	\$ 16,956,249
Minimum Fund Balance %	(x) 25%
Minimum Fund Balance Amount	<u>\$ 4,239,062</u>

The City's unassigned general fund balance of \$5,544,762 is above the minimum fund balance amount.

**NOTE D - OTHER INFORMATION**

1. Post-Employment Benefits Other Than Pension Benefits

The City provides post-employment health care benefits to employees who are eligible to retire from the City.

a. Plan Description and Contribution Information

Plan Membership. Membership of the Plan as of December 31, 2014, the date of the latest actuarial valuation, consisted of the following:

Active Employees	Retirees	Total
118	16	134

Plan Description: The Plan is a single-employer defined benefit postemployment health insurance plan that covers retired employees of the City. Eligible retired employees have access to group medical coverage through the City's group plan. All employees of the City who are eligible to retire from the City are eligible for coverage.

Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums.

- b. Annual OPEB Cost and Net OPEB Obligation - The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), and the amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE D - OTHER INFORMATION (Continued)**

Component	Amount
Annual required contribution	\$ 301,351
Interest on net OPEB	2,477
Adjustment to annual required contribution	(4,156)
Annual OPEB cost (expense)	299,672
Contributions made <sup>(1)</sup>	(7,152)
Change in net OPEB obligation	306,824
OPEB asset - beginning of year	61,918
OPEB obligation - end of year	<u>\$ 368,742</u>

(1) The actual costs paid for retirees for the year ended December 31, 2016 was less than the premiums assessed to retirees.

Projections of benefits for financial reporting purposes are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and plan members) at the time of the valuation and on the historical pattern of sharing of costs between the employer and plan members to that point.

Actuarial calculations reflect a long-term perspective and consistent with that perspective, actuarial methods and assumptions used may include techniques that are designed to reduce short-term volatility in Actuarial Accrued Liability and Actuarial Value of Assets. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2014
Actuarial cost method	Individual Entry Age Normal Cost
Amortization method	Level Percent of Payroll Open
Remaining amortization period	2 years
Actuarial assumptions:	
Discount rate	4%
Projected salary increases	3%
Healthcare cost trend rate	7.5% initial 5.0% ultimate

Trend Information - The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
12/31/2014	\$ 297,195	112.8%	\$ (38,036)
12/31/2015	295,674	66.2%	61,918
12/31/2016	299,672	-2.4%	368,742



**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE D - OTHER INFORMATION (Continued)**

c. Funded Status and Funding Progress

The funded status of the plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
1/1/2014	\$ -	\$ 518,677	0.00%	\$ 518,677	\$9,073,681	5.72%

2. Pension Plan

a. Plan Description

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE D - OTHER INFORMATION (Continued)**

**b. Post-Retirement Adjustments**

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2006	0.8%	3%
2007	3.0%	10%
2008	6.6%	0%
2009	(2.1)%	(42)%
2010	(1.3)%	22%
2011	(1.2)%	11%
2012	(7.0)%	(7)%
2013	(9.6)%	9%
2014	4.7%	25%
2015	2.9%	2%

**c. Contributions**

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

During the reporting period, the WRS recognized \$843,775 in contributions from the City.

Contribution rates as of December 31, 2016 are:

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

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE D - OTHER INFORMATION (Continued)**

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

At December 31, 2016, the City reported a liability of \$1,417,293 for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the City's proportion was 0.08721909%, which was an increase of 0.00057819% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the City recognized pension expense of \$1,717,998.

At December 31, 2016, the City 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	\$ 239,766	\$ 2,982,669
Changes in assumptions	991,600	-
Net differences between projected and actual earnings on pension plan investments	5,802,805	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	40,311	10,989
Employer contributions subsequent to the measurement date	855,467	-
Total	<u>\$ 7,929,949</u>	<u>\$ 2,993,658</u>

\$855,467 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2017. 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	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 1,838,250	\$ 724,471
2017	1,838,250	724,471
2018	1,838,250	724,471
2019	1,528,008	724,471
2020	31,724	95,774
	<u>\$ 7,074,482</u>	<u>\$ 2,993,658</u>

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE D - OTHER INFORMATION (Continued)**

e. Actuarial Assumption

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

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability:	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 - 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

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

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

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE D - OTHER INFORMATION (Continued)**

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

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

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
City's proportionate share of the net pension liability (asset)	\$ 9,940,922	\$ 1,417,293	\$ (5,239,813)

*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>.

**3. Risk Management**

The City has purchased commercial insurance policies for various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; injuries to employees; or acts of God. Payments of premiums for these policies are recorded as expenditures or expenses in various funds of the City.

In addition to the above, the City has established two separate internal service funds for risk management programs to finance employees' health and employees' dental claims. The risk management programs are funded by charges to City departments and employees. For 2016, the health insurance program had stop loss health insurance coverage commencing at \$80,000 per individual claim and \$2,183,558 for the aggregate of claims. Fund expenses consist of payments to a third-party administrator for medical and dental claims, stop loss insurance premiums and administrative fees. Settlements have not exceeded insurance coverage for each of the past three years. On December 31, 2016, the health self-insurance fund had a net position balance of \$225,883, while the dental self-insurance fund had an unrestricted net position balance of \$16,605. Claim liabilities at year-end are recorded based on actual claim payments reported at year-end and paid after the balance sheet date of December 31 up to the date of preparing the financial statements. The City does not report an estimated liability for claims incurred but not reported. Changes in each fund's claims liability amount for 2015 and 2016 follow:

	2015			
	Liability January 1	Current Year Claims	Claim Payments	Liability December 31
Health	\$ 74,941	\$ 2,209,223	\$ 2,175,974	\$ 108,190
Dental	2,610	140,661	141,169	2,102
Total	\$ 77,551	\$ 2,349,884	\$ 2,317,143	\$ 110,292

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE D - OTHER INFORMATION (Continued)**

	2016			
	Liability January 1	Current Year Claims	Claim Payments	Liability December 31
Health	\$ 108,190	\$ 2,163,855	\$ 2,142,951	\$ 129,094
Dental	2,102	142,465	141,780	2,787
Total	<u>\$ 110,292</u>	<u>\$ 2,306,320</u>	<u>\$ 2,284,731</u>	<u>\$ 131,881</u>

4. Conduit Debt

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$591,430, made up of two series.

5. Tax Incremental Districts

The City maintains capital projects funds for six Tax Incremental Districts (TID) created in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each 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 City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. All six of the City's Districts are still eligible to incur project costs. Accordingly, the Districts are accounted for in capital projects funds.

A summary of pertinent financial information for the City's TID Districts on December 31, 2016 follows:

	TID No. 5	TID No. 6	TID No. 7	TID No. 8
Creation date	8/26/1996	3/18/1998	1/1/2007	1/1/2007
Termination date	12/31/2023	12/31/2021	12/33/2033	12/31/2027
Tax increment property tax revenues for 2016	\$ 818,914	\$ 1,788,033	\$ 58,043	\$ 191,787
Net unreimbursed project costs due City	4,107,490	3,486,789	3,152,946	2,877,878

	TID No. 9	TID No. 10	TID No. 11	TID No. 12
Creation date	8/13/2012	8/13/2012	9/15/2015	1/1/2015
Termination date	12/31/2039	12/31/2032	12/31/2029	12/31/2029
Tax increment property tax revenues for 2016	\$ 29,584	\$ 123,951	\$ -	\$ -
Net unreimbursed project costs due City	787,969	884,148	15,350	(642,703)

Unless terminated by the City prior thereto, the Districts will statutorily terminate on their termination dates.

6. Water Purchase Contract with Central Brown County Water Authority

The City of De Pere is a Charter Member of the Central Brown County Water Authority with five other Brown County communities. The Authority was formed under Wisconsin Statutes in 1998 to provide a long-term solution to water quantity and quality concerns. In 2004, the Authority entered into a contract to purchase Lake Michigan water from the City of Manitowoc. In 2007, the Authority completed construction of a 30 mile water transmission main from the City of Manitowoc and a 35 mile long spoke transmission system to distribute the water to its individual members. To provide funds to complete construction projects, the Authority issued \$136,625,000 of revenue bonds in June of 2005.

**CITY OF DE PERE, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2016

**NOTE D - OTHER INFORMATION (Continued)**

Each Charter Member has entered into a water purchase contract under which they agree to purchase wholesale water from the Authority. Rates charged to each member are billed monthly and are based on (1) operation and maintenance costs, (2) fixed costs, including debt service on the revenue bonds and (3) required Security Fund deposits. During 2016 the City paid the Authority \$3,452,022 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.

7. Contingencies

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

8. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, towns and counties. For the 2016 and 2017 budget years, the increase in the maximum allowable tax levy is limited to the greater of the percentage change in the City's January 1 equalized value as a result of net new construction or 3.0% per year. The actual limit for the City for the 2016 budget was 1.49%. The actual limit for the City for the 2017 budget was 0.61%. 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.

9. Upcoming Accounting Pronouncements

In June 2015, the GASB issued two new standards addressing accounting and financial reporting for post-employment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. The City will, after adoption of GASB No. 75, recognize on the face of the financial statements its net OPEB liability. GASB No. 74 is effective for fiscal years beginning after June 15, 2016 whereas GASB No. 75 is effective one year later. The City is currently evaluating the impact these standards will have on the financial statements when adopted.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF DE PERE, WISCONSIN**  
Required Supplementary Information  
Other Post Employment Benefits  
For the Year Ended December 31, 2016

**Schedule of Funding Progress**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
1/1/2014	\$ -	\$ 518,677	0.00%	\$ 518,677	\$ 9,073,681	5.72%

**Schedule of Employer Contributions**

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
12/31/2014	\$ 297,195	\$ 335,231	112.80%
12/31/2015	297,195	195,720	65.86%
12/31/2016	301,351	(7,152)	-2.37%

Note: The actual costs paid for retirees for the year ended December 31, 2016 was less than the premiums assessed to retirees.

See Notes to Required Supplementary Information.

**CITY OF DE PERE, 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 Payroll</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	0.08664090%	\$ (2,128,138)	\$ 9,073,681	23.45%	102.74%
12/31/16	0.08721909%	1,417,293	9,424,305	15.04%	98.20%

**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 Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 850,644	\$ 850,644	\$ -	\$ 9,073,681	9.37%
12/31/16	853,538	853,538	-	9,424,305	9.06%

See Notes to Required Supplementary Information.

**CITY OF DE PERE, WISCONSIN**  
Notes to Required Supplementary Information  
December 31, 2016

**NOTE A - OTHER POST-EMPLOYMENT BENEFITS**

There have been no changes in the actuarial assumptions that have a significant effect on the amounts presented in the schedule of funding progress for one year compared to the information presented in the prior years.

**NOTE B - WISCONSIN RETIREMENT SYSTEM**

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

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The City 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**

**CITY OF DE PERE, WISCONSIN**  
General Fund  
Detailed Comparison of Budgeted and Actual Revenues  
For the Year Ended December 31, 2016  
(With summarized financial information for the year ended December 31, 2015)

	2016				2015 Actual
	Budget		Actual	Variance Final Budget - Positive (Negative)	
	Original	Final			
Taxes					
General property	\$ 8,040,775	\$ 7,970,680	\$ 7,971,828	\$ 1,148	\$ 7,932,835
Mobile home	6,500	7,100	5,562	(1,538)	6,454
Excess stadium district sales tax	-	-	38,098	38,098	1,249,256
Sales tax	120	120	120	-	120
Room tax	7,800	6,500	8,613	2,113	7,768
Payments in lieu of taxes	1,300	2,500	1,295	(1,205)	1,274
Housing authority	30,000	28,500	29,396	896	28,492
Interest and penalties					
Taxes	1,200	1,100	1,693	593	1,434
Special assessments	35,000	15,000	32,136	17,136	13,129
Total Taxes	8,122,695	8,031,500	8,088,741	57,241	9,240,762
Intergovernmental					
Law enforcement training	5,440	5,440	8,000	2,560	6,840
State shared taxes	1,242,108	1,435,763	1,413,871	(21,892)	1,425,585
Exempt computer aid	154,361	154,361	122,645	(31,716)	97,779
Fire insurance	79,990	73,394	79,990	6,596	73,394
Rescue squad	7,000	-	-	-	6,899
Transportation	949,884	937,088	936,629	(459)	902,247
Mass transit	294,790	294,790	294,790	-	294,790
Public health	56,700	57,620	53,118	(4,502)	65,973
Recycling	92,993	58,200	92,993	34,793	97,820
Other	3,600	3,600	-	(3,600)	5,000
Total Intergovernmental	2,886,866	3,020,256	3,002,036	(18,220)	2,976,327
Licenses and Permits					
Licenses					
Liquor and malt beverages	34,175	34,650	32,309	(2,341)	32,400
Operators	15,540	31,500	31,838	338	14,732
Cigarette	2,100	2,100	2,100	-	1,900
Food and beverage	-	56,000	64,865	8,865	60,892
DATCP licensing	73,000	13,900	14,282	382	17,351
Cable television	163,000	168,000	155,446	(12,554)	167,708
Trailer park	100	100	100	-	-
Dog	5,200	5,200	4,238	(962)	3,840
Other licenses/permits	8,400	5,545	11,518	5,973	7,375
Permits					
Construction	126,000	116,095	191,378	75,283	142,080
Electrical and plumbing	103,950	106,680	145,958	39,278	100,926
Sanitary sewer	5,250	4,825	6,555	1,730	5,500
Zoning	30,050	28,925	34,920	5,995	28,250
Total Licenses and Permits	566,765	573,520	695,507	121,987	582,954

(Continued)

**CITY OF DE PERE, WISCONSIN**

General Fund

Detailed Comparison of Budgeted and Actual Revenues (Continued)

For the Year Ended December 31, 2016

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

	2016				2015 Actual
	Budget		Actual	Variance Final Budget - Positive (Negative)	
	Original	Final			
Fines and Forfeits					
Court forfeitures and costs	282,000	157,500	158,534	1,034	151,315
Parking violations	45,000	60,000	36,692	(23,308)	39,544
Total Fines and Forfeits	327,000	217,500	195,226	(22,274)	190,859
Public Charges for Services					
General government	46,500	37,840	31,729	(6,111)	31,055
Police	3,750	4,680	2,838	(1,842)	3,564
Alarm monitoring fees	10,000	4,000	8,475	4,475	1,925
Ambulance	900,000	880,000	698,330	(181,670)	742,510
Streets	80,000	72,650	93,231	20,581	83,119
Snow removal	6,600	6,600	4,009	(2,591)	2,095
Weed cutting	600	600	10,386	9,786	3,527
Recycling	13,100	1,100	3,325	2,225	4,875
Public health	8,000	8,800	3,843	(4,957)	5,287
Community center	38,955	278,420	278,987	567	264,159
Swimming pools	120,798	147,000	126,691	(20,309)	113,391
Parks	10,115	6,300	9,994	3,694	10,409
Recreation	350,523	115,696	157,926	42,230	144,676
Concession sales	22,942	-	21,575	21,575	20,590
Total Public Charges for Services	1,611,883	1,563,686	1,451,339	(112,347)	1,431,182
Intergovernmental Charges for Services					
General government	169,700	169,700	177,684	7,984	176,297
Public safety	351,500	349,800	340,211	(9,589)	331,161
Public works	727,200	726,400	726,400	-	751,567
Total Intergovernmental Charges for Services	1,248,400	1,245,900	1,244,295	(1,605)	1,259,025
Miscellaneous					
Investment income	120,000	100,000	71,899	(28,101)	150,616
Donations	-	-	14,908	14,908	14,757
Sale of City property	66,500	66,500	44,964	(21,536)	4,960
Salvage products	-	-	134,032	134,032	2,491
Rental income	103,190	139,254	78,654	(60,600)	85,569
Department revenue	20,000	700	23,397	22,697	869
Other	550	550	-	(550)	-
Total Miscellaneous	310,240	307,004	367,854	60,850	259,262
Total Revenues	\$ 15,073,849	\$ 14,959,366	\$ 15,044,998	\$ 85,632	\$ 15,940,371

**CITY OF DE PERE, WISCONSIN**  
**General Fund**  
**Detailed Comparison of Budgeted and Actual Expenditures**  
**For the Year Ended December 31, 2016**  
(With summarized financial information for the year ended December 31, 2015)

	2016				2015 Actual
	Budget		Actual	Variance Final Budget - Positive (Negative)	
	Original	Final			
General Government					
Council	\$ 74,457	\$ 74,457	\$ 79,863	\$ (5,406)	\$ 87,546
Council outlay	3,000	3,000	4,200	(1,200)	3,000
Municipal court	99,658	99,658	101,183	(1,525)	118,442
Municipal court outlay	1,000	1,000	944	56	-
Mayor	37,417	37,417	36,775	642	36,573
Mayor outlay	-	-	-	-	7,978
Administrator	117,980	125,341	118,251	7,090	113,144
Administrator outlay	1,500	1,500	1,503	(3)	-
Clerk/treasurer	235,632	235,632	232,940	2,692	231,488
Elections	55,125	55,125	51,451	3,674	9,882
Assessment of property	76,488	76,488	77,166	(678)	34,969
Accounting and finance	118,690	118,690	129,129	(10,439)	115,979
Data processing	117,149	117,149	96,229	20,920	129,974
Data processing outlay	11,800	11,800	4,009	7,791	-
Personnel and insurance	260,847	260,847	256,789	4,058	246,467
Legal	170,413	170,413	170,292	121	152,288
City hall	106,379	106,379	102,174	4,205	114,026
City hall outlay	10,000	10,000	2,572	7,428	80,823
Other general government	385,990	385,990	233,070	152,920	221,768
Total General Government	1,883,525	1,890,886	1,698,540	192,346	1,704,347
Public Safety					
Police department	4,578,352	4,588,848	4,412,615	176,233	4,311,562
Police department outlay	56,042	56,042	243,954	(187,912)	273,423
Traffic control	96,110	96,110	82,086	14,024	87,629
Fire/ambulance department	3,557,510	3,568,126	3,626,092	(57,966)	3,499,872
Fire/ambulance department outlay	139,500	139,500	133,734	5,766	130,074
Building and electrical	280,211	280,211	279,532	679	263,670
Jail	9,000	9,000	10,876	(1,876)	8,050
Total Public Safety	8,716,725	8,737,837	8,791,882	(54,045)	8,574,280
Street machinery repair	175,760	180,415	124,708	55,707	174,689
Street machinery repair outlay	17,241	17,241	16,314	927	32,281
Municipal service center	83,623	83,623	101,412	(17,789)	122,801
Municipal service center outlay	39,600	39,600	33,782	5,818	22,105
Mechanics	157,954	157,954	122,401	35,553	136,945
Mechanics outlay	-	-	196	(196)	2,323
Administration	168,041	168,041	170,857	(2,816)	184,453
Administration outlay	1,000	1,000	-	1,000	1,000
Engineer	286,056	286,056	280,570	5,486	266,931
Engineer outlay	6,800	6,800	4,661	2,139	-
Street maintenance	115,821	115,821	93,312	22,509	105,262
Brush pickup outlay	-	-	-	-	3,441

(Continued)

**CITY OF DE PERE, WISCONSIN**

General Fund

Detailed Comparison of Budgeted and Actual Expenditures (Continued)

For the Year Ended December 31, 2016

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

	2016				2015 Actual
	Budget		Actual	Variance Final Budget - Positive (Negative)	
	Original	Final			
Public Works (Continued)					
Street maintenance outlay	35,000	35,000	1,000	34,000	1,000
Storm sewer maintenance	-	-	-	-	11
Brush pickup	75,567	75,567	113,668	(38,101)	76,695
Weed cutting	7,977	7,977	10,191	(2,214)	10,611
Snow and ice control	272,738	272,738	224,339	48,399	134,969
Traffic signs and markings	147,563	147,563	121,847	25,716	138,721
Traffic lights	41,500	41,500	44,369	(2,869)	61,170
Traffic lights outlay	8,500	8,500	1,985	6,515	10,814
Street lighting	440,411	440,411	404,120	36,291	442,126
Transit system	427,007	427,007	401,156	25,851	429,311
Total Public Works	2,508,159	2,512,814	2,270,888	241,926	2,357,659
Sanitation					
Garbage and refuse collection	275,531	275,531	290,837	(15,306)	313,598
Landfill waste disposal	250,000	250,000	286,041	(36,041)	279,144
Recycling	114,073	114,073	91,121	22,952	96,959
Total Sanitation	639,604	639,604	667,999	(28,395)	689,701
Health and Human Services					
Nurse	514,343	514,343	460,219	54,124	482,130
Board of health	1,922	1,922	1,720	202	1,702
Total Health and Human Services	516,265	516,265	461,939	54,326	483,832
Culture and Recreation					
Community center	585,809	585,809	582,640	3,169	552,045
Community center outlay	22,000	22,000	57,114	(35,114)	9,288
Special events and celebrations	11,878	11,265	251	11,014	2,105
Park and recreation administration	224,150	224,150	234,615	(10,465)	228,209
Recreation	539,767	293,024	237,827	55,197	224,288
Swimming pools	281,626	287,486	258,675	28,811	244,953
Swimming pools outlay	-	20,000	26,662	(6,662)	11,038
Parks	396,308	396,308	425,840	(29,532)	423,260
Parks outlay	27,500	27,500	19,892	7,608	37,118
Parks equipment maintenance	65,215	65,215	96,630	(31,415)	103,200
Parks equipment outlay	17,000	19,445	16,700	2,745	29,663
Boat ramps	23,066	37,566	20,812	16,754	20,690
Forestry	198,870	198,870	194,518	4,352	183,861
Forestry outlay	-	-	123,808	(123,808)	-
Historical society	10,425	10,425	12,976	(2,551)	7,200
Total Culture and Recreation	2,403,614	2,199,063	2,308,960	(109,897)	2,076,918
Conservation and Development					
Economic development	292,465	323,381	260,743	62,638	312,864
Total Expenditures	\$ 16,960,357	\$ 16,819,850	\$ 16,460,951	\$ 358,899	\$ 16,199,601



**CITY OF DE PERE, WISCONSIN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2016**

	Special Revenue Funds						Capital Project Funds	
	Development Loan Program	Public Land Acquisition	Riverwalk Pier	Cable Access	Dog Park	Total Special Revenue Funds	Capital Equipment	Community Center
<b>ASSETS</b>								
Cash and investments	\$ 53,389	\$ 91,337	\$ 31,670	\$ -	\$ 5,754	\$ 182,150	\$ 147,000	\$ 3,779
Receivables								
Taxes	-	-	-	-	-	-	1,041,276	-
Accounts	-	-	-	25,225	-	25,225	-	-
Loans	280,086	-	-	-	-	280,086	-	-
Restricted assets	1,044,106	-	-	-	-	1,044,106	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,377,581</b>	<b>\$ 91,337</b>	<b>\$ 31,670</b>	<b>\$ 25,225</b>	<b>\$ 5,754</b>	<b>\$ 1,531,567</b>	<b>\$ 1,188,276</b>	<b>\$ 3,779</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ 3,372	\$ -	\$ 3,372	\$ 47,774	\$ -
Accrued and other current liabilities	-	-	-	1,005	-	1,005	-	-
Due to other funds	-	-	-	148,098	-	148,098	5,698	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,475</b>	<b>-</b>	<b>152,475</b>	<b>53,472</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>								
Property taxes levied for subsequent year	-	-	-	-	-	-	1,041,276	-
Loans receivable	280,086	-	-	-	-	280,086	-	-
<b>Total Deferred Inflows of     Resources</b>	<b>280,086</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280,086</b>	<b>1,041,276</b>	<b>-</b>
<b>Fund Balances</b>								
<b>Restricted for</b>								
Loans	1,097,495	-	-	-	-	1,097,495	-	-
Park land acquisition	-	91,337	-	-	-	91,337	-	-
Tax increment district projects	-	-	-	-	-	-	-	-
<b>Committed for</b>								
Subsequent years' expenditures	-	-	31,670	-	5,754	37,424	-	-
Capital outlay	-	-	-	-	-	-	93,528	3,779
<b>Unassigned, reported in</b>								
Special revenue fund	-	-	-	(127,250)	-	(127,250)	-	-
Capital projects funds	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>1,097,495</b>	<b>91,337</b>	<b>31,670</b>	<b>(127,250)</b>	<b>5,754</b>	<b>1,099,006</b>	<b>93,528</b>	<b>3,779</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,377,581</b>	<b>\$ 91,337</b>	<b>\$ 31,670</b>	<b>\$ 25,225</b>	<b>\$ 5,754</b>	<b>\$ 1,531,567</b>	<b>\$ 1,188,276</b>	<b>\$ 3,779</b>

Capital Project Funds (Continued)									Total Nonmajor Governmental Funds
Police/Fire Expansion	TID No.5	TID No.7	TID No.8	TID No.9	TID No. 10	TID No. 11	TID No. 12	Total Capital Projects Funds	
\$ 2,932	\$ 167,695	\$ 777,771	\$ 284,518	\$ -	\$ 21,188	\$ -	\$ 642,703	\$ 2,047,586	\$ 2,229,736
-	921,139	80,986	253,857	73,316	124,947	-	-	2,495,521	2,495,521
-	-	-	-	-	-	-	-	-	25,225
-	-	-	-	-	-	-	-	-	280,086
-	-	-	-	-	-	-	-	-	1,044,106
<b>\$ 2,932</b>	<b>\$ 1,088,834</b>	<b>\$ 858,757</b>	<b>\$ 538,375</b>	<b>\$ 73,316</b>	<b>\$ 146,135</b>	<b>\$ -</b>	<b>\$ 642,703</b>	<b>\$ 4,543,107</b>	<b>\$ 6,074,674</b>
\$ -	\$ 1,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,224	\$ 52,596
-	-	-	-	-	-	-	-	-	1,005
-	-	-	-	256,778	-	15,350	-	277,826	425,924
-	1,450	-	-	256,778	-	15,350	-	327,050	479,525
-	921,139	80,986	253,857	73,316	124,947	-	-	2,495,521	2,495,521
-	-	-	-	-	-	-	-	-	280,086
-	921,139	80,986	253,857	73,316	124,947	-	-	2,495,521	2,775,607
-	-	-	-	-	-	-	-	-	1,097,495
-	-	-	-	-	-	-	-	-	91,337
-	166,245	777,771	284,518	-	21,188	-	642,703	1,892,425	1,892,425
-	-	-	-	-	-	-	-	-	37,424
2,932	-	-	-	-	-	-	-	100,239	100,239
-	-	-	-	-	-	-	-	-	(127,250)
-	-	-	-	(256,778)	-	(15,350)	-	(272,128)	(272,128)
2,932	166,245	777,771	284,518	(256,778)	21,188	(15,350)	642,703	1,720,536	2,819,542
<b>\$ 2,932</b>	<b>\$ 1,088,834</b>	<b>\$ 858,757</b>	<b>\$ 538,375</b>	<b>\$ 73,316</b>	<b>\$ 146,135</b>	<b>\$ -</b>	<b>\$ 642,703</b>	<b>\$ 4,543,107</b>	<b>\$ 6,074,674</b>

**CITY OF DE PERE, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2016

	Special Revenue Funds					Capital Projects Funds		
	Development Loan Program	Public Land Acquisition	Riverwalk Pier	Cable Access	Dog Park	Total Special Revenue Funds	Capital Equipment	Community Center
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	103,631	-	103,631	-	-
Public charges for services	-	10,870	-	-	-	10,870	-	-
Miscellaneous	126,276	-	-	576	516	127,368	-	1,200
Total Revenues	126,276	10,870	-	104,207	516	241,869	800,000	1,200
Expenditures								
Current								
Culture and recreation	-	-	-	139,297	12,289	151,586	-	-
Conservation and development	60,510	-	843	7,329	-	68,682	-	-
Debt service								
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	-	17,500	-	-	-	17,500	-	-
Total Expenditures	60,510	17,500	843	146,626	12,289	237,768	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,766	(6,630)	(843)	(42,419)	(11,773)	4,101	800,000	1,200
Other Financing Sources (Uses)								
Long-term debt issued	-	-	-	-	-	-	-	-
Debt premium	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers out	-	-	(80,000)	(18,500)	-	(98,500)	(800,000)	-
Total Other Financing Sources (Uses)	-	-	(80,000)	(18,500)	-	(98,500)	(800,000)	-
Net Change in Fund Balances	65,766	(6,630)	(80,843)	(60,919)	(11,773)	(94,399)	-	1,200
Fund Balances (Deficit) - January 1	1,031,729	97,967	112,513	(66,331)	17,527	1,193,405	93,528	2,579
Fund Balances (Deficit) - December 31	\$ 1,097,495	\$ 91,337	\$ 31,670	\$ (127,250)	\$ 5,754	\$ 1,099,006	\$ 93,528	\$ 3,779

Capital Projects Funds (Continued)								Total Capital Projects Funds	Total Nonmajor Governmental Funds
Police/Fire Expansion	TID No.5	TID No.7	TID No.8	TID No.9	TID No. 10	TID No. 11	TID No. 12		
\$ -	\$ 818,914	\$ 58,043	\$ 191,787	\$ 29,584	\$ 123,951	\$ -	\$ -	\$ 2,022,279	\$ 2,022,279
-	2,567	1,014	228,060	2,674	3,262	-	-	237,577	237,577
-	-	-	-	-	-	-	-	-	103,631
-	-	-	-	-	-	-	-	-	10,870
-	-	-	-	-	-	-	-	1,200	128,568
-	821,481	59,057	419,847	32,258	127,213	-	-	2,261,056	2,502,925
-	-	-	-	-	-	-	-	-	151,586
-	23,290	560,862	1,129,563	8,467	18,049	8,467	8,467	1,757,165	1,825,847
-	-	25,726	269	-	3,470	-	-	29,465	29,465
-	5,644	24,156	-	-	529,240	-	-	559,040	576,540
-	28,934	610,744	1,129,832	8,467	550,759	8,467	8,467	2,345,670	2,583,438
-	792,547	(551,687)	(709,985)	23,791	(423,546)	(8,467)	(8,467)	(84,614)	(80,513)
-	25,000	1,000,000	40,000	-	555,000	-	-	1,620,000	1,620,000
-	163	11,903	672	-	14,527	-	-	27,265	27,265
-	-	-	-	-	-	-	658,210	658,210	658,210
-	(657,822)	(365,717)	(351,503)	(130,978)	(115,448)	-	-	(2,421,468)	(2,519,968)
-	(632,659)	646,186	(310,831)	(130,978)	454,079	-	658,210	(115,993)	(214,493)
-	159,888	94,499	(1,020,816)	(107,187)	30,533	(8,467)	649,743	(200,607)	(295,006)
2,932	6,357	683,272	1,305,334	(149,591)	(9,345)	(6,883)	(7,040)	1,921,143	3,114,548
\$ 2,932	\$ 166,245	\$ 777,771	\$ 284,518	\$ (256,778)	\$ 21,188	\$ (15,350)	\$ 642,703	\$ 1,720,536	\$ 2,819,542

**CITY OF DE PERE, WISCONSIN**  
Combining Statement of Net Position  
Internal Service Funds  
December 31, 2016

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

	Health Self Insurance	Dental Self Insurance	Totals	
			2016	2015
<b>ASSETS</b>				
Cash and investments	\$ 404,977	\$ 29,392	\$ 434,369	\$ 429,364
<b>LIABILITIES</b>				
Accounts and claims payable	129,094	2,787	131,881	110,292
Advance from other funds	50,000	10,000	60,000	60,000
<b>TOTAL LIABILITIES</b>	179,094	12,787	191,881	170,292
<b>NET POSITION</b>				
Unrestricted	\$ 225,883	\$ 16,605	\$ 242,488	\$ 259,072

**CITY OF DE PERE, WISCONSIN**  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended December 31, 2016  
(With summarized financial information for the year ended December 31, 2015)

	Health Self Insurance	Dental Self Insurance	Totals	
			2016	2015
Operating Revenues				
Charges for services	\$ 2,664,623	\$ 144,455	\$ 2,809,078	\$ 2,863,062
Operating Expenses				
Claims and administrative fees	2,667,466	158,749	2,826,215	2,940,064
Operating Loss	(2,843)	(14,294)	(17,137)	(77,002)
Nonoperating Revenues				
Interest income	553	-	553	177
Change in Net Position	(2,290)	(14,294)	(16,584)	(76,825)
Net Position - January 1	228,173	30,899	259,072	335,897
Net Position - December 31	\$ 225,883	\$ 16,605	\$ 242,488	\$ 259,072

**CITY OF DE PERE, WISCONSIN**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2016  
(With summarized financial information for the year ended December 31, 2015)

	Health Self Insurance	Dental Self Insurance	Totals	
			2016	2015
<b>Cash Flows from Operating Activities</b>				
Cash received from interfund services provided	\$ 2,664,623	\$ 144,455	\$ 2,809,078	\$ 2,863,062
Cash payments to suppliers	(2,646,562)	(158,064)	(2,804,626)	(2,907,323)
Net Cash Provided (Used) by Operating Activities	18,061	(13,609)	4,452	(44,261)
<b>Cash Flows from Investing Activities</b>				
Investment income	553	-	553	177
<b>Change in Cash and Cash Equivalents</b>	18,614	(13,609)	5,005	(44,084)
<b>Cash and Cash Equivalents - January 1</b>	386,363	43,001	429,364	473,448
<b>Cash and Cash Equivalents - December 31</b>	<u>\$ 404,977</u>	<u>\$ 29,392</u>	<u>\$ 434,369</u>	<u>\$ 429,364</u>
<b>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:</b>				
Operating loss	\$ (2,843)	\$ (14,294)	\$ (17,137)	\$ (77,002)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Changes in current liabilities				
Accounts and claims payable	20,904	685	21,589	32,741
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 18,061</u>	<u>\$ (13,609)</u>	<u>\$ 4,452</u>	<u>\$ (44,261)</u>

**CITY OF DE PERE, WISCONSIN**  
**Water Utility Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended December 31, 2016 and 2015**

	2016	2015
Operating Revenues		
Charges for Services		
Residential	\$ 2,760,677	\$ 2,780,042
Commercial	958,852	1,021,200
Industrial	510,089	559,981
Public authorities	186,991	171,585
Public fire protection	1,268,511	1,256,602
Private fire protection	126,148	126,924
Total Charges for Services	<u>5,811,268</u>	<u>5,916,334</u>
Other Operating Revenues		
Forfeited discounts	88,511	68,333
Other water revenues	295,549	303,044
Total Other Operating Revenues	<u>384,060</u>	<u>371,377</u>
Total Operating Revenues	<u>6,195,328</u>	<u>6,287,711</u>
Operating Expenses		
Operation and Maintenance		
Source of supply	3,459,929	3,362,045
Pumping	64,508	80,853
Water treatment	36,240	38,803
Transmission and distribution	397,645	644,085
Customer accounts	210,255	195,051
Administrative and general	339,194	254,537
Total Operation and Maintenance	<u>4,507,771</u>	<u>4,575,374</u>
Depreciation	526,434	542,510
Taxes	38,330	46,350
Total Operating Expenses	<u>5,072,535</u>	<u>5,164,234</u>
Operating Income	<u>1,122,793</u>	<u>1,123,477</u>
Nonoperating Revenues (Expenses)		
Interest income	829	-
Interest and amortization expense	(85,742)	(88,565)
Total Nonoperating Revenues (Expenses)	<u>(84,913)</u>	<u>(88,565)</u>
Income Before Contributions and Transfers	1,037,880	1,034,912
Capital Contributions	183,344	-
Transfers out	<u>(452,890)</u>	<u>(448,820)</u>
Changes in Net Position	768,334	586,092
Net Position - January 1	<u>21,367,035</u>	<u>20,780,943</u>
Net Position - December 31	<u>\$ 22,135,369</u>	<u>\$ 21,367,035</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 City Council  
City of De Pere, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of De Pere, Wisconsin, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of De Pere's basic financial statements, and have issued our report thereon dated June 16, 2017.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2016-001 and 2016-002 that we consider to be significant deficiencies.

**Compliance and Other Matters**

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

## **City of De Pere, Wisconsin's Response to Findings**

City of De Pere, Wisconsin's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City of De Pere, Wisconsin's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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



Certified Public Accountants  
Green Bay, Wisconsin  
June 16, 2017

**CITY OF DE PERE, WISCONSIN**  
Schedule of Findings and Responses  
For the Year Ended December 31, 2016

**Section I - Internal Control Over Financial Reporting**

Finding No.	Control Deficiencies
<b>2016-001</b>	<b>Preparation of Annual Financial Report</b>
	Repeat of Finding 2014-001
	<p>Condition: Current City staff maintain accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.</p>
	<p>Criteria: The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.</p>
	<p>Cause: City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.</p>
	<p>Effect: Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.</p>
	<p>Recommendation: We recommend the City continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.</p>
	<p>Management Response: Management agrees it may not be cost effective to train additional staff to completely prepare the report, but will more thoroughly review the information to gain an increased understanding in hopes of assisting with the annual report preparation in 2017.</p>

**CITY OF DE PERE, WISCONSIN**  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2016

**Section I - Internal Control Over Financial Reporting (Continued)**

Finding No.	Control Deficiencies
<b>2016-002</b>	<b>Adjustments to the City's Financial Records</b>  Repeat of Finding 2014-002  Condition: As part of our 2016 audit, we proposed adjusting journal entries that were material to the City's financial statement.  Criteria: Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.  Cause: While City staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.  Effect: Year-end financial records prepared by the City may contain material misstatements.  Recommendation: We recommend the City Finance Director work to prepare the adjusting and closing entries necessary, prior to the audit, to reduce the risk of material misstatement to the financial statements.  Management Response: The City intends to utilize Schenck to work with the City Administrator to complete quarterly reviews to benchmark the status of implementation of the recommendation.

**Section II - Compliance and Other Matters**

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2016.