

Village of Allouez, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2019



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Village of Allouez, Wisconsin

DECEMBER 31, 2019

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Independent auditors' report

To the Village Board
Village of Allouez, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Allouez, Wisconsin ("the Village") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 1.B., during 2019, the Village adopted new accounting guidance, Statement No. 84, *Fiduciary Activities*. As a result, the Village established a custodial fund for taxes and specials charges collected for other governments. In prior years, these amounts were reported in the general fund. Our opinions are not modified with respect to this matter.

OTHER MATTERS**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions and other postemployment benefits on pages 54 through 55 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Prior Year Summarized Financial information

We have previously audited the Village's 2018 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated July 9, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit for the year ended December 31, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Allouez, Wisconsin's basic financial statements. The general fund budgetary comparison schedules and the combining nonmajor fund financial statements for the year ended December 31, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The general fund budgetary comparison schedules and the combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audits of the basic financial statements for the year ended December 31, 2019, 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 general fund budgetary comparison schedules and the combining nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2019.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Village of Allouez, Wisconsin, as of and for the year ended December 31, 2018 (not presented herein), and have issued our report thereon dated July 9, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The general fund budgetary comparison schedules and the combining nonmajor fund financial statements for the year ended December 31, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The general fund budgetary comparison schedules and the combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general fund budgetary comparison schedules and the combining nonmajor fund financial statements is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2018.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
September 30, 2020

BASIC FINANCIAL STATEMENTS

Village of Allouez, Wisconsin

STATEMENT OF NET POSITION

DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Totals	
			2019	2018
ASSETS				
Cash and investments	\$ 7,219,358	\$ 1,028,376	\$ 8,247,734	\$ 10,142,225
Receivables				
Taxes and special charges	6,351,887	195,314	6,547,201	19,082,743
Delinquent taxes	5,149	-	5,149	52,281
Accounts, net	88,913	652,636	741,549	1,052,787
Special assessments	29,165	48,526	77,691	66,634
Loans	103,146	-	103,146	114,811
Grant	250,000	-	250,000	-
Other	20,247	259,346	279,593	119,879
Due from other governments	96,468	-	96,468	257,913
Inventories and prepaid items	28,997	90,459	119,456	117,268
Restricted assets				
Cash and investments	1,857,796	757,588	2,615,384	1,526,379
Net pension asset	-	-	-	391,014
Capital assets, nondepreciable	3,474,807	696,376	4,171,183	3,446,176
Capital assets, depreciable	15,439,379	32,787,498	48,226,877	46,353,895
Total assets	34,965,312	36,516,119	71,481,431	82,724,005
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding	-	-	-	7,071
Pension related amounts	936,581	345,917	1,282,498	793,119
Other postemployment related amounts	13,447	5,030	18,477	20,505
Total deferred outflows of resources	950,028	350,947	1,300,975	820,695
LIABILITIES				
Accounts payable	1,087,373	788,044	1,875,417	1,954,537
Accrued and other current liabilities	116,028	-	116,028	105,650
Due to other governments	81	-	81	14,687,431
Accrued interest payable	71,288	107,877	179,165	138,777
Special deposits	19,900	-	19,900	15,523
Long-term obligations				
Due within one year	1,118,475	1,312,059	2,430,534	2,235,915
Due in more than one year	10,477,470	14,299,856	24,777,326	21,466,339
Net pension liability	337,242	126,183	463,425	-
Other postemployment benefits	79,211	29,638	108,849	129,667
Total liabilities	13,307,068	16,663,657	29,970,725	40,733,839
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	7,198,544	-	7,198,544	6,898,007
Pension related amounts	468,460	175,280	643,740	776,439
Other postemployment related amounts	22,749	8,511	31,260	1,827
Total deferred inflows of resources	7,689,753	183,791	7,873,544	7,676,273
NET POSITION				
Net investment in capital assets	8,200,547	18,242,820	26,443,367	26,406,179
Restricted	552,140	376,107	928,247	1,820,085
Unrestricted	6,165,832	1,400,691	7,566,523	6,908,324
Total net position	\$ 14,918,519	\$ 20,019,618	\$ 34,938,137	\$ 35,134,588

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

Village of Allouez, Wisconsin

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,266,064	\$ 105,867	\$ -	\$ -
Public safety	3,010,245	98,198	42,895	-
Public works	3,575,959	21,404	487,381	6,295
Health and human services	7,818	-	-	-
Culture, recreation and forestry	992,386	134,887	28,199	-
Conservation and development	1,060,225	41,532	-	250,000
Interest and fiscal charges	236,848	-	-	-
Total governmental activities	10,149,545	401,888	558,475	256,295
BUSINESS-TYPE ACTIVITIES				
Water utility	3,142,182	3,518,560	-	74,719
Sanitary sewer utility	2,761,824	2,829,974	-	78,933
Storm water utility	679,317	659,696	-	154,650
Total business-type activities	6,583,323	7,008,230	-	308,302
Total	\$ 16,732,868	\$ 7,410,118	\$ 558,475	\$ 564,597

General revenues
 Taxes
 Property taxes
 Tax increments
 Sales tax
 Other taxes
 Federal and state grants and other contributions
 not restricted to specific functions
 Interest and investment earnings
 Miscellaneous
 Gain on disposal of assets
 Transfers
 Total general revenues, special item and transfers

Change in net position

Net position - January 1

Net position - December 31

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

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Totals	
		2019	2018
\$ (1,160,197)	\$ -	\$ (1,160,197)	\$ (1,106,942)
(2,869,152)	-	(2,869,152)	(2,773,238)
(3,060,879)	-	(3,060,879)	(2,112,773)
(7,818)	-	(7,818)	(26,785)
(829,300)	-	(829,300)	(242,534)
(768,693)	-	(768,693)	(338,357)
(236,848)	-	(236,848)	(208,857)
<u>(8,932,887)</u>	<u>-</u>	<u>(8,932,887)</u>	<u>(6,809,486)</u>
-	451,097	451,097	674,140
-	147,083	147,083	337,494
-	135,029	135,029	(6,871)
<u>-</u>	<u>733,209</u>	<u>733,209</u>	<u>1,004,763</u>
<u>(8,932,887)</u>	<u>733,209</u>	<u>(8,199,678)</u>	<u>(5,804,723)</u>
6,358,873	-	6,358,873	6,371,767
539,135	-	539,135	471,191
4,486	-	4,486	12,268
147,455	-	147,455	149,551
627,103	-	627,103	615,315
76,418	10,515	86,933	37,928
203,492	-	203,492	104,012
35,750	-	35,750	28,223
293,769	(293,769)	-	-
<u>8,286,481</u>	<u>(283,254)</u>	<u>8,003,227</u>	<u>7,790,255</u>
(646,406)	449,955	(196,451)	1,985,532
<u>15,564,925</u>	<u>19,569,663</u>	<u>35,134,588</u>	<u>33,149,056</u>
<u>\$ 14,918,519</u>	<u>\$ 20,019,618</u>	<u>\$ 34,938,137</u>	<u>\$ 35,134,588</u>

Village of Allouez, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	<u>General</u>	<u>Debt Service</u>	<u>TID No. 1</u>	<u>Capital Facilities and Equipment</u>
ASSETS				
Cash and investments	\$ 4,313,071	\$ -	\$ -	\$ 127,475
Restricted cash and investments	-	332,434	652,285	433,638
Receivables				
Taxes and special charges	4,542,587	1,139,180	611,040	-
Delinquent taxes	5,149	-	-	-
Accounts, net	87,397	-	-	-
Special assessments	29,165	-	-	-
Loans	98,266	-	4,880	-
Grant	-	-	250,000	-
Other	1,938	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	28,732	-	-	-
	<u>28,732</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 9,106,305</u>	<u>\$ 1,471,614</u>	<u>\$ 1,518,205</u>	<u>\$ 561,113</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 733,914	\$ -	\$ 268,666	\$ 45,696
Accrued and other current liabilities	116,028	-	-	-
Due to other funds	-	-	-	-
Due to other governments	81	-	-	-
Special deposits	19,900	-	-	-
	<u>19,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>869,923</u>	<u>-</u>	<u>268,666</u>	<u>45,696</u>
Deferred inflows of resources				
Property taxes and special charges levied for subsequent year	5,146,709	1,291,886	692,949	-
Grant receivable	-	-	250,000	-
Loans receivable	98,266	-	4,880	-
	<u>98,266</u>	<u>-</u>	<u>4,880</u>	<u>-</u>
Total deferred inflows of resources	<u>5,244,975</u>	<u>1,291,886</u>	<u>947,829</u>	<u>-</u>
Fund balances				
Nonspendable	33,881	-	-	-
Restricted	-	179,728	301,710	433,638
Committed	-	-	-	81,779
Assigned	186,528	-	-	-
Unassigned	2,770,998	-	-	-
	<u>2,770,998</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>2,991,407</u>	<u>179,728</u>	<u>301,710</u>	<u>515,417</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,106,305</u>	<u>\$ 1,471,614</u>	<u>\$ 1,518,205</u>	<u>\$ 561,113</u>

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

Other Governmental Funds	Totals	
	2019	2018
\$ 348,330	\$ 4,788,876	\$ 7,010,726
439,439	1,857,796	1,119,149
59,080	6,351,887	19,082,743
-	5,149	52,281
-	87,397	70,687
-	29,165	21,765
-	103,146	114,811
-	250,000	-
-	1,938	2,208
-	-	1,989,983
96,468	96,468	372,913
-	28,732	27,980
<u>\$ 943,317</u>	<u>\$ 13,600,554</u>	<u>\$ 29,865,246</u>
\$ 5,688	\$ 1,053,964	\$ 1,195,455
-	116,028	105,634
-	-	2,167,488
-	81	14,687,431
-	19,900	15,523
<u>5,688</u>	<u>1,189,973</u>	<u>18,171,531</u>
67,000	7,198,544	6,898,007
-	250,000	-
-	103,146	114,811
<u>67,000</u>	<u>7,551,690</u>	<u>7,012,818</u>
96,468	130,349	176,729
439,439	1,354,515	1,145,299
334,722	416,501	445,356
-	186,528	165,156
-	2,770,998	2,748,357
<u>870,629</u>	<u>4,858,891</u>	<u>4,680,897</u>
<u>\$ 943,317</u>	<u>\$ 13,600,554</u>	<u>\$ 29,865,246</u>

Village of Allouez, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	<u>2019</u>	<u>2018</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 4,858,891	\$ 4,680,897
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:		
Total capital assets reported in governmental activities	\$ 18,914,186	
Less governmental activities capital assets reported in an internal service fund	<u>(1,503,465)</u>	
	17,410,721	16,665,484
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	353,146	114,811
Net position of the internal service fund is reported in the statement of net position as governmental activities	3,924,880	3,954,521
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	889,327	552,813
Deferred inflows related to pensions	(445,932)	(543,144)
Deferred outflows related to other postemployment benefits	12,800	14,344
Deferred inflows related to other postemployment benefits	(21,655)	(1,278)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(11,059,350)	(9,532,825)
Premium on debt	(339,680)	(272,972)
Compensated absences	(196,915)	(188,093)
Net pension asset (liability)	(321,024)	273,527
Other postemployment benefit	(75,402)	(90,706)
Accrued interest on long-term obligations	<u>(71,288)</u>	<u>(62,454)</u>
Net position of governmental activities as reported on the statement of net position (see page 4)	<u>\$ 14,918,519</u>	<u>\$ 15,564,925</u>

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

Village of Allouez, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>TID No. 1</u>	<u>Capital Facilities and Equipment</u>
REVENUES				
Taxes	\$ 5,066,873	\$ 1,238,273	\$ 539,135	\$ -
Special assessments	1,319	-	-	-
Intergovernmental	1,129,835	-	43,385	-
Licenses and permits	217,043	-	-	-
Fines and forfeits	69,436	-	-	-
Public charges for services	206,897	-	41,532	-
Miscellaneous	270,127	-	2,853	7,053
	<u>6,961,530</u>	<u>1,238,273</u>	<u>626,905</u>	<u>7,053</u>
Total revenues				
EXPENDITURES				
Current				
General government	1,006,925	-	-	-
Public safety	2,976,692	-	-	-
Public works	2,482,851	-	252,818	-
Health and human services	7,818	-	-	-
Culture, recreation and forestry	788,567	-	-	-
Conservation and development	90,341	-	1,116,933	-
Debt service				
Principal	-	1,018,475	-	-
Interest and fiscal charges	-	254,854	10,156	19,800
Capital outlay	24,472	-	272,502	1,250,114
	<u>7,377,666</u>	<u>1,273,329</u>	<u>1,652,409</u>	<u>1,269,914</u>
Total expenditures				
Excess of revenues under expenditures	<u>(416,136)</u>	<u>(35,056)</u>	<u>(1,025,504)</u>	<u>(1,262,861)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	570,000	1,705,000
Premium on debt issued	-	92,035	34,605	-
Transfers in	413,769	-	-	-
Transfers out	-	-	-	-
	<u>413,769</u>	<u>92,035</u>	<u>604,605</u>	<u>1,705,000</u>
Total other financing sources (uses)				
Net change in fund balances	(2,367)	56,979	(420,899)	442,139
Fund balances - January 1	2,993,774	122,749	722,609	73,278
Fund balances - December 31	<u>\$ 2,991,407</u>	<u>\$ 179,728</u>	<u>\$ 301,710</u>	<u>\$ 515,417</u>

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

Other Governmental Funds	Totals	
	2019	2018
\$ 64,486	\$ 6,908,767	\$ 6,863,280
-	1,319	1,431
-	1,173,220	1,660,798
-	217,043	239,364
-	69,436	84,730
-	248,429	256,993
6,000	286,033	316,988
<u>70,486</u>	<u>8,904,247</u>	<u>9,423,584</u>
-	1,006,925	1,019,593
-	2,976,692	2,921,154
63,721	2,799,390	2,415,743
-	7,818	7,144
-	788,567	865,442
-	1,207,274	451,849
-	1,018,475	1,011,137
3,136	287,946	264,634
51,487	1,598,575	1,054,215
<u>118,344</u>	<u>11,691,662</u>	<u>10,010,911</u>
<u>(47,858)</u>	<u>(2,787,415)</u>	<u>(587,327)</u>
270,000	2,545,000	-
-	126,640	-
-	413,769	309,939
(120,000)	(120,000)	(14,250)
<u>150,000</u>	<u>2,965,409</u>	<u>295,689</u>
102,142	177,994	(291,638)
<u>768,487</u>	<u>4,680,897</u>	<u>4,972,535</u>
<u>\$ 870,629</u>	<u>\$ 4,858,891</u>	<u>\$ 4,680,897</u>

Village of Allouez, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ 177,994	\$ (291,638)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as expenditures in governmental fund statements	1,598,575	1,054,215
Items reported as capital outlay, but not capitalized	(13,914)	(11,229)
Contributed capital assets	-	274,740
Depreciation expense reported in the statement of activities	(834,061)	(790,440)
Net book value of disposals	(5,363)	(4,995)
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.	238,335	114,811
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(2,545,000)	-
Premium on debt issued	(126,640)	-
Principal repaid	1,018,475	1,011,137
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	(8,834)	(1,578)
Amortization of premiums	59,932	57,355
Compensated absences	(8,822)	17,466
Net pension liability	(321,024)	76,620
Net pension asset	(273,527)	273,527
Deferred outflows of resources related to pensions	336,514	(124,012)
Deferred inflows of resources related to pensions	97,212	(300,069)
Other postemployment benefits	15,304	(22,737)
Deferred outflows of resources related to other postemployment benefits	(20,377)	14,344
Deferred inflows of resources related to other postemployment benefits	(1,544)	(1,278)
An internal service fund is used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	<u>(29,641)</u>	<u>(73,731)</u>
Change in net position of governmental activities as reported in the statement of activities (see pages 5 - 6)	<u>\$ (646,406)</u>	<u>\$ 1,272,508</u>

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

Village of Allouez, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 5,065,420	\$ 5,065,420	\$ 5,066,873	\$ 1,453	\$ 5,055,819
Special assessments	3,500	3,500	1,319	(2,181)	1,431
Intergovernmental	1,096,090	1,096,090	1,129,835	33,745	1,112,842
Licenses and permits	219,145	219,145	217,043	(2,102)	239,364
Fines and forfeits	98,200	98,200	69,436	(28,764)	84,730
Public charges for services	190,525	190,525	206,897	16,372	171,574
Miscellaneous	132,551	132,551	270,127	137,576	150,070
Total revenues	<u>6,805,431</u>	<u>6,805,431</u>	<u>6,961,530</u>	<u>156,099</u>	<u>6,815,830</u>
EXPENDITURES					
Current					
General government	1,018,638	1,039,263	1,006,925	32,338	994,948
Public safety	2,971,849	2,971,849	2,976,692	(4,843)	2,921,154
Public works	2,374,210	2,380,710	2,482,851	(102,141)	2,364,683
Health and human services	6,800	6,800	7,818	(1,018)	7,144
Culture, recreation and forestry	759,821	764,821	788,567	(23,746)	865,442
Conservation and development	88,614	104,114	90,341	13,773	68,433
Capital outlay	32,000	42,000	24,472	17,528	-
Total expenditures	<u>7,251,932</u>	<u>7,309,557</u>	<u>7,377,666</u>	<u>(68,109)</u>	<u>7,221,804</u>
Excess of revenues over (under) expenditures	(446,501)	(504,126)	(416,136)	87,990	(405,974)
OTHER FINANCING SOURCES					
Transfers in	<u>410,000</u>	<u>410,000</u>	<u>413,769</u>	<u>3,769</u>	<u>309,939</u>
Net change in fund balance	(36,501)	(94,126)	(2,367)	91,759	(96,035)
Fund balance - January 1	<u>2,993,774</u>	<u>2,993,774</u>	<u>2,993,774</u>	-	<u>3,089,809</u>
Fund balance - December 31	<u>\$ 2,957,273</u>	<u>\$ 2,899,648</u>	<u>\$ 2,991,407</u>	<u>\$ 91,759</u>	<u>\$ 2,993,774</u>

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

Village of Allouez, Wisconsin

STATEMENT OF NET POSITION PROPRIETARY FUNDS

DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
ASSETS			
Current assets			
Cash and investments	\$ 617,714	\$ 112,884	\$ 297,778
Receivables			
Special charges	80,058	90,968	24,288
Customer accounts	325,510	262,360	64,766
Special assessments	-	5,969	42,557
Other	26,388	220,618	12,340
Inventories and prepaid items	86,142	-	4,317
Total current assets	1,135,812	692,799	446,046
Noncurrent assets			
Restricted assets			
Cash and investments	83,581	376,107	297,900
Other assets			
Net pension asset	-	-	-
Capital assets			
Nondepreciable	33,074	-	663,302
Depreciable	14,846,052	10,858,776	7,082,670
Total capital assets	14,879,126	10,858,776	7,745,972
Total assets	16,098,519	11,927,682	8,489,918
DEFERRED OUTFLOWS OF RESOURCES			
Loss on advance refunding	-	-	-
Pension related amounts	212,784	51,183	81,950
Other postemployment related amounts	3,105	745	1,180
Total deferred outflows of resources	215,889	51,928	83,130

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

Totals		Governmental Activities - Internal Service Fund Equipment	
2019	2018	2019	2018
\$ 1,028,376	\$ 894,376	\$ 2,430,482	\$ 2,237,123
195,314	177,505	-	-
652,636	863,132	1,516	2,835
48,526	44,869	-	-
259,346	117,671	18,309	1,133
90,459	89,031	265	257
<u>2,274,657</u>	<u>2,186,584</u>	<u>2,450,572</u>	<u>2,241,348</u>
<u>757,588</u>	<u>407,230</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>110,731</u>	<u>-</u>	<u>6,756</u>
696,376	695,520	-	-
<u>32,787,498</u>	<u>30,720,882</u>	<u>1,503,465</u>	<u>1,718,185</u>
<u>33,483,874</u>	<u>31,416,402</u>	<u>1,503,465</u>	<u>1,718,185</u>
<u>36,516,119</u>	<u>34,120,947</u>	<u>3,954,037</u>	<u>3,966,289</u>
-	7,071	-	-
345,917	221,791	47,254	18,515
5,030	5,807	647	354
<u>350,947</u>	<u>234,669</u>	<u>47,901</u>	<u>18,869</u>

Village of Allouez, Wisconsin

STATEMENT OF NET POSITION PROPRIETARY FUNDS

DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
LIABILITIES			
Current liabilities			
Accounts payable	\$ 369,177	\$ 385,188	\$ 33,679
Accrued interest	41,237	36,703	29,937
Current portion of long-term debt	598,952	393,800	319,307
Total current liabilities	<u>1,009,366</u>	<u>815,691</u>	<u>382,923</u>
Long-term obligations, less current portion			
General obligation debt	3,443,375	3,951,000	3,349,348
Revenue bonds	3,173,570	-	-
Debt premium	133,541	115,235	96,334
Compensated absences	37,453	-	-
Net pension liability	77,880	18,695	29,608
Other postemployment benefits	18,293	4,391	6,954
Total long-term liabilities	<u>6,884,112</u>	<u>4,089,321</u>	<u>3,482,244</u>
Total liabilities	<u>7,893,478</u>	<u>4,905,012</u>	<u>3,865,167</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	108,183	25,969	41,128
Other postemployment related amounts	5,253	1,261	1,997
Total deferred inflows of resources	<u>113,436</u>	<u>27,230</u>	<u>43,125</u>
NET POSITION			
Net investment in capital assets	7,601,326	6,386,655	4,254,839
Restricted	-	376,107	-
Unrestricted	706,168	284,606	409,917
Total net position	<u>\$ 8,307,494</u>	<u>\$ 7,047,368</u>	<u>\$ 4,664,756</u>

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

Totals		Governmental Activities - Internal Service Fund Equipment	
2019	2018	2019	2018
\$ 788,044	\$ 744,149	\$ 33,409	\$ 14,949
107,877	76,323	-	-
1,312,059	1,217,440	-	-
<u>2,207,980</u>	<u>2,037,912</u>	<u>33,409</u>	<u>14,949</u>
10,743,723	8,796,005	-	-
3,173,570	3,383,347	-	-
345,110	265,705	-	-
37,453	45,867	-	-
126,183	-	16,218	-
29,638	36,721	3,809	2,240
<u>14,455,677</u>	<u>12,527,645</u>	<u>20,027</u>	<u>2,240</u>
<u>16,663,657</u>	<u>14,565,557</u>	<u>53,436</u>	<u>17,189</u>
175,280	219,879	22,528	13,416
8,511	517	1,094	32
<u>183,791</u>	<u>220,396</u>	<u>23,622</u>	<u>13,448</u>
18,242,820	17,828,307	1,503,465	1,718,185
376,107	450,630	-	-
1,400,691	1,290,726	2,421,415	2,236,336
<u>\$ 20,019,618</u>	<u>\$ 19,569,663</u>	<u>\$ 3,924,880</u>	<u>\$ 3,954,521</u>

Village of Allouez, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
OPERATING REVENUES			
Charges for services	\$ 3,370,958	\$ 2,829,974	\$ 659,696
Other	147,602	-	-
Total operating revenues	<u>3,518,560</u>	<u>2,829,974</u>	<u>659,696</u>
OPERATING EXPENSES			
Operation and maintenance	2,635,545	2,427,673	346,273
Depreciation	372,567	219,244	230,588
Total operating expenses	<u>3,008,112</u>	<u>2,646,917</u>	<u>576,861</u>
Operating income (loss)	<u>510,448</u>	<u>183,057</u>	<u>82,835</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	287	8,503	1,725
Gain (loss) on disposal of capital assets	-	(2,776)	(7,058)
Interest and fiscal charges	(150,321)	(112,131)	(95,398)
Total nonoperating revenues (expenses)	<u>(150,034)</u>	<u>(106,404)</u>	<u>(100,731)</u>
Income (loss) before contributions and transfers	360,414	76,653	(17,896)
Capital contributions	90,970	78,933	154,650
Transfers out	(293,769)	-	-
Change in net position	157,615	155,586	136,754
Net position - January 1	<u>8,149,879</u>	<u>6,891,782</u>	<u>4,528,002</u>
Net position - December 31	<u>\$ 8,307,494</u>	<u>\$ 7,047,368</u>	<u>\$ 4,664,756</u>

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

Totals		Governmental Activities - Internal Service Fund Equipment	
2019	2018	2019	2018
\$ 6,860,628	\$ 6,932,119	\$ 730,959	\$ 690,764
147,602	144,609	-	-
<u>7,008,230</u>	<u>7,076,728</u>	<u>730,959</u>	<u>690,764</u>
5,409,491	5,032,581	513,777	495,638
822,399	799,794	302,666	297,763
<u>6,231,890</u>	<u>5,832,375</u>	<u>816,443</u>	<u>793,401</u>
<u>776,340</u>	<u>1,244,353</u>	<u>(85,484)</u>	<u>(102,637)</u>
10,515	3,950	20,377	4,979
(9,834)	(2,290)	35,466	23,927
<u>(357,850)</u>	<u>(309,715)</u>	<u>-</u>	<u>-</u>
<u>(357,169)</u>	<u>(308,055)</u>	<u>55,843</u>	<u>28,906</u>
419,171	936,298	(29,641)	(73,731)
324,553	72,415	-	-
<u>(293,769)</u>	<u>(295,689)</u>	<u>-</u>	<u>-</u>
449,955	713,024	(29,641)	(73,731)
<u>19,569,663</u>	<u>18,856,639</u>	<u>3,954,521</u>	<u>4,028,252</u>
<u>\$ 20,019,618</u>	<u>\$ 19,569,663</u>	<u>\$ 3,924,880</u>	<u>\$ 3,954,521</u>

Village of Allouez, Wisconsin

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,674,033	\$ 2,689,833	\$ 669,376
Cash received (paid for) joint meter depreciation	39,123	(39,123)	-
Cash paid for employee wages and benefits	(433,873)	(90,455)	(146,002)
Cash paid to suppliers	(2,197,588)	(2,296,843)	(188,873)
Net cash provided by operating activities	<u>1,081,695</u>	<u>263,412</u>	<u>334,501</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Changes in temporary cash advances	-	-	-
Transfer out	(293,769)	-	-
Net cash used by noncapital financing activities	<u>(293,769)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(948,011)	(942,456)	(674,707)
Cost of removals	7,604	-	-
Capital contributions	-	34,086	18,748
Sale of capital assets	-	-	-
Proceeds of long-term debt	1,055,000	970,000	1,025,000
Debt premium received	46,201	42,625	44,041
Principal paid on long-term debt	(564,229)	(365,800)	(287,411)
Interest paid on long-term debt	(157,017)	(119,893)	(95,777)
Net cash used by capital and related financing activities	<u>(560,452)</u>	<u>(381,438)</u>	<u>29,894</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>287</u>	<u>8,503</u>	<u>1,725</u>
Change in cash and cash equivalents	<u>227,761</u>	<u>(109,523)</u>	<u>366,120</u>
Cash and cash equivalents - January 1	<u>473,534</u>	<u>598,514</u>	<u>229,558</u>
Cash and cash equivalents - December 31	<u>\$ 701,295</u>	<u>\$ 488,991</u>	<u>\$ 595,678</u>

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

Totals		Governmental Activities - Internal Service Fund Equipment	
2019	2018	2019	2018
\$ 7,033,242	\$ 6,990,855	\$ 715,102	\$ 688,806
-	-	-	-
(670,330)	(703,571)	(131,098)	(144,099)
(4,683,304)	(4,211,156)	(358,542)	(389,017)
<u>1,679,608</u>	<u>2,076,128</u>	<u>225,462</u>	<u>155,690</u>
-	(32,412)	-	-
(293,769)	(295,689)	-	-
<u>(293,769)</u>	<u>(328,101)</u>	<u>-</u>	<u>-</u>
(2,565,174)	(219,208)	(88,221)	(101,954)
7,604	(3,356)	-	-
52,834	180,384	-	-
-	1,984	35,741	26,478
3,050,000	-	-	-
132,867	-	-	-
(1,217,440)	(1,195,252)	-	-
<u>(372,687)</u>	<u>(345,298)</u>	<u>-</u>	<u>-</u>
<u>(911,996)</u>	<u>(1,580,746)</u>	<u>(52,480)</u>	<u>(75,476)</u>
<u>10,515</u>	<u>3,950</u>	<u>20,377</u>	<u>4,979</u>
484,358	171,231	193,359	85,193
<u>1,301,606</u>	<u>1,130,375</u>	<u>2,237,123</u>	<u>2,151,930</u>
<u>\$ 1,785,964</u>	<u>\$ 1,301,606</u>	<u>\$ 2,430,482</u>	<u>\$ 2,237,123</u>

Village of Allouez, Wisconsin

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Enterprise Funds		
	Water Utility	Sanitary Sewer Utility	Storm Water Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 510,448	\$ 183,057	\$ 82,835
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	372,567	219,244	230,588
Depreciation charged to sanitary sewer utility	39,123	(39,123)	-
Change in pension related amounts			
Net pension asset	65,845	21,212	23,674
Deferred outflows - Pension related	(79,980)	(10,450)	(33,696)
Deferred inflows - Pension related	(22,567)	(16,151)	(5,881)
Net pension liability	77,880	18,695	29,608
Change in OPEB related amounts			
Deferred outflows - OPEB related	348	368	61
Other postemployment benefits	(3,542)	(2,644)	(897)
Deferred inflows - OPEB related	4,945	1,162	1,887
Change in operating assets and liabilities			
Accounts receivables	170,782	(137,300)	9,339
Taxes and special charges receivable	(15,309)	(2,841)	341
Due from other funds	-	-	-
Inventories and prepaid items	(3,129)	-	1,701
Accounts payable	(27,302)	28,183	(5,059)
Accrued and other current liabilities	-	-	-
Compensated absences	(8,414)	-	-
Net cash provided by operating activities	<u>\$ 1,081,695</u>	<u>\$ 263,412</u>	<u>\$ 334,501</u>
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents in current assets	\$ 617,714	\$ 112,884	\$ 297,778
Cash and cash equivalents in restricted assets	83,581	376,107	297,900
Total cash and cash equivalents	<u>\$ 701,295</u>	<u>\$ 488,991</u>	<u>\$ 595,678</u>
Noncash capital and related financing activities			
Capital related accounts payable	\$ 11,943	\$ 12,086	\$ 24,044
Acquisition of capital assets	90,970	72,783	130,309
Total	<u>\$ 102,913</u>	<u>\$ 84,869</u>	<u>\$ 154,353</u>

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

Totals		Governmental Activities - Internal Service Fund Equipment	
2019	2018	2019	2018
\$ 776,340	\$ 1,244,353	\$ (85,484)	\$ (102,637)
822,399	799,794	302,666	297,763
-	-	-	-
110,731	(110,731)	6,756	(6,756)
(124,126)	51,422	(28,739)	(11,808)
(44,599)	122,450	9,112	13,416
126,183	(30,712)	16,218	-
777	(5,807)	(293)	(354)
(7,083)	9,206	1,569	561
7,994	517	1,062	32
42,821	(64,078)	(15,857)	(1,958)
(17,809)	-	-	-
-	(4,344)	-	-
(1,428)	2,837	(8)	(8)
(4,178)	50,716	18,460	(32,561)
-	-	-	-
(8,414)	10,505	-	-
<u>\$ 1,679,608</u>	<u>\$ 2,076,128</u>	<u>\$ 225,462</u>	<u>\$ 155,690</u>
\$ 1,028,376	\$ 894,376	\$ 2,430,482	\$ 2,237,123
757,588	407,230	-	-
<u>\$ 1,785,964</u>	<u>\$ 1,301,606</u>	<u>\$ 2,430,482</u>	<u>\$ 2,237,123</u>
\$ 48,073	\$ -	\$ -	\$ -
294,062	72,415	-	-
<u>\$ 342,135</u>	<u>\$ 72,415</u>	<u>\$ -</u>	<u>\$ -</u>

Village of Allouez, Wisconsin

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2019**

	<u>Custodial Fund</u>
ASSETS	
Cash and investments	<u>\$ 1,794,190</u>
LIABILITIES	
Due to other governments	<u>1,794,190</u>
FIDUCIARY NET POSITION	
Restricted - held for others	<u>\$ -</u>

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

Village of Allouez, Wisconsin

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Custodial Fund</u>
ADDITIONS	
Taxes and special charges collected	\$ 5,000,722
DEDUCTIONS	
Payments to other taxing districts	<u>5,000,722</u>
Change in fiduciary net position	-
Fiduciary net position - January 1	<u>-</u>
Fiduciary net position - December 31	<u><u>\$ -</u></u>

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

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The Village is a municipal corporation governed by an elected seven member board. In accordance with GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Tax Incremental District (TID) No. 1 Fund

This fund is used to account for financial resources to be used for projects in the Village's Tax Incremental District No. 1.

Capital Facilities and Equipment Capital Projects Fund

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

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

The Village reports the following major enterprise funds:

Water Utility Fund

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

Sanitary Sewer Utility Fund

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

Storm Water Utility Fund

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

The Village also reports the following fiduciary fund:

Custodial Fund

The custodial fund accounts for property taxes and specials collected on behalf of other governments. These amounts were recorded in the general fund in prior years. Due to the implementation of GASB 84, Fiduciary Activities, they are now recorded in a custodial fund.

Additionally, the Village reports the following fund type:

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

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

1. Cash and Investments

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

2. Property Taxes and Special Charges Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Village properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village. Special charges not paid by January 31 are held in trust by the County and remitted to the Village, including interest, when collected by the County.

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

3. Accounts Receivable

Governmental activities and general accounts receivable are recorded net of an allowance for uncollectible amounts of \$22,946. Business-type activities accounts receivable are recorded net of an allowance for uncollectible accounts of \$108,408, consisting of \$50,445 for the sewer utility enterprise fund, \$45,754 for the water utility enterprise fund and \$12,209 for the storm sewer enterprise fund.

4. Loan Receivable

The Village lent funds to the Allouez Buccaneers to construct a park shelter building. The Village records a loan receivable and expenditure when the loan has been made and the funds disbursed. 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. In the governmental funds, the Village records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized.

5. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2019 tax roll are recognized as revenue in 2020.)

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

6. Interfund Receivables and Payables

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

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

7. 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.

8. Prepaid Items

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

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

9. Capital Assets

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

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

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

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

10. Compensated Absences

It is the Village’s policy to permit employees to accumulate earned but unused personal time off (PTO) and sick leave benefits in accordance with employee handbook policies. All PTO 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.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

11. **Deferred Outflows/Inflows of Resources**

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

12. **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.

13. **Pensions**

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

14. **Other Postemployment Benefits Other Than Pensions (OPEB)**

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

15. **Fund Equity**

Governmental Fund Financial Statements

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

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the Village Board. These constraints can only be removed or changed by the Village Board using the same action that was used to create them.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of Village management. The Village Board has authorized the Village Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

Government-Wide and Proprietary Fund Statements

Equity is classified as net position and displayed in three components:

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- ▶ **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- ▶ **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

E. USE OF ESTIMATES

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

F. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the Village's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. During November, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
4. Expenditures may not exceed appropriations provided in budget accounts maintained for each functional area of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.
5. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2019.

B. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2019 and 2020 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2019 budget was 0.51%. The actual limit for the Village for the 2020 budget was 0.63%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The Village maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin Local Government Investment Pool.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

The carrying amount of the Village's cash and investments totaled \$12,657,308 on December 31, 2019 as summarized below:

Petty cash and cash on hand	\$ 700
Deposits with financial institutions	11,256,578
Investments	1,400,030
	<u>\$ 12,657,308</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 8,247,734
Restricted cash and investments	2,615,384
Fiduciary fund statement of net position	
Cash and investments	1,794,190
	<u>\$ 12,657,308</u>

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

Custodial Credit Risk

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

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

As of December 31, 2019, \$8,967,430 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. The Village's financial institution collateralizes bank balances with collateral of \$14,357,507 as of December 31, 2019.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Credit Risk

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

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Wisconsin local government investment pool	\$ 1,400,030	\$ -	\$ -	\$ -	\$ 1,400,030

Interest Rate Risk

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

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Wisconsin local government investment pool	\$ 1,400,030	\$ 1,400,030	\$ -	\$ -	\$ -

Investment in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin Local Government Investment Pool of \$1,400,030 at year-end. The (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, 2019, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

B. RESTRICTED ASSETS

Restricted assets on December 31, 2019 totaled \$2,615,384 and consisted of cash and investments held by the following purposes:

<u>Funds</u>	<u>Amount</u>	<u>Purpose</u>
Governmental funds		
Debt service fund	\$ 332,434	Property taxes levied for the repayment of long-term debt
Special revenue fund		
Excess stadium district sales tax	180,364	Excess sales tax returned to the Village to be used for economic development or property tax relief
Capital projects funds		
TID No. 1	652,285	Tax increments collected and unused debt proceeds to be used for TID No. 1 project expenditures
Capital facilities and equipment	433,638	Unused debt proceeds to be used for TID No. 1 project expenditures
Parks capital improvement	259,075	Unused debt proceeds to be used for park capital improvement expenditures
Total governmental funds	<u>1,857,796</u>	
Enterprise funds		
Water utility	83,581	Unused debt proceeds to be used for water capital improvements
Sanitary sewer utility	376,107	Funds held for equipment replacement as required by the Wisconsin Department of Natural Resources
Storm water utility	297,900	Unused debt proceeds to be used for storm water capital improvements
Total enterprise funds	<u>757,588</u>	
Total	<u>\$ 2,615,384</u>	

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 1,941,326	\$ -	\$ -	\$ 1,941,326
Construction in progress	809,330	1,499,774	775,623	1,533,481
Total capital assets, nondepreciable	<u>2,750,656</u>	<u>1,499,774</u>	<u>775,623</u>	<u>3,474,807</u>
Capital assets, depreciable:				
Land improvements	2,714,326	-	-	2,714,326
Buildings and improvements	6,575,980	-	-	6,575,980
Machinery and equipment	6,084,656	142,110	124,276	6,102,490
Infrastructure	11,535,017	806,621	-	12,341,638
Subtotals	<u>26,909,979</u>	<u>948,731</u>	<u>124,276</u>	<u>27,734,434</u>
Less accumulated depreciation for:				
Land improvements	1,083,676	177,721	-	1,261,397
Buildings and improvements	2,769,483	111,031	-	2,880,514
Machinery and equipment	3,935,873	362,202	118,638	4,179,437
Infrastructure	3,487,934	485,773	-	3,973,707
Subtotals	<u>11,276,966</u>	<u>1,136,727</u>	<u>118,638</u>	<u>12,295,055</u>
Total capital assets, depreciable, net	<u>15,633,013</u>	<u>(187,996)</u>	<u>5,638</u>	<u>15,439,379</u>
Governmental activities capital assets, net	<u>\$ 18,383,669</u>	<u>\$ 1,311,778</u>	<u>\$ 781,261</u>	18,914,186
Less: Capital related debt				10,328,263
Less: Debt premium				339,680
Less: Capital related accounts payable				<u>45,696</u>
Net investment in capital assets				<u>\$ 8,200,547</u>

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 507,562	\$ -	\$ -	\$ 507,562
Construction in progress	187,958	13,894	13,038	188,814
Total capital assets, nondepreciable	<u>695,520</u>	<u>13,894</u>	<u>13,038</u>	<u>696,376</u>
Capital assets, depreciable:				
Buildings and improvements	624,072	-	-	624,072
Machinery and equipment	1,309,318	-	-	1,309,318
Infrastructure	44,049,681	2,906,453	197,099	46,759,035
Subtotals	<u>45,983,071</u>	<u>2,906,453</u>	<u>197,099</u>	<u>48,692,425</u>
Less accumulated depreciation for:				
Buildings and improvements	596,014	19,971	-	615,985
Machinery and equipment	787,699	49,462	-	837,161
Infrastructure	13,878,476	752,966	179,661	14,451,781
Subtotals	<u>15,262,189</u>	<u>822,399</u>	<u>179,661</u>	<u>15,904,927</u>
Total capital assets, depreciable, net	<u>30,720,882</u>	<u>2,084,054</u>	<u>17,438</u>	<u>32,787,498</u>
Business-type activities capital assets, net	<u>\$ 31,416,402</u>	<u>\$ 2,097,948</u>	<u>\$ 30,476</u>	33,483,874
Less: Capital related debt				14,847,871
Less: Debt premium				345,110
Less: Capital related accounts payable				<u>48,073</u>
Net investment in capital assets				<u>\$ 18,242,820</u>

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

Governmental activities	
General government	\$ 175,250
Public safety	19,880
Public works	490,115
Culture and recreation	148,816
Subtotal	<u>834,061</u>
Capital assets held by Village's internal service fund are charged to various functions based on their usage of the assets	
	302,666
Total depreciation expense - governmental activities	<u>\$ 1,136,727</u>
Business-type activities	
Water utility	\$ 372,567
Sanitary sewer utility	219,244
Storm water utility	230,588
Total depreciation expense - business-type activities	<u>\$ 822,399</u>

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

D. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2019 were as follows:

Funds	Transfer In	Transfer Out
Water utility	\$ -	\$ 293,769
General fund	413,769	-
Excess stadium district sales tax	-	120,000
	<u>\$ 413,769</u>	<u>\$ 413,769</u>

Interfund transfers were made for the following purposes:

Tax equivalent payment made by water utility to general fund	\$ 293,769
Apply excess stadium sales tax funds for property tax relief	120,000
	<u>\$ 413,769</u>

E. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2019:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds	\$ 8,232,825	\$ 2,545,000	\$ 928,475	\$ 9,849,350	\$ 1,073,475
Notes	1,300,000	-	90,000	1,210,000	45,000
Total general obligation debt	<u>9,532,825</u>	<u>2,545,000</u>	<u>1,018,475</u>	<u>11,059,350</u>	<u>1,118,475</u>
Debt premium	272,972	126,640	59,932	339,680	-
Compensated absences	188,093	8,822	-	196,915	-
Governmental activities long-term obligations	<u>\$ 9,993,890</u>	<u>\$ 2,680,462</u>	<u>\$ 1,078,407</u>	<u>\$ 11,595,945</u>	<u>\$ 1,118,475</u>
Business-type activities:					
General obligation debt					
Bonds	\$ 7,772,175	\$ 3,050,000	\$ 816,525	\$ 10,005,650	\$ 966,525
Notes	1,525,000	-	165,000	1,360,000	105,000
Notes from direct borrowings					
Clean water fund loan	510,216	-	29,861	480,355	30,757
Total general obligation debt	<u>9,807,391</u>	<u>3,050,000</u>	<u>1,011,386</u>	<u>11,846,005</u>	<u>1,102,282</u>
Revenue bond direct borrowings					
Safe drinking water fund loans	3,589,401	-	206,054	3,383,347	209,777
Debt premium	265,705	132,867	53,462	345,110	-
Compensated absences	45,867	5,596	14,010	37,453	-
Business-type activities long-term obligations	<u>\$ 13,708,364</u>	<u>\$ 3,188,463</u>	<u>\$ 1,284,912</u>	<u>\$ 15,611,915</u>	<u>\$ 1,312,059</u>

The Village's outstanding notes and bonds from direct borrowings related to business type activities of \$3,863,702 contain a provision that if the Village fails to repay the loans when due, the State Department of Administration shall recover amounts due by either adding a special charge to the tax roll, recovering amounts by deducting those amounts from any State payments due the Village or to appoint a receiver to collect user fees from the operation of the Village's storm water and water system.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Interest paid during the year on long-term debt totaled \$558,885.

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

General Obligation Debt

General obligation debt totals \$22,905,355, consisting of general obligation bonds and notes of \$22,425,000 and clean water fund loans of \$480,355. Outstanding bonds and notes are detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/19</u>
General obligation bonds	05/10/11	04/01/31	2.50% - 4.00%	\$ 4,965,000	\$ 3,375,000
General obligation bonds	06/01/14	04/01/34	2.00% - 3.62%	4,000,000	3,220,000
General obligation refunding bonds	03/09/16	10/01/24	2.00%	9,115,000	7,665,000
General obligation promissory notes	05/25/17	04/01/27	3.00%	3,080,000	2,570,000
General obligation bonds	06/13/19	10/01/39	3.00%	5,595,000	5,595,000
Total outstanding general obligation debt					<u>\$ 22,425,000</u>

Annual principal and interest maturities of the outstanding general obligation bonds and notes of \$22,425,000 on December 31, 2019 are detailed below:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,118,475	\$ 319,831	\$ 1,071,525	\$ 340,315	\$ 2,190,000	\$ 660,146
2021	1,145,813	269,388	1,119,187	285,323	2,265,000	554,711
2022	1,168,150	241,577	1,141,850	257,055	2,310,000	498,632
2023	1,195,487	212,986	1,164,513	228,045	2,360,000	441,031
2024	1,222,825	184,178	1,192,175	198,903	2,415,000	383,081
2025-2029	3,217,538	562,347	2,877,462	667,768	6,095,000	1,230,115
2030-2034	1,466,062	186,231	1,873,938	278,875	3,340,000	465,106
2035-2039	525,000	39,375	925,000	70,725	1,450,000	110,100
	<u>\$ 11,059,350</u>	<u>\$ 2,015,913</u>	<u>\$ 11,365,650</u>	<u>\$ 2,327,009</u>	<u>\$ 22,425,000</u>	<u>\$ 4,342,922</u>

Note from direct borrowing - Clean Water Fund Loan

Clean Water Fund loans issued as general obligation debt but being supported by revenues of the storm water utility enterprise fund totals \$480,355 as of December 31, 2019. The Clean Water Fund loan outstanding on December 31, 2019 were comprised of the following issue:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/19</u>
Clean Water Fund Notes	07/11/12	05/01/32	3.00%	\$ 658,483	<u>\$ 480,355</u>

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Annual principal and interest maturities of the outstanding Clean Water Fund loan of \$480,355 on December 31, 2019 are detailed below:

Year Ended December 31,	Business-type Activities		
	Direct borrowings - general obligation notes		
	Principal	Interest	Total
2020	\$ 30,757	\$ 13,949	\$ 44,706
2021	31,680	13,013	44,693
2022	32,630	12,048	44,678
2023	33,609	11,055	44,664
2024	34,617	10,031	44,648
2025-2029	189,301	33,697	222,998
2030-2032	127,761	5,825	133,586
	<u>\$ 480,355</u>	<u>\$ 99,618</u>	<u>\$ 579,973</u>

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2019 was \$30,141,123 as follows:

Equalized valuation of the Village		\$ 1,057,335,000
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>52,866,750</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 22,905,355	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>179,728</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>22,725,627</u>
Legal margin for new debt		<u>\$ 30,141,123</u>

Revenue Bonds

Revenue bond direct borrowings outstanding on December 31, 2019 totaled \$3,383,347 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
Safe Drinking Water Fund revenue bonds	12/26/12	05/01/32	1.93%	\$ 2,420,215	\$ 1,748,669
Safe Drinking Water Fund revenue bonds	06/24/15	05/01/35	1.65%	1,887,966	<u>1,634,678</u>
Total outstanding revenue bonds					<u>\$ 3,383,347</u>

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Annual principal and interest maturities of the outstanding revenue bonds of \$3,383,347 on December 31, 2019 are detailed below:

Year Ended December 31,	Business-type Activities		
	Direct borrowings - revenue bonds		
	Principal	Interest	Total
2020	\$ 209,777	\$ 58,739	\$ 268,516
2021	213,568	59,914	273,482
2022	217,427	51,020	268,447
2023	221,356	47,055	268,411
2024	225,357	43,017	268,374
2025-2029	1,189,388	151,913	1,341,301
2030-2034	991,292	45,318	1,036,610
2035	115,182	950	116,132
	<u>\$ 3,383,347</u>	<u>\$ 457,926</u>	<u>\$ 3,841,273</u>

Utility Revenues Pledged

The Village has pledged future water utility customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water customer net revenues and are payable through 2035. The total principal and interest remaining to be paid on the bonds is \$3,841,273. Principal and interest paid for the current year and total customer net revenues were \$268,549 and \$883,302, respectively.

F. PENSION PLAN

1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participant, if hired on or before 12/31/2016) are entitled to a retirement benefit, based on a formula factor, their final average earnings, and creditable service.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Final average earnings is the average of the participant's three highest earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at, or after age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

2. Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2009	(2.1)%	(42)%
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the 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 year ending December 31, 2019, the WRS recognized \$128,309 in contributions from the Village.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the Village reported a liability of \$463,425 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was .01302604%, which was a decrease of .00014335% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of \$360,948.

At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 360,937	\$ 638,008
Net differences between projected and actual earnings on pension plan investments	676,802	-
Changes in assumptions	78,115	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,335	5,732
Employer contributions subsequent to the measurement date	128,309	-
Total	\$ 1,282,498	\$ 643,740

\$128,309 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Expense
2020	\$ 205,760
2021	44,927
2022	74,541
2023	185,221
Total	\$ 510,449

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

5. Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2017
Measurement date of net pension liability:	December 31, 2018
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Market Value
Long-term expected rate of return:	7.0%
Discount rate:	7.0%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments*	1.9%

* *No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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 %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global equities	49%	8.1%	5.5%
Fixed income	24.5%	4.0%	1.5%
Inflation sensitive assets	15.5%	3.8%	1.3%
Real estate	9%	6.5%	3.9%
Private equity/debt	8%	9.4%	6.7%
Multi-asset	4%	6.7%	4.1%
Total Core Fund	110%	7.3%	4.7%
<u>Variable Fund Asset Class</u>			
U.S. equities	70%	7.6%	5.0%
International equities	30%	8.5%	5.9%
Total Variable Fund	100%	8.0%	5.4%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

Single Discount Rate. A single discount rate of 7.00% 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 7.00% and a long-term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Sensitivity of the Village's proportionate share of the net pension asset to changes in the discount rate. The following presents the Village's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the Village's proportionate share of the net pension (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	\$ 1,841,702	\$ 463,425	\$ (561,429)

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>.

6. Payables to the Pension Plan

At December 31, 2019, the Village reported a payable of \$11,598 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2019.

G. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Local Retiree Life Insurance Fund (LRLIF) is a cost-sharing, multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position

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

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

Coverage Type	Employer Contribution
50% Post-retirement coverage	40% of employee contribution
25% Post-retirement coverage	20% of employee contribution

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are listed below:

Life Insurance Employee Contribution Rates* For the Year Ended December 31, 2018		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$993 in contributions from the employer.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2019, the Village reported a liability of \$108,849 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was .04218400%, which was a decrease of 0.000915% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2018, the Village recognized OPEB expense of \$11,458.

At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,521
Net differences between projected and actual earnings on OPEB plan investments	2,601	-
Changes in assumptions	10,386	23,594
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,490	2,145
Total	<u>\$ 18,477</u>	<u>\$ 31,260</u>

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2020	\$ (1,498)
2021	(1,498)
2022	(1,498)
2023	(1,864)
2024	(2,240)
Thereafter	(4,185)
	<u>\$ (12,783)</u>

Actuarial assumptions. The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date:	January 1, 2018
Measurement date of net OPEB liability (asset):	December 31, 2018
Actuarial cost method:	Entry age normal
20 year tax-exempt municipal bond yield:	4.10%
Long-term expected rate of return:	5.00%
Discount rate:	4.22%
Salary increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Long-term expected return on plan assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-term Expected Geometric Real Rate of Return %</u>
U.S. Government Bonds	Barclays Government	1%	1.44%
U.S. Credit Bonds	Barclays Credit	40%	2.69%
U.S. Long Credit Bonds	Barclays Long Credit	4%	3.01%
U.S. Mortgages	Barclays MBS	54%	2.25%
U.S. Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-term expected rate of return			5.00%

Single discount rate. A single discount rate of 4.22% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

Sensitivity of the Village's proportionate share of net OPEB liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 4.22%, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22%) or 1-percentage-point higher (5.22%) than the current rate:

	<u>1% Decrease to Discount Rate (3.22%)</u>	<u>Current Discount Rate (4.22%)</u>	<u>1% Increase to Discount Rate (5.22%)</u>
Village's proportionate share of the net OPEB liability (asset)	\$ 154,845	\$ 108,849	\$ 73,374

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

Payable to the OPEB Plan

At December 31, 2019, the Village reported a payable of \$0 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2019.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

H. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2019, nonspendable fund balances were as follows:

General fund	
Nonspendable	
Prepaid items	\$ 28,732
Delinquent taxes	5,149
Total general fund nonspendable fund balance	<u>33,881</u>
Special Revenue fund	
Nonspendable	
Public bus service	<u>96,468</u>
Total nonspendable fund balance	<u>\$ 130,349</u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2019, restricted fund balances were as follows:

Special Revenue fund	
Restricted for	
Economic development or property tax relief	<u>\$ 180,364</u>
Debt service fund	
Restricted for	
Retirement of long-term debt	<u>179,728</u>
Capital Project funds	
Restricted for	
Capital improvements	433,638
Park improvements	259,075
Tax incremental district project plan expenditures	301,710
Total Capital Project restricted fund balance	<u>994,423</u>
Total restricted fund balance	<u>\$ 1,354,515</u>

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by Village Board action. At December 31, 2019, governmental fund balance was committed as follows:

Special Revenue funds		
Committed for		
Public bus service	\$	55,190
Compensated absences		84,401
Total Special Revenue fund committed fund balance		<u>139,591</u>
Capital Project fund		
Committed for		
Capital facilities and equipment		81,779
Park improvements		195,131
Total Capital Projects fund committed fund balance		<u>276,910</u>
Total Committed Fund balance	\$	<u><u>416,501</u></u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2019, fund balances were assigned as follows:

General Fund		
Election	\$	10,355
Zoning code update		9,646
Street paving		25,000
EAB		25,647
HVAC		39,400
Parking lot		40,900
Future expenditures		35,580
Total	\$	<u><u>186,528</u></u>

Minimum General Fund Balance Policy

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

Budgeted 2020 General Fund Expenditures	\$	7,401,179
Minimum Fund Balance %		(x) 30%
Minimum Fund Balance Amount	\$	<u><u>2,220,354</u></u>

The Village's unassigned general fund balance of \$2,770,998 is above the minimum fund balance amount.

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Net Position

The Village reports restricted net position at December 31, 2019 as follows:

Governmental activities	
Restricted for	
Debt service	\$ 108,440
Economic development or property tax relief	180,364
Tax incremental district project plan expenditures	263,336
Total governmental activities restricted net position	<u>552,140</u>
Business-type activities	
Restricted for	
Sewer capital improvements	<u>376,107</u>
Total restricted net position	<u>\$ 928,247</u>

NOTE 4: OTHER INFORMATION

A. TAX INCREMENTAL FINANCING DISTRICTS

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

As of December 31, 2019, the Village has recovered all costs from tax increment revenues. The Village’s TID No. 1 has \$301,710 in tax increment revenue at December 31, 2019 to use for future TID expenditures.

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

B. WATER PURCHASE CONTRACT WITH CENTRAL BROWN COUNTY WATER AUTHORITY

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

Each Charter Member has entered into a water sales contract under which they agree to purchase wholesale water from the Authority. Rates charged to each member are billed monthly and are based on (1) operation and maintenance costs, (2) fixed costs, including debt service on the revenue bonds and (3) required Security Fund deposits. During 2019, the Village paid the Authority \$1,908,794 in accordance with the water purchase contract.

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

Village of Allouez, Wisconsin

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

C. RISK MANAGEMENT

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

D. CONTINGENCIES

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

E. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, *Leases*. The statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after June 15, 2021. The Village is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Allouez, Wisconsin

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

<u>Plan 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 (plan year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.01595205%	\$ (391,829)	\$ 1,752,012	22.36%	102.74%
12/31/15	0.01276118%	207,367	1,860,950	11.14%	98.20%
12/31/16	0.01302191%	107,332	1,946,043	5.52%	99.12%
12/31/17	0.01316939%	(391,014)	1,924,680	20.32%	102.93%
12/31/18	0.01302604%	463,425	1,950,398	23.76%	96.45%

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 (fiscal year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 126,544	\$ 126,544	\$ -	\$ 1,860,950	6.80%
12/31/16	128,439	128,439	-	1,946,043	6.60%
12/31/17	130,879	130,879	-	1,924,680	6.80%
12/31/18	130,676	130,676	-	1,950,398	6.70%
12/31/19	128,309	128,309	-	1,958,914	6.55%

See notes to required supplementary information.

Village of Allouez, Wisconsin

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS**

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered-Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/17	0.04309900%	\$ 129,667	\$ 1,924,680	6.74%	44.81%
12/31/18	0.04218400%	108,849	1,950,398	5.58%	48.69%

**SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
12/31/18	\$ 812	\$ 812	\$ -	\$ 1,950,398	0.04%
12/31/19	993	993	-	1,958,914	0.05%

See notes to required supplementary information.

Village of Allouez, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

A. WISCONSIN RETIREMENT SYSTEM

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

The Village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

B. LOCAL RETIREE LIFE INSURANCE FUND

Changes of benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop total OPEB liability changed, including the discount rate, wage inflation rate, mortality and separation rates.

The Village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

SUPPLEMENTARY INFORMATION

Village of Allouez, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
Taxes					
General property	\$ 5,060,600	\$ 5,060,600	\$ 5,060,600	\$ -	\$ 5,047,645
Room tax	4,500	4,500	5,062	562	7,197
Interest on taxes	320	320	1,211	891	977
Total taxes	<u>5,065,420</u>	<u>5,065,420</u>	<u>5,066,873</u>	<u>1,453</u>	<u>5,055,819</u>
Special assessments	<u>3,500</u>	<u>3,500</u>	<u>1,319</u>	<u>(2,181)</u>	<u>1,431</u>
Intergovernmental					
State					
State shared taxes	372,981	372,981	372,981	-	372,981
Expenditure restraint payment	102,142	102,142	102,142	-	124,045
Payment in lieu of taxes	400	400	389	(11)	393
Fire insurance	40,250	40,250	42,895	2,645	40,599
Exempt computer aid	11,265	11,265	11,312	47	11,045
Transportation	389,000	389,000	388,862	(138)	399,316
Park lands	43	43	43	-	43
Recycling	98,600	98,600	98,519	(81)	98,423
Municipal services	66,000	66,000	61,896	(4,104)	65,997
Other state aids	15,409	15,409	50,796	35,387	-
Total intergovernmental	<u>1,096,090</u>	<u>1,096,090</u>	<u>1,129,835</u>	<u>33,745</u>	<u>1,112,842</u>
Licenses and permits					
Licenses					
Liquor and malt beverages	9,750	9,750	9,250	(500)	9,729
Operators	1,600	1,600	2,365	765	2,215
Cigarette	700	700	800	100	700
Dog	2,500	2,500	2,239	(261)	2,707
Building contractors	-	-	303	303	170
Cable television	140,000	140,000	141,884	1,884	141,841
Permits					
Building	34,000	34,000	28,925	(5,075)	41,054
Electrical	7,500	7,500	5,923	(1,577)	10,010
Plumbing	5,200	5,200	4,135	(1,065)	4,656
HVAC	10,000	10,000	12,033	2,033	17,347
Street excavation	-	-	425	425	-
Zoning	2,200	2,200	2,395	195	3,720
Peddler/2nd hand	850	850	1,230	380	1,355
Other	4,845	4,845	5,136	291	3,860
Total licenses and permits	<u>219,145</u>	<u>219,145</u>	<u>217,043</u>	<u>(2,102)</u>	<u>239,364</u>
Fines and forfeits					
Court fines and penalties	90,000	90,000	57,475	(32,525)	75,437
Parking violations	7,000	7,000	10,286	3,286	7,768
False alarm penalties	1,200	1,200	1,675	475	1,525
Total fines and forfeits	<u>98,200</u>	<u>98,200</u>	<u>69,436</u>	<u>(28,764)</u>	<u>84,730</u>

Village of Allouez, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
Public charges for services					
General government	10,150	10,150	13,824	3,674	11,894
Sale of maps, plats and codes	550	550	-	(550)	52
Ambulance	50,000	50,000	40,351	(9,649)	34,690
Public works	3,100	3,100	10,214	7,114	3,762
Weed control	2,500	2,500	6,284	3,784	1,748
Recreation	84,650	84,650	83,574	(1,076)	83,910
Parks	35,250	35,250	38,709	3,459	32,874
Engineering	1,250	1,250	1,483	233	745
Forestry	1,875	1,875	11,951	10,076	1,016
Publication fees	1,200	1,200	507	(693)	883
Total public charges for services	<u>190,525</u>	<u>190,525</u>	<u>206,897</u>	<u>16,372</u>	<u>171,574</u>
Miscellaneous					
Interest on investments	27,100	27,100	51,256	24,156	25,364
Facilities use charge/rental	68,450	68,450	68,450	-	68,450
Property sales	1,000	1,000	99,050	98,050	4,045
Property lease	1	1	4	3	-
Recyclable materials	1,000	1,000	-	(1,000)	-
Insurance recoveries and dividends	10,000	10,000	13,323	3,323	17,167
Donations	5,500	5,500	6,822	1,322	7,450
Other	19,500	19,500	31,222	11,722	27,594
Total miscellaneous	<u>132,551</u>	<u>132,551</u>	<u>270,127</u>	<u>137,576</u>	<u>150,070</u>
Total revenues	<u>\$ 6,805,431</u>	<u>\$ 6,805,431</u>	<u>\$ 6,961,530</u>	<u>\$ 156,099</u>	<u>\$ 6,815,830</u>

Village of Allouez, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
General government					
Village board and committees	\$ 57,858	\$ 57,858	\$ 57,847	\$ 11	\$ 54,107
Municipal court	51,208	51,208	50,772	436	45,099
Legal counsel	45,500	45,500	25,478	20,022	37,141
Administrator	108,762	108,762	109,598	(836)	106,731
General administration	266,765	270,365	275,315	(4,950)	257,209
Clerk-treasurer	99,712	99,712	100,081	(369)	97,029
Elections	18,153	18,153	10,228	7,925	33,861
Internal accounting	94,906	94,906	94,556	350	91,736
Auditing and accounting services	9,885	9,885	6,930	2,955	6,795
Assessor	25,875	25,875	25,729	146	25,001
Village hall	89,281	106,306	85,484	20,822	89,536
Community Center building	14,318	14,318	18,605	(4,287)	9,691
Insurance	106,150	106,150	107,640	(1,490)	112,807
Tax refunds	-	-	626	(626)	3,361
Contingency	29,265	29,265	28,312	953	15,199
Other	1,000	1,000	9,724	(8,724)	9,645
Total general government	<u>1,018,638</u>	<u>1,039,263</u>	<u>1,006,925</u>	<u>32,338</u>	<u>994,948</u>
Public safety					
Police department	965,059	965,059	968,116	(3,057)	935,230
School patrol	62,519	62,519	58,306	4,213	61,240
Fire department	1,851,250	1,851,250	1,859,599	(8,349)	1,839,756
Building inspection	62,305	62,305	62,584	(279)	61,308
Code enforcement	28,516	28,516	27,655	861	21,470
Other services	2,200	2,200	432	1,768	2,150
Total public safety	<u>2,971,849</u>	<u>2,971,849</u>	<u>2,976,692</u>	<u>(4,843)</u>	<u>2,921,154</u>
Public works					
Engineering	88,709	88,709	49,179	39,530	53,525
Administration	71,343	71,343	81,173	(9,830)	117,156
Training	3,680	3,680	10,071	(6,391)	4,151
Street repairs	134,606	134,606	153,306	(18,700)	143,861
Snow and ice control	185,213	185,213	247,993	(62,780)	172,310
Signs and markings	41,918	41,918	29,264	12,654	49,908
Tree and brush control	150,687	150,687	168,402	(17,715)	135,428
Curb and gutter	10,000	10,000	9,716	284	8,710
Street reconstruction	501,000	507,500	555,666	(48,166)	524,500
Street lighting	190,000	190,000	184,227	5,773	185,620
Sidewalks	10,000	10,000	7,682	2,318	12,428
Weed control	13,128	13,128	6,712	6,416	7,896
Leaf collection	113,357	113,357	109,604	3,753	108,412
Yard waste collection	57,259	57,259	54,161	3,098	52,828
Sharps collection	250	250	308	(58)	303

Village of Allouez, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
Public works (continued)					
Recycling - curbside	137,288	137,288	122,745	14,543	119,858
Garbage collection	286,411	286,411	293,858	(7,447)	294,555
Refuse collection	112,691	112,691	123,841	(11,150)	118,190
Landfill	197,000	197,000	213,647	(16,647)	187,920
LeBrun farm	69,670	69,670	61,296	8,374	67,124
Total public works	<u>2,374,210</u>	<u>2,380,710</u>	<u>2,482,851</u>	<u>(102,141)</u>	<u>2,364,683</u>
Health and human services					
Animal control	<u>6,800</u>	<u>6,800</u>	<u>7,818</u>	<u>(1,018)</u>	<u>7,144</u>
Culture, recreation and forestry					
Administration	172,239	172,239	176,781	(4,542)	173,220
Recreation programs	80,003	80,003	74,362	5,641	78,239
Parks	409,712	409,712	423,938	(14,226)	525,426
Forestry	<u>97,867</u>	<u>102,867</u>	<u>113,486</u>	<u>(10,619)</u>	<u>88,557</u>
Total culture, recreation and forestry	<u>759,821</u>	<u>764,821</u>	<u>788,567</u>	<u>(23,746)</u>	<u>865,442</u>
Conservation and development					
Economic development	<u>88,614</u>	<u>104,114</u>	<u>90,341</u>	<u>13,773</u>	<u>68,433</u>
Capital outlay	<u>32,000</u>	<u>42,000</u>	<u>24,472</u>	<u>17,528</u>	<u>-</u>
Total expenditures	<u>\$ 7,251,932</u>	<u>\$ 7,309,557</u>	<u>\$ 7,377,666</u>	<u>\$ (68,109)</u>	<u>\$ 7,221,804</u>

Village of Allouez, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Special Revenue		
	Public Bus Service	Compensated Absences	Excess Stadium District Sales Tax
ASSETS			
Cash and investments	\$ 67,616	\$ 85,583	\$ -
Restricted cash and investments	-	-	180,364
Receivables			
Taxes	50,262	8,818	-
Due from other funds	-	-	-
Due from other governments	96,468	-	-
	<u>96,468</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 214,346</u>	<u>\$ 94,401</u>	<u>\$ 180,364</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 5,688	\$ -	\$ -
Deferred inflows of resources			
Property taxes levied for subsequent year	57,000	10,000	-
	<u>57,000</u>	<u>10,000</u>	<u>-</u>
Fund balances			
Nonspendable	96,468	-	-
Restricted	-	-	180,364
Committed	55,190	84,401	-
	<u>55,190</u>	<u>84,401</u>	<u>-</u>
Total fund balances	<u>151,658</u>	<u>84,401</u>	<u>180,364</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 214,346</u>	<u>\$ 94,401</u>	<u>\$ 180,364</u>

Capital Projects Parks Capital Improvement	Totals	
	2019	2018
	\$ 195,131	\$ 348,330
259,075	439,439	362,012
-	59,080	-
-	-	60,000
-	96,468	211,468
<u>\$ 454,206</u>	<u>\$ 943,317</u>	<u>\$ 1,019,336</u>
\$ -	\$ 5,688	\$ 190,849
-	67,000	60,000
-	96,468	96,468
259,075	439,439	299,941
195,131	334,722	372,078
454,206	870,629	768,487
<u>\$ 454,206</u>	<u>\$ 943,317</u>	<u>\$ 1,019,336</u>

Village of Allouez, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	Special Revenue		
	Public Bus Service	Compensated Absences	Excess Stadium District Sales Tax
REVENUES			
Taxes	\$ 50,000	\$ 10,000	\$ 4,486
Intergovernmental	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>50,000</u>	<u>10,000</u>	<u>4,486</u>
EXPENDITURES			
Current			
General government	-	-	-
Public works	63,721	-	-
Debt service			
Interest and fiscal charges	-	-	-
Capital outlay	-	-	4,063
Total expenditures	<u>63,721</u>	<u>-</u>	<u>4,063</u>
Excess of revenues over (under) expenditures	<u>(13,721)</u>	<u>10,000</u>	<u>423</u>
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	-	-
Transfers out	-	-	(120,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(120,000)</u>
Net change in fund balances	<u>(13,721)</u>	<u>10,000</u>	<u>(119,577)</u>
Fund balances - January 1	<u>165,379</u>	<u>74,401</u>	<u>299,941</u>
Fund balances - December 31	<u>\$ 151,658</u>	<u>\$ 84,401</u>	<u>\$ 180,364</u>

Capital Projects Parks Capital Improvement	Totals	
	2019	2018
\$ -	\$ 64,486	\$ 100,268
-	-	115,000
6,000	6,000	158,617
<u>6,000</u>	<u>70,486</u>	<u>373,885</u>
-	-	24,645
-	63,721	51,060
3,136	3,136	-
47,424	51,487	456,669
<u>50,560</u>	<u>118,344</u>	<u>532,374</u>
<u>(44,560)</u>	<u>(47,858)</u>	<u>(158,489)</u>
270,000	270,000	-
-	(120,000)	(14,250)
<u>270,000</u>	<u>150,000</u>	<u>(14,250)</u>
225,440	102,142	(172,739)
<u>228,766</u>	<u>768,487</u>	<u>941,226</u>
<u>\$ 454,206</u>	<u>\$ 870,629</u>	<u>\$ 768,487</u>

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS



Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the Village Board
Village of Allouez, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Allouez, Wisconsin, (the "Village") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated September 30, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin
September 30, 2020