

CITY OF DE PERE, WISCONSIN
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2015

CITY OF DE PERE, WISCONSIN

December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of De Pere, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of De Pere, Wisconsin ("the City") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2015, 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 discussed in Note D.9, the City recorded a prior period adjustment of \$659,831 in the proprietary fund and government-wide financial statements to properly record the sale of the City's wastewater treatment plant. Our opinions are not modified with respect to this matter.

As discussed in Note D.10 the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and the schedules relating to pensions and other post-employment benefits on pages 53 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.

Other Information

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

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

Report on Summarized Financial Information

We have previously audited the City of De Pere's 2014 financial statements, and our report dated August 11, 2015, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Certified Public Accountants
Green Bay, Wisconsin
July 29, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis December 31, 2015

As management of the City of De Pere, Wisconsin, we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2015 by \$96,947,984 (*net position*). Of this amount, \$11,676,423 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$9,749,284. The main factor contributing to the overall increase as follows:
 - Cumulative effort of change in accounting principle of \$4,328,518.
 - Decrease in public works net expense of \$1,932,288.
 - Excess stadium sales tax collections of \$1,249,256.
- Total property taxes increased 6.0% per \$1,000 of property value for the year ended December 31, 2015.
- As of December 31, 2015, the City's governmental funds reported combined ending fund balances of \$14,401,381, a decrease of \$706,730 in comparison with the prior year. Approximately 35% of this total amount, \$5,019,950 is *available for spending* at the City's discretion (*unassigned fund balance*).
- As of December 31, 2015, unassigned fund balance for the general fund was \$5,259,140, or approximately 32% of total general fund expenditures.
- The City's total general-obligation debt increased by \$645,000 (1.9%) during 2015. The key factor in this increase was the issuance of \$8,285,000 to refinance 2005 debt issuances (\$2,045,000) and for public improvements (\$6,240,000) while the City paid principal on debt of \$7,640,000 in 2015.

Overview of the Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 24 - 52 of this report.

Other information. Required supplementary information relating to pensions and other postemployment benefits and the combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the notes to the basic financial statements. These statements and schedules can be found on pages 53 - 68.

Government-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$95,947,984 at the close of 2015.

City of De Pere's Net Position (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 34,301	\$ 32,749	\$ 5,381	\$ 7,283	\$ 39,682	\$ 40,032
Capital assets	64,585	62,194	47,764	40,890	112,349	103,084
Total Assets	98,886	94,943	53,145	48,173	152,031	143,116
Deferred Outflows of Resources	2,047	-	188	-	2,235	-
Other liabilities	2,328	1,995	1,732	1,688	4,060	3,683
Long-term liabilities outstanding	35,398	36,468	4,300	2,595	39,698	39,063
Total Liabilities	37,726	38,463	6,032	4,283	43,758	42,746
Deferred Inflows of Resources	14,560	14,171	-	-	14,560	14,171
Net Position						
Net Investment in Capital Assets	32,833	29,611	43,709	40,891	76,542	70,502
Restricted	7,377	2,602	353	-	7,730	2,602
Unrestricted	8,437	10,096	3,239	2,999	11,676	13,095
Total Net Assets	\$ 48,647	\$ 42,309	\$ 47,301	\$ 43,890	\$ 95,948	\$ 86,199

By far the largest portion of the City's net position (80%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$11,676,423) may be used to meet the City's ongoing obligations to citizens and creditors.

Change in net position. Governmental activities increased the City's net position by \$2,344,695, while business-type activities increased \$3,076,071. Key elements of the changes in net position are as follows:

City of De Pere's Change in Net Position						
(In thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for services	\$ 3,170	\$ 3,043	\$ 16,222	\$ 15,415	\$ 19,392	\$ 18,458
Operating grants and contributions	1,467	1,469	-	-	1,467	1,469
Capital grants and contributions	1,036	871	1,582	-	2,618	871
General Revenues						
Property taxes	14,200	13,398	-	-	14,200	13,398
Other taxes	1,587	513	-	-	1,587	513
Grants and contributions not restricted to specific programs	2,111	2,046	-	-	2,111	2,046
Other	384	645	75	81	459	726
Total Revenues	23,955	21,985	17,879	15,496	41,834	37,481
Expenses						
General government	1,653	1,931	-	-	1,653	1,931
Public safety	8,540	8,537	-	-	8,540	8,537
Public works and sanitation	7,126	8,962	-	-	7,126	8,962
Health and human services	486	363	-	-	486	363
Culture and recreation	2,416	2,663	-	-	2,416	2,663
Conservation and development	1,010	504	-	-	1,010	504
Interest on long-term debt	1,101	1,228	-	-	1,101	1,228
Water utility	-	-	5,264	5,400	5,264	5,400
Wastewater Collection	-	-	7,921	7,511	7,921	7,511
Stormwater utility	-	-	897	1,087	897	1,087
Total Expenses	22,332	24,188	14,082	13,998	36,414	38,186
Change in Net Position Before Transfers	1,623	(2,203)	3,797	1,498	5,420	(705)
Transfers	721	707	(721)	(707)	-	-
Change in Net Position	2,344	(1,496)	3,076	791	5,420	(705)
Cumulative Effect of Change in						
Accounting Principle	3,994	-	335	-	4,329	-
Prior Period Adjustment	-	-	-	(660)	-	(660)
Net Position - January 1	42,309	43,805	43,890	43,759	86,199	87,564
Net Position - December 31	\$ 48,647	\$ 42,309	\$ 47,301	\$ 43,890	\$ 95,948	\$ 86,199

Property taxes increased by \$801,000 (6%) during the year.

Financial Analysis of the City's Funds

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

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

As of December 31, 2015, the City's governmental funds reported combined ending fund balances of \$14,401,381, a decrease of \$706,730 in comparison with the prior year. Approximately 35% of this amount (\$5,019,950) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is either restricted (\$7,631,634) or committed (\$1,240,385) or it is nonspendable (\$509,412).

The general fund is the main operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$5,259,140, while total fund balance reached \$7,126,148. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32% of total general fund expenditures, while total fund balance represents 44% of that same amount.

The fund balance of the City's general fund increased by \$1,392,179 during the current year. The key factor in this increase was due to an excess stadium tax collection of \$1,249,256.

The debt service fund has a total fund balance of \$629,584. This fund balance represents 7% of total debt service fund expenditures. The City spent \$1,831,576 of the total to retire a 2004 debt issue.

The public improvements fund has a total fund balance of \$924,692. This decreased by \$1,456,240 during the current year.

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

Unrestricted net position of the water utility fund at the end of the year amounted to \$901,742. The total increase in net position was \$708,239.

Unrestricted net position of the wastewater treatment plant fund at the end of the year amounted to \$1,497,666.

Unrestricted net position of the wastewater utility fund at the end of the year was a deficit of \$224,408. The total increase in net position was \$2,140,039.

Unrestricted net position of the stormwater utility fund at the end of the year amounted to \$1,189,603. The total increase in net position was \$516,381.

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

General Fund Budgetary Highlights

Generally the original budget is modified in small amounts. The City allocated a total of \$113,693 from the contingency account to various expenditure accounts in the general fund as approved by the City Council.

During the year, actual revenues were more than budgeted revenues by \$1,173,434 primarily due to an excess stadium tax collection of \$1,249,256. Actual expenditures were less than budgeted expenditures by \$239,529 primarily in general government, public works, and culture and recreation.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2015 amounts to \$12,349,536 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, infrastructure (highways and bridges), and construction in progress. The total increase in the City's investment in capital assets for the current year was \$7,924,777 or 7.59% over last year.

City of De Pere's Capital Assets (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 9,878	\$ 8,445	\$ 53	\$ 53	\$ 9,931	\$ 8,498
Land improvements	5,978	5,850	-	-	5,978	5,850
Buildings	11,301	11,301	892	892	12,193	12,193
Machinery and equipment	3,689	3,265	5,979	5,472	9,668	8,737
Vehicles	5,509	6,770	-	-	5,509	6,770
Infrastructure	71,866	70,054	63,571	58,545	135,437	128,599
Accumulated depreciation	(43,636)	(43,491)	(22,731)	(21,731)	(66,367)	(65,222)
Net Capital Assets	\$ 64,585	\$ 62,194	\$ 47,764	\$ 43,231	\$ 112,349	\$ 105,425

Long-term debt. At the end of the current fiscal year, the City had total general obligation debt outstanding of \$35,020,000. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of De Pere's Outstanding Debt						
General Obligation Debt and Revenue Bonds						
(in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General Obligation Debt						
Bonds	\$ 24,090	\$ 30,730	\$ -	\$ -	\$ 24,090	\$ 30,730
Notes	8,915	3,645	2,015	-	10,930	3,645
Total General Obligation Debt	33,005	34,375	2,015	-	35,020	34,375
Revenue bonds	-	-	2,040	2,340	2,040	2,340
Total	\$ 33,005	\$ 34,375	\$ 4,055	\$ 2,340	\$ 37,060	\$ 36,715

The City's total general obligation debt increased by \$645,000 (2%) during the current fiscal year. The key factor in this increase was the newly incurred debt was more than debt retirements.

The City maintains an Aa3 rating from Moody's Investors Service for its general obligation debt.

State statutes limit the amount of general obligation debt the City may issue to 5% of its total equalized valuation. The current debt limitation for the City is \$91,716,355 which is significantly in excess of the City's \$35,020,000 in outstanding general obligation debt.

Economic Factors and Next Year's Budgets and Rates

- The economic condition and outlook of the City has remained fairly stable based on a relatively healthy mix of manufacturing, tourism, service industry, retail, and farming activities which support our tax base.
- Inflationary trends in our region compare favorably to national indices.
- During the current year, unassigned fund balance in the general fund increased by \$80,376 to \$5,259,140.

All of these factors were considered in preparing the City's budget for the 2016 fiscal year.

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS

CITY OF DE PERE, WISCONSIN

Statement of Net Position

December 31, 2015

(With summarized financial information as of December 31, 2014)

	Governmental Activities	Business-type Activities	Totals	
			2015	2014
ASSETS				
Cash and investments	\$ 12,606,762	\$ 1,329,321	\$ 13,936,083	\$ 13,109,680
Receivables				
Taxes	14,571,445	-	14,571,445	14,474,146
Accounts	385,053	3,876,943	4,261,996	3,984,629
Special assessments	771,555	-	771,555	1,055,772
Loans	335,305	-	335,305	445,764
Other	-	140,781	140,781	143,141
Internal balances	1,814,885	(1,814,885)	-	-
Due from other governments	-	1,422,421	1,422,421	1,507,530
Inventories and prepaid items	222,723	24,643	247,366	314,046
Restricted assets				
Cash and investments	1,629,504	236,310	1,865,814	2,618,568
Net pension asset	1,963,426	164,712	2,128,138	-
Other assets - post employment benefits	-	-	-	38,036
Capital assets, nondepreciable				
Land	9,878,041	53,207	9,931,248	8,497,805
Capital assets, depreciable				
Land improvements	5,977,759	-	5,977,759	5,849,781
Buildings and improvements	11,301,100	892,181	12,193,281	12,193,281
Machinery and equipment	9,197,746	5,979,452	15,177,198	15,506,827
Infrastructure	71,866,345	63,571,059	135,437,404	128,599,219
Less: Accumulated depreciation	(43,635,952)	(22,731,402)	(66,367,354)	(65,222,157)
TOTAL ASSETS	98,885,697	53,144,743	152,030,440	143,116,068
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	2,047,122	187,929	2,235,051	-
LIABILITIES				
Accounts and claims payable	1,209,524	1,703,132	2,912,656	2,064,626
Short-term notes payable	147,000	-	147,000	-
Accrued and other current liabilities	754,477	8,757	763,234	1,279,291
Due to other governments	96,138	-	96,138	876
Accrued interest payable	118,878	19,233	138,111	116,644
Unearned revenue	2,789	-	2,789	221,246
Long-term obligations				
Due within one year	4,451,730	650,000	5,101,730	5,947,802
Due in more than one year	30,945,774	3,650,494	34,596,268	33,115,645
TOTAL LIABILITIES	37,726,310	6,031,616	43,757,926	42,746,130
DEFERRED INFLOWS OF RESOURCES				
Property taxes	14,559,581	-	14,559,581	14,171,238
NET POSITION				
Net investment in capital assets	32,833,309	43,709,497	76,542,806	70,501,954
Restricted for				
Debt service	629,584	-	629,584	793,568
Property tax relief and economic development	1,249,256	-	1,249,256	-
Loans	1,367,033	-	1,367,033	1,704,380
Recreation scholarship	21,726	-	21,726	20,427
Park land acquisition	97,967	-	97,967	83,102
Pension benefits	4,010,548	352,641	4,363,189	-
Unrestricted	8,437,505	3,238,918	11,676,423	13,095,269
TOTAL NET POSITION	\$ 48,646,928	\$ 47,301,056	\$ 95,947,984	\$ 86,198,700

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

CITY OF DE PERE, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,652,656	\$ 335,830	\$ -	\$ -
Public safety	8,540,229	1,392,284	100,490	-
Public works	6,436,592	845,183	1,197,037	869,894
Sanitation	689,329	-	99,220	-
Health and human services	486,236	5,292	65,973	-
Culture and recreation	2,416,268	544,589	4,740	142,525
Conservation and development	1,010,095	47,255	-	23,862
Interest on debt	1,100,807	-	-	-
Total Governmental Activities	22,332,212	3,170,433	1,467,460	1,036,281
Business-type Activities				
Water utility	5,263,633	6,287,711	-	-
Wastewater treatment	-	-	-	-
Wastewater collection	7,921,923	8,613,067	-	1,582,009
Stormwater utility	897,247	1,321,246	-	-
Total Business-type Activities	14,082,803	16,222,024	-	1,582,009
Total	\$ 36,415,015	\$ 19,392,457	\$ 1,467,460	\$ 2,618,290

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for capital projects

Property tax increments

Other taxes and franchise fees

Excess stadium sales tax

Federal and state grants and other contributions

not restricted to specific functions

Interest and investment earnings

Miscellaneous

Gain on sale of assets

Transfers

Total general revenues and transfers

Change in net position

Net position - January 1, as originally stated

Prior period adjustment

Cumulative effect of change in accounting principle

Net position - January 1, restated

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	
		2015	2014
\$ (1,316,826)	\$ -	\$ (1,316,826)	\$ (1,662,399)
(7,047,455)	-	(7,047,455)	(7,135,884)
(3,524,478)	-	(3,524,478)	(5,456,766)
(590,109)	-	(590,109)	(681,367)
(414,971)	-	(414,971)	(301,280)
(1,724,414)	-	(1,724,414)	(2,060,611)
(938,978)	-	(938,978)	(346,774)
(1,100,807)	-	(1,100,807)	(1,160,015)
<u>(16,658,038)</u>	<u>-</u>	<u>(16,658,038)</u>	<u>(18,805,096)</u>
-	1,024,078	1,024,078	744,414
-	-	-	(8,262)
-	2,273,153	2,273,153	545,508
-	423,999	423,999	134,425
<u>-</u>	<u>3,721,230</u>	<u>3,721,230</u>	<u>1,416,085</u>
<u>(16,658,038)</u>	<u>3,721,230</u>	<u>(12,936,808)</u>	<u>(17,389,011)</u>
7,932,835	-	7,932,835	7,751,706
1,656,282	-	1,656,282	1,500,164
1,643,276	-	1,643,276	1,591,936
2,967,764	-	2,967,764	2,553,529
338,185	-	338,185	513,388
1,249,256	-	1,249,256	-
2,110,668	-	2,110,668	2,046,092
163,810	75,376	239,186	166,640
141,851	-	141,851	559,225
78,271	-	78,271	-
720,535	(720,535)	-	-
<u>19,002,733</u>	<u>(645,159)</u>	<u>18,357,574</u>	<u>16,682,680</u>
<u>2,344,695</u>	<u>3,076,071</u>	<u>5,420,766</u>	<u>(706,331)</u>
42,308,730	43,889,970	86,198,700	87,564,862
-	-	-	(659,831)
<u>3,993,503</u>	<u>335,015</u>	<u>4,328,518</u>	<u>-</u>
<u>46,302,233</u>	<u>44,224,985</u>	<u>90,527,218</u>	<u>86,905,031</u>
<u>\$ 48,646,928</u>	<u>\$ 47,301,056</u>	<u>\$ 95,947,984</u>	<u>\$ 86,198,700</u>

CITY OF DE PERE, WISCONSIN
 Balance Sheet
 Governmental Funds
 December 31, 2015
 (With summarized financial information as of December 31, 2014)

	General	Debt Service	Capital Projects - Public Improvements	TID No.6
ASSETS				
Cash and investments	\$ 5,705,796	\$ -	\$ 1,485,752	\$ 2,606,409
Receivables				
Taxes	7,982,544	1,837,313	700,000	1,788,033
Accounts	338,805	-	18,040	-
Special assessments	229,295	-	542,260	-
Loans	-	-	-	-
Due from other funds	1,970,468	-	-	-
Advance to other funds	60,000	-	-	-
Due from other governments	3	-	-	-
Inventories and prepaid items	222,723	-	-	-
Restricted assets				
Cash and investments	-	629,584	-	-
TOTAL ASSETS	\$ 16,509,634	\$ 2,466,897	\$ 2,746,052	\$ 4,394,442
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 509,241	\$ -	\$ 579,104	\$ -
Short-term notes payable	147,000	-	-	-
Accrued and other current liabilities	753,776	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	95,976	-
Unearned revenues	2,789	-	-	-
Total Liabilities	1,412,806	-	675,080	-
Deferred Inflows of Resources				
Property taxes	7,970,680	1,837,313	700,000	1,788,033
Special assessments	-	-	446,280	-
Loans receivable	-	-	-	-
Total Deferred Inflows of Resources	7,970,680	1,837,313	1,146,280	1,788,033
Fund Balances				
Nonspendable for				
Inventories and prepaid items	222,723	-	-	-
Special assessments	226,689	-	-	-
Advances to other funds	60,000	-	-	-
Restricted for				
Debt service	-	629,584	-	-
Property tax relief and economic development	1,249,256	-	-	-
Loans	-	-	-	-
Recreation scholarship	21,726	-	-	-
Park land acquisition	-	-	-	-
Tax increment district projects	-	-	-	2,606,409
Committed for				
Subsequent years' expenditures	86,614	-	-	-
Capital outlay	-	-	924,692	-
Unassigned				
General fund	5,259,140	-	-	-
Special revenue fund	-	-	-	-
Capital projects funds	-	-	-	-
Total Fund Balances	7,126,148	629,584	924,692	2,606,409
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 16,509,634	\$ 2,466,897	\$ 2,746,052	\$ 4,394,442

(Continued)

Nonmajor Governmental Funds	Total Governmental Funds	
	2015	2014
\$ 2,379,441	\$ 12,177,398	\$ 11,758,228
2,263,555	14,571,445	14,474,146
28,043	384,888	402,730
-	771,555	1,055,772
335,305	335,305	445,764
-	1,970,468	1,321,514
-	60,000	60,000
-	3	-
-	222,723	289,045
999,920	1,629,504	2,618,568
<u>\$ 6,006,264</u>	<u>\$ 32,123,289</u>	<u>\$ 32,425,767</u>

\$ 10,887	\$ 1,099,232	\$ 910,566
-	147,000	-
701	754,477	675,466
281,268	281,268	225,044
-	95,976	876
-	2,789	5,210
<u>292,856</u>	<u>2,380,742</u>	<u>1,817,162</u>

2,263,555	14,559,581	14,171,238
-	446,280	883,491
335,305	335,305	445,765
<u>2,598,860</u>	<u>15,341,166</u>	<u>15,500,494</u>

-	222,723	289,045
-	226,689	79,362
-	60,000	60,000
-	629,584	2,618,568
-	1,249,256	-
1,031,729	1,031,729	1,258,617
-	21,726	20,427
97,967	97,967	83,102
1,994,963	4,601,372	3,065,072
130,040	216,654	171,987
99,039	1,023,731	2,481,064
-	5,259,140	5,178,764
(66,331)	(66,331)	(18,592)
(172,859)	(172,859)	(179,305)
<u>3,114,548</u>	<u>14,401,381</u>	<u>15,108,111</u>

<u>\$ 6,006,264</u>	<u>\$ 32,123,289</u>	<u>\$ 32,425,767</u>
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CITY OF DE PERE, WISCONSIN
 Balance Sheet (Continued)
 Governmental Funds
 December 31, 2015
 (With summarized financial information as of December 31, 2014)

<u>Reconciliation to the Statement of Net Position</u>	2015	2014
Total Fund Balances as shown on previous page	\$ 14,401,381	\$ 15,108,111
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.	64,585,039	62,194,133
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	781,585	1,113,220
Benefit plan payments in excess of actuarially determined costs for post-employment benefits are not financial resources; therefore, are not reported in the fund financial statements.	(61,918)	38,036
The City's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:		
Net pension asset	\$ 1,963,426	
Deferred outflows of resources	<u>2,047,122</u>	4,010,548
		-
Internal service funds are used by management to charge the costs of health and dental insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	384,757	432,633
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	\$ (33,005,000)	
Capital leases payable	(96,730)	
Compensated absences	(1,588,760)	
Bond premium	(645,096)	
Accrued interest on long-term obligations	<u>(118,878)</u>	<u>(35,454,464)</u>
		<u>(36,577,403)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 10)	<u>\$ 48,646,928</u>	<u>\$ 42,308,730</u>

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

CITY OF DE PERE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	General	Debt Service	Capital Projects - Public Improvements	TID No.6
Revenues				
Taxes	\$ 9,240,762	\$ 1,656,282	\$ 943,276	\$ 1,792,174
Special assessments	-	-	645,819	-
Intergovernmental	2,986,084	34,200	263,750	7,485
Licenses and permits	582,954	-	-	-
Fines and forfeits	190,859	-	-	-
Public charges for services	1,431,182	-	-	-
Intergovernmental charges for services	1,296,225	-	-	-
Miscellaneous	212,305	-	53	695
Total Revenues	15,940,371	1,690,482	1,852,898	1,800,354
Expenditures				
Current				
General government	1,704,347	-	-	-
Public safety	8,574,280	-	-	-
Public works	2,357,659	-	-	-
Sanitation	689,701	-	-	-
Health and human services	483,832	-	-	-
Culture and recreation	2,076,918	-	-	-
Conservation and development	312,864	-	-	116,750
Debt service				
Principal	-	7,640,000	-	-
Interest and fiscal charges	-	1,091,800	14,996	26,918
Capital outlay	-	-	4,639,108	1,278,794
Total Expenditures	16,199,601	8,731,800	4,654,104	1,422,462
Excess (Deficiency) of Revenues Over (Under) Expenditures	(259,230)	(7,041,318)	(2,801,206)	377,892
Other Financing Sources (Uses)				
Long-term debt issued	-	2,045,000	1,425,000	2,550,000
Debt premium	-	74,258	44,966	108,494
Capital leases	96,730	-	-	-
Sale of capital assets	35,644	-	-	110,425
Transfers in	1,519,035	2,933,076	-	-
Transfers out	-	-	(125,000)	(1,181,730)
Total Other Financing Sources (Uses)	1,651,409	5,052,334	1,344,966	1,587,189
Net Change in Fund Balances	1,392,179	(1,988,984)	(1,456,240)	1,965,081
Fund Balances - January 1	5,733,969	2,618,568	2,380,932	641,328
Fund Balances - December 31	\$ 7,126,148	\$ 629,584	\$ 924,692	\$ 2,606,409

(Continued)

Nonmajor Governmental Funds	Total Governmental Funds	
	2015	2014
\$ 1,875,590	\$ 15,508,084	\$ 13,635,043
-	645,819	777,603
296,976	3,588,495	3,723,556
111,806	694,760	572,167
-	190,859	189,673
11,460	1,442,642	1,336,180
-	1,296,225	1,195,929
306,417	519,470	982,850
<u>2,602,249</u>	<u>23,886,354</u>	<u>22,413,001</u>
-	1,704,347	1,618,516
-	8,574,280	8,489,787
-	2,357,659	2,329,539
-	689,701	778,083
-	483,832	357,251
133,117	2,210,035	2,093,908
409,520	839,134	597,461
-	7,640,000	3,710,000
2,636	1,136,350	1,314,712
509,094	6,426,996	6,539,648
<u>1,054,367</u>	<u>32,062,334</u>	<u>27,828,905</u>
<u>1,547,882</u>	<u>(8,175,980)</u>	<u>(5,415,904)</u>
250,000	6,270,000	3,605,000
8,198	235,916	-
-	96,730	68,047
-	146,069	-
-	4,452,111	4,862,518
<u>(2,424,846)</u>	<u>(3,731,576)</u>	<u>(4,155,721)</u>
<u>(2,166,648)</u>	<u>7,469,250</u>	<u>4,379,844</u>
(618,766)	(706,730)	(1,036,060)
<u>3,733,314</u>	<u>15,108,111</u>	<u>16,144,171</u>
<u>\$ 3,114,548</u>	<u>\$ 14,401,381</u>	<u>\$ 15,108,111</u>

CITY OF DE PERE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

<u>Reconciliation to the Statement of Activities</u>	2015	2014
Net Change in Fund Balances as shown on previous page	\$ (706,730)	\$ (1,036,060)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	\$ 5,118,226	
Depreciation expense reported in the statement of activities	<u>(2,659,522)</u>	
Amount by which capital additions are greater than depreciation in current period	2,458,704	239,416
Some capital assets acquired during the year were financed with a capital lease. The amount of the capital lease is reported in the governmental funds as a source of financing. In the statement of net position, however, capital leases constitute a long-term liability. The amount of capital leases reported in the governmental statement is:	(96,730)	-
In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.		
Net book value of assets disposed of	(67,798)	(264,726)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits (increased) decreased by:	(82,714)	6,903
Change in the net pension asset and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan	17,045	-
Internal service funds are used by management to charge the costs of health and dental insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(47,876)	(171,601)
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.	(331,635)	(377,720)
The issuance of long-term debt provides current financial resources to governmental funds, but is reported as an increase in long-term debt in the statement of net position and does not affect the statement of activities. amount of debt issued in the current year is:	(6,270,000)	(3,605,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year, including \$32,802 of capital lease payments in current expenditures, is:	7,672,802	3,745,245
Bond premiums issued are reported in the governmental funds as an other financing source. In the statement of activities, these costs are capitalized and amortized over the life of the bonds.	(190,709)	(92,190)
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.	(9,664)	59,058
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 11 - 12)	<u>\$ 2,344,695</u>	<u>\$ (1,496,675)</u>

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

CITY OF DE PERE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 7,979,237	\$ 7,979,237	\$ 9,240,762	\$ 1,261,525
Intergovernmental	3,010,585	3,010,585	2,986,084	(24,501)
Licenses and permits	530,985	530,985	582,954	51,969
Fines and forfeits	199,500	199,500	190,859	(8,641)
Public charges for services	1,485,601	1,485,601	1,431,182	(54,419)
Intergovernmental charges for services	1,295,732	1,295,732	1,296,225	493
Miscellaneous	265,297	265,297	212,305	(52,992)
Total Revenues	14,766,937	14,766,937	15,940,371	1,173,434
Expenditures				
Current				
General government	1,721,163	1,733,485	1,704,347	29,138
Public safety	8,496,470	8,515,581	8,574,280	(58,699)
Public works	2,532,079	2,536,734	2,357,659	179,075
Sanitation	636,300	636,300	689,701	(53,401)
Health and human services	487,480	487,480	483,832	3,648
Culture and recreation	2,188,484	2,239,189	2,076,918	162,271
Conservation and development	263,461	290,361	312,864	(22,503)
Total Expenditures	16,325,437	16,439,130	16,199,601	239,529
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,558,500)	(1,672,193)	(259,230)	1,412,963
Other Financing Sources				
Capital leases	-	-	96,730	96,730
Sale of capital assets	-	-	35,644	35,644
Transfers in	1,558,500	1,558,500	1,519,035	(39,465)
Total Other Financing Sources	1,558,500	1,558,500	1,651,409	92,909
Net Change in Fund Balance	-	(113,693)	1,392,179	1,505,872
Fund Balance - January 1	5,733,969	5,733,969	5,733,969	-
Fund Balance - December 31	\$ 5,733,969	\$ 5,620,276	\$ 7,126,148	\$ 1,505,872

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

CITY OF DE PERE, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2015
(With summarized financial information as of December 31, 2014)

	Enterprise Funds					Governmental	
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals		Activities - Internal Service Funds
					2015	2014	
ASSETS							
Cash and investments	\$ -	\$ 75,245	\$ -	\$ 1,254,076	\$ 1,329,321	\$ 878,004	\$ 429,364
Receivables							
Accounts	1,780,416	-	2,096,527	-	3,876,943	3,581,899	-
Other	140,781	-	-	-	140,781	143,141	-
Due from other governments	-	1,422,421	-	-	1,422,421	1,507,530	-
Inventories and prepaid items	24,643	-	-	-	24,643	25,001	-
Restricted assets							
Cash and investments	236,310	-	-	-	236,310	-	-
Net pension asset	60,054	-	60,128	44,530	164,712	-	-
Capital assets, nondepreciable							
Land	53,207	-	-	-	53,207	53,207	-
Capital assets, depreciable							
Buildings and improvements	892,181	-	-	-	892,181	892,181	-
Machinery and equipment	4,215,557	-	1,433,945	329,950	5,979,452	5,471,704	-
Infrastructure	23,458,646	-	24,037,025	16,075,388	63,571,059	58,545,075	-
Less: Accumulated depreciation	(6,250,024)	-	(9,814,446)	(6,666,932)	(22,731,402)	(21,731,544)	-
TOTAL ASSETS	24,611,771	1,497,666	17,813,179	11,037,012	54,959,628	49,366,198	429,364
DEFERRED OUTFLOWS OF RESOURCES							
Pension related deferred outflows	75,672	-	64,615	47,642	187,929	-	-
LIABILITIES							
Accounts and claims payable	603,811	-	1,085,424	13,897	1,703,132	1,671,314	110,292
Accrued and other current liabilities	3,833	-	2,749	2,175	8,757	9,020	-
Accrued interest payable	6,477	-	12,756	-	19,233	7,430	-
Due to other funds	618,583	-	1,070,617	-	1,689,200	1,096,470	60,000
Long-term obligations							
Due within one year	310,000	-	340,000	-	650,000	300,000	-
Due in more than one year	1,777,704	-	1,824,389	48,401	3,650,494	2,295,258	-
TOTAL LIABILITIES	3,320,408	-	4,335,935	64,473	7,720,816	5,379,492	170,292
NET POSITION							
Net investment in capital assets	20,329,567	-	13,641,524	9,738,406	43,709,497	40,890,623	-
Restricted for							
Pension benefits	135,726	-	124,743	92,172	352,641	-	-
Unrestricted	901,742	1,497,666	(224,408)	1,189,603	3,364,603	3,096,083	259,072
TOTAL NET POSITION	\$ 21,367,035	\$ 1,497,666	\$ 13,541,859	\$ 11,020,181	47,426,741	43,986,706	\$ 259,072
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds					(125,685)	(96,736)	
Net position of business-type activities as reported on the Statement of Net Position (page 10)					<u>\$ 47,301,056</u>	<u>\$ 43,889,970</u>	

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

CITY OF DE PERE, WISCONSIN
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Enterprise Funds					Governmental Activities - Internal Service Funds	
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals		
					2015		2014
Operating Revenues							
Charges for services	\$ 5,916,334	\$ -	\$ 5,207,936	\$ 1,321,246	\$ 12,445,516	\$ 11,775,870	\$ 2,863,062
Other	371,377	-	3,405,131	-	3,776,508	3,639,250	-
Total Operating Revenues	6,287,711	-	8,613,067	1,321,246	16,222,024	15,415,120	2,863,062
Operating Expenses							
Claims and administrative fees	-	-	-	-	-	-	2,940,064
Operation and maintenance	4,575,374	-	7,200,607	540,934	12,316,915	12,282,282	-
Depreciation	542,510	-	673,497	354,503	1,570,510	1,455,630	-
Taxes	46,350	-	-	-	46,350	49,076	-
Total Operating Expenses	5,164,234	-	7,874,104	895,437	13,933,775	13,786,988	2,940,064
Operating Income (Loss)	1,123,477	-	738,963	425,809	2,288,249	1,628,132	(77,002)
Nonoperating Revenues (Expenses)							
Interest income	-	75,376	-	-	75,376	81,056	177
Interest and fiscal charges	(88,565)	-	(31,514)	-	(120,079)	(107,308)	-
Total Nonoperating Revenues (Expenses)	(88,565)	75,376	(31,514)	-	(44,703)	(26,252)	177
Income (Loss) Before Contributions and Transfers	1,034,912	75,376	707,449	425,809	2,243,546	1,601,880	(76,825)
Capital contributions	-	-	1,582,009	-	1,582,009	-	-
Transfers out	(448,820)	-	(271,715)	-	(720,535)	(706,797)	-
Total Contributions and Transfers	(448,820)	-	1,310,294	-	861,474	(706,797)	-
Change in Net Position	586,092	75,376	2,017,743	425,809	3,105,020	895,083	(76,825)
Net Position - January 1 as originally stated	20,658,796	1,422,290	11,401,820	10,503,800	43,986,706	43,751,454	335,897
Prior Period Adjustment	-	-	-	-	-	(659,831)	-
Cumulative Effect of Change in Accounting Principle	122,147	-	122,296	90,572	335,015	-	-
Net Position - January 1, restated	20,780,943	1,422,290	11,524,116	10,594,372	44,321,721	43,091,623	335,897
Net Position - December 31	\$ 21,367,035	\$ 1,497,666	\$ 13,541,859	\$ 11,020,181	\$ 47,426,741	\$ 43,986,706	\$ 259,072
Change in Net Position per above					\$ 3,105,020	\$ 895,083	
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds					(28,949)	(104,739)	
Change in net position of business-type activities as reported on the Statement of Activities (pages 11-12)					\$ 3,076,071	\$ 790,344	

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

CITY OF DE PERE, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Enterprise Funds					Governmental Activities - Internal Service Funds	
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals		
					2015		2014
Cash Flows from Operating Activities							
Cash received from user charges	\$ 6,191,007	\$ -	8,417,087	\$ 1,321,246	\$ 15,929,340	\$ 15,178,340	\$ -
Cash received from interfund services provided	71,749	-	(71,749)	-	-	-	2,863,062
Cash payments to suppliers	(3,968,625)	-	(6,548,992)	(149,704)	(10,667,321)	(10,701,344)	(2,907,323)
Cash payments to employees	(817,555)	-	(567,207)	(394,693)	(1,779,455)	(1,559,755)	-
Net Cash Provided (Used) by Operating Activities	1,476,576	-	1,229,139	776,849	3,482,564	2,917,241	(44,261)
Cash Flows from Noncapital Financing Activities							
Changes in assets and liabilities							
Due to other funds	618,583	(85,240)	59,387	-	592,730	15,694	-
Transfers out	(448,820)	-	(271,715)	-	(720,535)	(706,797)	-
Net Cash Provided (Used) by Noncapital Financing Activities	169,763	(85,240)	(212,328)	-	(127,805)	(691,103)	-
Cash Flows from Capital and Related Financing Activities							
Acquisition of capital assets	(1,066,114)	-	(3,101,087)	(355,171)	(4,522,372)	(2,934,436)	-
Proceeds of long-term debt	-	-	2,015,000	-	2,015,000	-	-
Debt premium from proceeds	-	-	90,572	-	90,572	-	-
Proceeds from sale of treatment plant	-	85,109	-	-	85,109	160,485	-
Principal payments on long-term debt	(300,000)	-	-	-	(300,000)	(285,000)	-
Debt issuance costs paid	-	-	(21,296)	-	(21,296)	-	-
Interest payments on long-term debt	(89,521)	-	-	-	(89,521)	(108,212)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,455,635)	85,109	(1,016,811)	(355,171)	(2,742,508)	(3,167,163)	-
Cash Flows from Investing Activities							
Investment income	-	75,376	-	-	75,376	-	177
Change in Cash and Cash Equivalents	190,704	75,245	-	421,678	687,627	(941,025)	(44,084)
Cash and Cash Equivalents - January 1	45,606	-	-	832,398	878,004	1,819,029	473,448
Cash and Cash Equivalents - December 31	\$ 236,310	\$ 75,245	\$ -	\$ 1,254,076	\$ 1,565,631	\$ 878,004	\$ 429,364
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ 1,123,477	\$ -	\$ 738,963	\$ 425,809	\$ 2,288,249	\$ 1,628,132	\$ (77,002)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	542,510	-	673,497	354,503	1,570,510	1,455,630	-
Depreciation charged to sewer	71,749	-	(71,749)	-	-	-	-
Changes in pension assets and related deferred outflows	(13,579)	-	(2,447)	(1,600)	(17,626)	-	-
Changes in assets and liabilities							
Accounts receivable	(99,064)	-	(195,980)	-	(295,044)	(299,890)	-
Other accounts receivable	2,360	-	-	-	2,360	63,110	-
Inventories and prepaid items	358	-	-	-	358	184,545	-
Accounts and claims payable	(72,230)	-	104,753	(705)	31,818	(184,114)	32,741
Accrued liabilities	(593)	-	228	102	(263)	(1,010)	-
Compensated absences	(78,412)	-	(18,126)	(1,260)	(97,798)	70,838	-
Net Cash Provided (Used) by Operating Activities	\$ 1,476,576	\$ -	1,229,139	\$ 776,849	\$ 3,482,564	\$ 2,917,241	\$ (44,261)
Noncash Investing, Capital and Financing Activities							
Capital contributions	\$ -	\$ -	\$ 1,582,009	\$ -	\$ 1,582,009	\$ -	\$ -

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

CITY OF DE PERE, WISCONSIN
Statement of Net Position
Agency Funds
December 31, 2015
(With summarized financial information as of December 31, 2014)

	Tax Collection	Trust Deposits	Totals	
			2015	2014
ASSETS				
Cash and cash equivalents	\$ 5,335,655	\$ 25,130	\$ 5,360,785	\$ 9,601,294
Accounts receivable				
Taxes receivable	23,753,892	-	23,753,892	18,828,569
TOTAL ASSETS	\$ 29,089,547	\$ 25,130	\$ 29,114,677	\$ 28,429,863
LIABILITIES				
Due to other governments				
State of Wisconsin	\$ 322,208	\$ -	\$ 322,208	\$ 311,296
Brown County	8,209,730	-	8,209,730	7,857,716
Northeast Wisconsin Technical College	1,374,672	-	1,374,672	1,340,621
School District of De Pere	9,516,401	-	9,516,401	9,039,047
West De Pere School District	9,666,536	-	9,666,536	9,856,053
Deposits held in trust	-	25,130	25,130	25,130
TOTAL LIABILITIES	\$ 29,089,547	\$ 25,130	\$ 29,114,677	\$ 28,429,863

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

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

2. Related Organization

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

3. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

GENERAL FUND

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

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEBT SERVICE FUND

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

PUBLIC IMPROVEMENTS FUND

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

TAX INCREMENTAL DISTRICT (TID) No. 6 FUND

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

The City reports the following major enterprise funds:

WATER UTILITY FUND

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

WASTEWATER TREATMENT PLANT UTILITY FUND

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

WASTEWATER UTILITY FUND

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

STORMWATER UTILITY FUND

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

Additionally, the government reports the following fund types:

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

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

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund (other than agency funds) financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

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

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

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

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

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

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. Cash and Investments

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

b. Accounts Receivable

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

c. Interfund Receivables and Payables

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

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

d. Inventories

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

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

e. Prepaid Items

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

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

f. Capital Assets

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

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

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

g. Compensated Absences

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

h. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The City also has an additional type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, special assessments and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

i. Long-term Obligations

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

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

j. Pensions

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

k. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.

i. 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.

m. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting

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

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

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2015.

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

2. Deficit Fund Balance

The following funds had a deficit fund balance as of December 31, 2015:

Funds	Deficit Fund Equity
Special Revenue Fund	
Cable Access	\$ 66,331
Capital Projects Funds	
TID No. 9	149,591
TID No. 10	9,345
TID No. 11	6,883
TID No. 12	7,040

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

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

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

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

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled \$21,162,682 on December 31, 2015 as summarized below:

Petty cash funds	\$ 3,466
Deposits with financial institutions	2,655,750
Investments	18,503,466
	<u>\$ 21,162,682</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 13,936,083
Restricted cash and investments	1,865,814
Fiduciary funds statement of net position	
Agency funds	5,360,785
	<u>\$ 21,162,682</u>

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

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk

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

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

As of December 31, 2015, \$2,053,472 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits.

Credit Risk

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

Investment Type	Amount	Exempt From Disclosure	AAA	Not Rated
U.S. Treasury notes	\$ 4,619,046	\$ 4,619,046	\$ -	\$ -
Money market funds	351,986	351,986	-	-
Federal agency securities	5,718,707	-	5,718,707	-
Wisconsin local government investment pool	7,813,727	-	-	7,813,727
Totals	\$ 18,503,466	\$ 4,971,032	\$ 5,718,707	\$ 7,813,727

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Concentration of Credit Risk

The investment policy of the City limits the amount that can be invested in any one security type or issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Reported Amount	Percent of Total
Federal National Mortgage Association	\$ 1,445,877	8.1%
Federal Home Loan Mortgage Corporation	1,096,348	6.1%

Interest Rate Risk

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

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$ 4,619,046	\$ -	\$ 2,528,132	\$ 2,090,914	\$ -
Money market funds	351,986	351,986	-	-	-
Federal agency securities	5,718,707	1,385,958	-	474,652	3,858,097
Wisconsin local government investment pool	7,813,727	7,813,727	-	-	-
Totals	\$ 18,503,466	\$ 9,551,671	\$ 2,528,132	\$ 2,565,566	\$ 3,858,097

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

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

Highly Sensitive Investments	Fair Value at Year End
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 5,718,707

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$7,813,727 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

2. Restricted Cash and Investments

Restricted cash and investments as of December 31, 2015 totaled \$1,865,814. Of this total, \$629,584 is held in the Debt Service fund for debt retirement, \$999,920 is held in the Development Loan Program restricted for use in that program, and \$236,310 is held in the Water Utility fund for revenue bond retirement.

3. Property Taxes

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

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

4. Due From Other Governments

On December 31, 2007, the City of De Pere sold its wastewater treatment facility to the Green Bay Metropolitan Sewerage District (GBMSD). The 20 year note receivable from GBMSD was discounted using a 5% interest rate. Annual principal and interest payments of \$1,925,820 are due through 2027, as summarized below:

Due	Principal	Interest	Total
2016	\$ 89,364	\$ 71,121	\$ 160,485
2017	93,832	66,653	160,485
2018	98,524	61,961	160,485
2019	103,450	57,035	160,485
2020	108,622	51,863	160,485
2021-2025	630,218	172,207	802,425
2026-2027	298,411	22,559	320,970
	<u>\$ 1,422,421</u>	<u>\$ 503,399</u>	<u>\$ 1,925,820</u>

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 8,444,598	\$ 1,479,568	\$ 46,125	\$ 9,878,041
Capital assets, being depreciated:				
Land improvements	5,849,781	127,978	-	5,977,759
Buildings and improvements	11,301,100	-	-	11,301,100
Machinery and equipment	3,265,325	822,402	398,822	3,688,905
Vehicles	6,769,798	221,006	1,481,963	5,508,841
Infrastructure	70,054,144	2,467,272	655,071	71,866,345
Subtotals	97,240,148	3,638,658	2,535,856	98,342,950
Less accumulated depreciation for:				
Land improvements	2,217,701	120,314	-	2,338,015
Buildings and improvements	6,499,615	271,458	-	6,771,073
Machinery and equipment	2,148,965	271,609	398,822	2,021,752
Vehicles	5,617,064	397,594	1,460,290	4,554,368
Infrastructure	27,007,268	1,598,547	655,071	27,950,744
Subtotals	43,490,613	2,659,522	2,514,183	43,635,952
Total capital assets, being depreciated, net	53,749,535	979,136	21,673	54,706,998
Governmental activities capital assets, net	<u>\$ 62,194,133</u>	<u>\$ 2,458,704</u>	<u>\$ 67,798</u>	64,585,039
Less related long-term debt outstanding				<u>31,751,730</u>
Net investment in capital assets				<u>\$ 32,833,309</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 53,207	\$ -	\$ -	\$ 53,207
Capital assets, being depreciated:				
Buildings	892,181	-	-	892,181
Machinery and equipment	5,471,707	806,814	299,069	5,979,452
Infrastructure	58,545,075	5,297,567	271,583	63,571,059
Subtotals	64,908,963	6,104,381	570,652	70,442,692
Less accumulated depreciation:	21,731,544	1,570,510	570,652	22,731,402
Total capital assets, being depreciated, net	43,177,419	4,533,871	-	47,711,290
Business-type activities capital assets, net	<u>\$ 43,230,626</u>	<u>\$ 4,533,871</u>	<u>\$ -</u>	47,764,497
Less related long-term debt outstanding				<u>4,055,000</u>
Net investment in capital assets				<u>\$ 43,709,497</u>

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities	
General government	\$ 47,820
Public safety	275,504
Public works	2,039,868
Culture and recreation	296,330
Total depreciation expense - governmental activities	\$ 2,659,522
Business-type activities	
Water utility	\$ 542,510
Wastewater utility	673,497
Stormwater utility	354,503
Total depreciation expense - business-type activities	\$ 1,570,510

6. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2015 are detailed below:

	Interfund Receivables	Interfund Payables
Long Term Advance		
General Fund	\$ 60,000	\$ -
Internal Service Funds		
Health Self Insurance	-	50,000
Dental Self Insurance	-	10,000
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General Fund	1,970,468	-
Special Revenue Fund		
Cable Access	-	108,409
Capital Project funds		
TID No. 9	-	149,591
TID No. 10	-	9,345
TID No. 11	-	6,883
TID No. 12	-	7,040
Enterprise Funds		
Water Utility	-	618,583
Wastewater Utility	-	1,070,617
Totals	\$ 2,030,468	\$ 2,030,468

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers for the year ended December 31, 2015 were as follows:

	Transfer to:		
	General Fund	Debt Service	Total
Transfers from:			
Public Improvements	\$ -	\$ 125,000	\$ 125,000
Cable Access	18,500	-	18,500
Riverwalk Pier	80,000	-	80,000
Capital Equipment	700,000	-	700,000
TID No. 5	-	653,841	653,841
TID No. 6	-	1,181,730	1,181,730
TID No. 7	-	330,289	330,289
TID No. 8	-	394,731	394,731
TID No. 9	-	131,525	131,525
TID No. 10	-	115,960	115,960
Water Utility	448,820	-	448,820
Wastewater Utility	271,715	-	271,715
	<u>\$ 1,519,035</u>	<u>\$ 2,933,076</u>	<u>\$ 4,452,111</u>

Transfers are made in accordance with annual budgets.

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2015:

	Outstanding 1/1/15	Issued	Retired	Outstanding 12/31/15	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	\$ 24,010,000	\$ -	\$ 6,100,000	\$ 17,910,000	\$ 2,015,000
Taxable Bonds	6,720,000	-	540,000	6,180,000	555,000
Notes	3,155,000	6,270,000	885,000	8,540,000	1,665,000
Taxable Notes	490,000	-	115,000	375,000	120,000
Total General Obligation Debt	<u>34,375,000</u>	<u>6,270,000</u>	<u>7,640,000</u>	<u>33,005,000</u>	<u>4,355,000</u>
Debt premium	454,387	235,916	45,207	645,096	-
Capital lease payable	32,802	96,730	32,802	96,730	96,730
Other post-employment benefits	-	257,638	195,720	61,918	-
Compensated absences	1,606,000	34,198	51,438	1,588,760	-
Governmental activities Long-term obligations	<u>\$ 36,468,189</u>	<u>\$ 6,894,482</u>	<u>\$ 7,965,167</u>	<u>\$ 35,397,504</u>	<u>\$ 4,451,730</u>
Business-type activities:					
General Obligation Debt					
Notes	\$ -	\$ 2,015,000	\$ -	\$ 2,015,000	\$ 340,000
Debt premium	-	90,572	2,538	88,034	-
Water utility revenue bonds	2,340,000	-	300,000	2,040,000	310,000
Compensated absences	255,258	-	97,798	157,460	-
Business-type activities Long-term obligations	<u>\$ 2,595,258</u>	<u>\$ 2,105,572</u>	<u>\$ 400,336</u>	<u>\$ 4,300,494</u>	<u>\$ 650,000</u>

Total interest paid during the year on long-term debt totaled \$1,149,622.

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds

\$4,815,000 issued 3/25/04; \$220,000 due in 2016; interest 2.0%	\$ 220,000
\$4,050,000 issued 6/15/06; \$210,000 to \$315,000 due annually through 2025; interest 4.03%	2,585,000
\$2,020,000 issued 11/7/07; \$100,000 to \$155,000 due annually through 2026; interest 4.05%	1,365,000
\$1,000,000 issued 8/1/08; \$50,000 to \$75,000 due annually through 2027; interest 4.25%	725,000
\$2,270,000 issued 8/1/08; \$90,000 to \$255,000 due annually through 2027; interest 4.55%	1,960,000
\$2,245,000 issued 8/15/11; \$140,000 to \$180,000 due annually through 2025; interest 0.50% to 3.45%	1,575,000
\$2,980,000 issued 9/20/2012; \$150,000 to \$175,000 due annually through 2027; interest 0.50% to 2.40%	1,950,000
\$5,650,000 issued 8/13/2013; \$150,000 to \$600,000 due annually through 2028; interest 3.00% to 3.625%	4,410,000
\$1,075,000 issued 11/20/14; \$65,000 to \$85,000 due annually through 2029; interest 2.0% to 3.0%	1,010,000
\$2,530,000 issued 11/20/14; \$75,000 to \$470,000 due annually through 2023; interest 2.0% to 3.0%	2,110,000
Total Bonds	<u><u>17,910,000</u></u>

Taxable Bonds

\$1,875,000 issued 5/12/09; \$95,000 to \$155,000 due annually through 2028; interest 2.0% to 5.625%	1,540,000
\$2,850,000 issued 9/20/2012; \$50,000 to \$235,000 due annually through 2031; interest 0.85% to 3.90%	2,710,000
\$2,530,000 issued 8/13/2013; \$140,000 to \$340,000 due annually through 2023; interest 2.00% to 3.50%	1,930,000
Total Taxable Bonds	<u><u>6,180,000</u></u>

Notes

\$1,220,000 issued 8/1/08; \$150,000 to \$155,000 due annually through 2017; interest 3.43%	305,000
\$2,985,000 issued 10/28/10; \$205,000 to \$360,000 due annually through 2020; interest 1.50% to 3.0%	1,455,000
\$1,565,000 issued 8/15/11; \$75,000 to \$200,000 due annually through 2020; interest 2.0% to 2.70%	510,000
\$8,285,000 issued 9/24/15; \$180,000 to \$1,320,000 due annually through 2025 starting in 2016; interest 2.0% to 3.0%	8,285,000
Total Notes	<u><u>10,555,000</u></u>

Taxable Notes

\$800,000 issued 5/12/09; \$120,000 to \$130,000 due annually through 2018; interest 2.0% to 4.75%	<u>375,000</u>
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Total General Obligation Debt	<u><u>\$ 35,020,000</u></u>
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CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$35,020,000 on December 31, 2015 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 4,355,000	\$ 961,038	\$ 340,000	\$ 45,635	\$ 4,695,000	\$ 1,006,673
2017	3,970,000	866,439	260,000	41,950	4,230,000	908,389
2018	3,940,000	780,299	270,000	36,750	4,210,000	817,049
2019	3,540,000	700,704	275,000	31,350	3,815,000	732,054
2020	3,245,000	620,551	280,000	23,100	3,525,000	643,651
2021-2025	10,475,000	2,076,589	590,000	20,700	11,065,000	2,097,289
2026-2030	3,430,000	492,578	-	-	3,430,000	492,578
2031	50,000	7,215	-	-	50,000	7,215
	<u>\$ 33,005,000</u>	<u>\$ 6,505,413</u>	<u>\$ 2,015,000</u>	<u>\$ 199,485</u>	<u>\$ 35,020,000</u>	<u>\$ 6,704,898</u>

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

Build America Bonds

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

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2015 was \$57,325,939 as follows:

Equalized valuation of the City	\$ 1,834,327,100
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	91,716,355
Total outstanding general obligation debt applicable to debt limitation	\$ 35,020,000
Less: Funds held in debt service fund for retirement of general obligation debt	<u>629,584</u> <u>34,390,416</u>
Legal Margin for New Debt	<u>\$ 57,325,939</u>

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Water Utility Revenue Bonds

Water Utility Revenue Bonds outstanding on December 31, 2015 totaled \$2,040,000 and is composed of the following issue:

\$4,395,000 issued 3/7/07; \$310,000 to \$370,000 due annually through 2021;
interest 3.810% \$ 2,040,000

Annual principal and interest maturities of the outstanding water utility revenue bonds of \$2,040,000 on December 31, 2015 are detailed below:

Due	Business-type Activities		
	Principal	Interest	Total
2016	\$ 310,000	\$ 77,724	\$ 387,724
2017	320,000	65,913	385,913
2018	335,000	53,721	388,721
2019	345,000	40,957	385,957
2020	360,000	27,813	387,813
2021	370,000	14,097	384,097
	<u>\$ 2,040,000</u>	<u>\$ 280,225</u>	<u>\$ 2,320,225</u>

Water Utility Revenues Pledged

The City has pledged future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the utility. The bonds are payable through 2021. The total principal and interest remaining to be paid on the bonds is \$2,320,225. Principal and interest paid for the current year and total customer net revenues were \$389,154 and \$1,665,987 respectively.

Capital Leases

During 2015 the City entered into a capital lease for the purchase of police vehicles. The future payment on the capital lease is as follows as of December 31, 2015.

Year Ending December 31,	Amount
2016	\$ 103,695
Less: Amount representing interest	6,965
Present Value of Future Minimum Lease Payments	<u>\$ 96,730</u>

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

8. Fund Equity

In the fund financial statements, portions of governmental fund balances are committed by City Council action. At December 31, 2015, fund balance was committed as follows:

General Fund

Committed for subsequent years' expenditures	
Administrator - city hall roof study	\$ 7,361
Mayor - office furniture	825
Police - community policing	1,907
Police - training	8,589
Fire - training	4,800
Fire/Rescue - ACT 102	10,616
Machinery & equipment - Four leg rotating hoist and hoist restoration	4,655
Parks & recreation - boat launch parking lot and VFW pool repair	14,500
Parks & public lands - water cooler replacement program	2,445
Economic development - survey work & city signage	7,000
GIS - Arc GIS online initiative	20,480
GIS - training	786
GIS - mobile GIS hardware	2,650
Total	<u><u>\$ 86,614</u></u>

Special Revenue Funds

Committed for subsequent years' expenditures	
Dog park	\$ 17,527
Riverwalk Pier	112,513
Total	<u><u>\$ 130,040</u></u>

Capital Projects Funds

Committed for capital outlay	
Public improvements	\$ 924,692
Capital equipment	93,528
Community center	2,579
Police/Fire expansion	2,932
Total	<u><u>\$ 1,023,731</u></u>

9. Minimum Fund Balance Policy

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

Budgeted 2016 General Fund Expenditures	\$ 16,738,866
Minimum Fund Balance %	(x) 25%
Minimum Fund Balance Amount	<u><u>\$ 4,184,717</u></u>

The City's unassigned general fund balance of \$5,259,140 is above the range of the minimum fund balance amount.

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION

1. Post-Employment Benefits Other Than Pension Benefits

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

a. Plan Description and Contribution Information

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

Active Employees	Retirees	Total
118	16	134

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

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

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

Component	Amount
Annual required contribution	\$ 297,195
Interest on net OPEB	(1,521)
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>295,674</u>
Contributions made	<u>(195,720)</u>
Change in net OPEB obligation	99,954
OPEB asset - beginning of year	<u>(38,036)</u>
OPEB obligation - end of year	<u><u>\$ 61,918</u></u>

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

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

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

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

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

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

c. Funded Status and Funding Progress

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

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

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

2. Pension Plan

a. Plan Description

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

b. Post-Retirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8%	3%
2007	3.0%	10%
2008	6.6%	0%
2009	(2.1)%	(42)%
2010	(1.3)%	22%
2011	(1.2)%	11%
2012	(7.0)%	(7)%
2013	(9.6)%	9%
2014	4.7%	25%

c. Contributions

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

During the reporting period, the WRS recognized \$850,644 in contributions from the City.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General (including teachers)	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

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

At December 31, 2015, the City reported an asset of \$2,128,138 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the City's proportion was 0.08664090%, which was a decrease of 0.00152239% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the City recognized pension expense of \$847,029.

At December 31, 2015, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 308,514
Net differences between projected and actual earnings on pension plan investments	1,030,547
Changes in proportion and differences between employer contributions and proportionate share of contributions	52,215
Employer contributions subsequent to the measurement date	843,775
Total	\$ 2,235,051

\$843,775 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflow of Resources
2015	\$ 339,878
2016	339,878
2017	339,878
2018	339,878
2019	31,764

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

e. Actuarial Assumption

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Asset:	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

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

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	-20%

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
City's proportionate share of the net pension asset (liability)	\$ (6,003,842)	\$ 2,128,138	\$ 8,550,447

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://legis.wisconsin.gov/lab/> and reference report number 15-11.

3. Risk Management

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

In addition to the above, the City has established two separate internal service funds for risk management programs to finance employees' health and employees' dental claims. The risk management programs are funded by charges to City departments and employees. For 2015, the health insurance program had stop loss health insurance coverage commencing at \$80,000 per individual claim and \$2,183,558 for the aggregate of claims. Fund expenses consist of payments to a third-party administrator for medical and dental claims, stop loss insurance premiums and administrative fees. Settlements have not exceeded insurance coverage for each of the past three years. On December 31, 2015, the health self-insurance fund had a net position balance of \$228,173, while the dental self-insurance fund had an unrestricted net position balance of \$30,899. Claim liabilities at year-end are recorded based on actual claim payments reported at year-end and paid after the balance sheet date of December 31 up to the date of preparing the financial statements. The City does not report an estimated liability for claims incurred but not reported. Changes in each fund's claims liability amount for 2014 and 2015 follow:

	2014			
	Liability January 1	Current Year Claims	Claim Payments	Liability December 31
Health	\$ 175,086	\$ 2,182,003	\$ 2,282,148	\$ 74,941
Dental	2,290	120,101	119,781	2,610
Total	\$ 177,376	\$ 2,302,104	\$ 2,401,929	\$ 77,551

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

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

4. Conduit Debt

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$2.5 million, made up of three series.

5. Tax Incremental Districts

The City maintains capital projects funds for six Tax Incremental Districts (TID) created in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. All six of the City's Districts are still eligible to incur project costs. Accordingly, the Districts are accounted for in capital projects funds.

A summary of pertinent financial information for the City's TID Districts on December 31, 2015 follows:

	TID No. 5	TID No. 6	TID No. 7	TID No. 8
Creation date	8/26/1996	3/18/1998	1/1/2007	1/1/2007
Termination date	12/31/2023	12/31/2021	12/33/2033	12/31/2027
Tax increment property tax revenues for 2015	\$ 859,976	\$ 1,792,174	\$ -	\$ 221,328
Net unreimbursed project costs due City	4,854,309	1,090,461	2,487,920	2,084,000

	TID No. 9	TID No. 10	TID No. 11	TID No. 12
Creation date	8/13/2012	8/13/2012	9/15/2015	1/1/2015
Termination date	12/31/2039	12/31/2032	12/31/2029	12/31/2029
Tax increment property tax revenues for 2015	\$ 38,732	\$ 55,554	\$ -	\$ -
Net unreimbursed project costs due City	790,782	459,681	6,883	7,040

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

6. Water Purchase Contract with Central Brown County Water Authority

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

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

Each Charter Member has entered into a water purchase contract under which they agree to purchase wholesale water from the Authority. Rates charged to each member are billed monthly and are based on (1) operation and maintenance costs, (2) fixed costs, including debt service on the revenue bonds and (3) required Security Fund deposits. During 2015 the City paid the Authority \$3,296,302 in accordance with the water purchase contract.

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

7. Contingencies

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

8. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, towns and counties. For the 2015 and 2016 budget years, the increase in the maximum allowable tax levy is limited to the greater of the percentage change in the City's January 1 equalized value as a result of net new construction or 3.0% per year. The actual limit for the City for the 2015 budget was 1.86%. The actual limit for the City for the 2016 budget was 1.49%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

9. Prior Period Adjustment

During 2015, the City of De Pere, Wisconsin determined that an interest rate of 5% should have been imputed on the note received from the Green Bay Metropolitan Sewerage District (GBMSD) as part of the sale of the City's wastewater treatment plant. As a result, a prior period adjustment of \$659,831 was made to the wastewater treatment plant enterprise fund, as summarized below:

Wastewater Treatment Plant Utility Fund Financial Statements	Original 2014 Financial Statements	Prior Period Adjustment	Revised 2014 Financial Statements
Statement of Net Position			
Due from other governments	\$ 2,086,305	\$ (578,775)	\$ 1,507,530
Net position - unrestricted	2,001,065	(578,775)	1,422,290
Statement of Revenues, Expenses and Changes in Fund Net Position			
Interest income	\$ -	\$ 81,056	\$ 81,056
Change in net position	(8,200)	81,056	72,856
Net position - beginning of year	2,009,265	(659,831)	1,349,434
Net position - ending	2,001,065	(578,775)	1,422,290

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

The City reports summarized financial statements for 2014; therefore, the summarized financial information for enterprise funds and the governmental activities were restated, as follows:

Proprietary Fund Financial Statements	Original 2014 Financial Statements	Prior Period Adjustment	Revised 2014 Financial Statements
Statement of Net Position			
Due from other governments	\$ 2,086,305	\$ (578,775)	\$ 1,507,530
Net position - unrestricted	3,674,858	(578,775)	3,096,083
Net position - total	44,565,481	(578,775)	43,986,706
Statement of Revenues, Expenses and Changes in Fund Net Position			
Interest income	\$ -	\$ 81,056	\$ 81,056
Change in net position	814,027	81,056	895,083
Net position - beginning of year	43,751,454	(659,831)	43,091,623
Net position - ending	44,565,481	(578,775)	43,986,706

Government-wide Financial Statements	Original 2014 Financial Statements	Prior Period Adjustment	Revised 2014 Financial Statements
Statement of Net Position			
Due from other governments	\$ 2,086,305	\$ (578,775)	\$ 1,507,530
Net position - unrestricted	13,674,044	(578,775)	13,095,269
Net position - total	86,777,475	(578,775)	86,198,700
Statement of Activities			
Interest income	\$ 85,584	\$ 81,056	\$ 166,640
Change in net position	(787,387)	81,056	(706,331)
Net position - beginning of year	87,564,862	(659,831)	86,905,031
Net position - ending	86,777,475	(578,775)	86,198,700

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

10. Cumulative Effect of Change in Accounting Principle

The City has adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. The cumulative effect of this change is summarized below:

	Governmental Activities	Business-type Activities			Total	Total
		Water Utility	Wastewater Utility	Stormwater Utility		
Net Pension Asset	\$ 3,206,816	\$ 98,085	\$ 98,205	\$ 72,730	\$ 269,020	\$ 3,475,836
Deferred Outflows of Resources	786,687	24,062	24,091	17,842	65,995	852,682
Total Cumulative Effect of Change in Accounting Principle	<u>\$ 3,993,503</u>	<u>\$ 122,147</u>	<u>\$ 122,296</u>	<u>\$ 90,572</u>	<u>\$ 335,015</u>	<u>\$ 4,328,518</u>

11. Upcoming Accounting Pronouncements

In June 2015, the Governmental Accounting Standards Board (GASB) issued two new pronouncements relating to other post-employment benefits (OPEB). GASB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions* significantly change the accounting and financial reporting of post-employment benefits that was established in GASB Statement Nos. 43 and 45. The primary purpose of these Statements is to improve accounting and financial reporting of OPEB obligations and enhance transparency of OPEB related information in your financial statements similar to how GASB Statements Nos. 67 and 68 were designed. The new standards are effective for financial statements for OPEB plans for fiscal years beginning after June 15, 2016 and for employers for fiscal years beginning after June 15, 2017.

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*, which addresses accounting and financial reporting issues related to fair value measurement, primarily for investments. GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also provides guidance on how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. The new standard is effective for years beginning after June 15, 2015, although early application is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DE PERE, WISCONSIN
 Required Supplementary Information
 Other Post Employment Benefits
 For the Year Ended December 31, 2015

Schedule of Funding Progress

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

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
12/31/2014	\$ 297,195.00	\$ 335,231	112.80%
12/31/2015	297,195	195,720	65.86%

See Notes to Required Supplementary Information.

CITY OF DE PERE, WISCONSIN
Schedule of Proportionate Share of the Net Pension Asset
Wisconsin Retirement System
Last 10 Fiscal Years*

	2015
Proportion of the net pension asset	0.08664090%
Proportionate share of the net pension asset	\$ 2,128,138
Covered-employee payroll	\$ 9,073,681
Plan fiduciary net position as a percentage of the total pension asset	102.74%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

CITY OF DE PERE, WISCONSIN
 Schedule of Contributions
 Wisconsin Retirement System
 Last 10 Fiscal Years*

	2015
Contractually required contributions	\$ 850,644
Contributions in relation to the contractually required contributions	\$ 850,644
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 9,073,681
Contributions as a percentage of covered-employee payroll	9.37%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

CITY OF DE PERE, WISCONSIN
Notes to Required Supplementary Information
December 31, 2015

NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* for the fiscal year ended December 31, 2015. Information for prior years is not available.

NOTE B - WISCONSIN RETIREMENT SYSTEM

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

SUPPLEMENTARY INFORMATION

CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Revenues
For the Year Ended December 31, 2015

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Taxes				
General property	\$ 7,903,917	\$ 7,903,917	\$ 7,932,835	\$ 28,918
Mobile home	7,100	7,100	6,454	(646)
Excess stadium district sales tax	-	-	1,249,256	1,249,256
Sales tax	120	120	120	-
Room tax	6,500	6,500	7,768	1,268
Payments in lieu of taxes	2,500	2,500	1,274	(1,226)
Housing authority	28,000	28,000	28,492	492
Interest and penalties	1,100	1,100	1,434	334
Interest and penalties on special assessments	30,000	30,000	13,129	(16,871)
Total Taxes	7,979,237	7,979,237	9,240,762	1,261,525
Intergovernmental				
Law enforcement training	5,200	5,200	16,597	11,397
State shared taxes	1,430,486	1,430,486	1,425,585	(4,901)
Exempt computer aid	154,361	154,361	97,779	(56,582)
Fire insurance	66,000	66,000	73,394	7,394
Rescue squad	-	-	6,899	6,899
Transportation	903,997	903,997	902,247	(1,750)
Mass transit	294,790	294,790	294,790	-
Public health	55,251	55,251	65,973	10,722
Recycling	97,000	97,000	97,820	820
Other	3,500	3,500	5,000	1,500
Total Intergovernmental	3,010,585	3,010,585	2,986,084	(24,501)
Licenses and Permits				
Licenses				
Liquor and malt beverages	38,500	38,500	32,400	(6,100)
Operators	15,400	15,400	14,732	(668)
Cigarette	2,310	2,310	1,900	(410)
Food and beverage	55,000	55,000	60,892	5,892
DATCP licensing	13,200	13,200	17,351	4,151
Cable television	165,000	165,000	167,708	2,708
Trailer park	100	100	-	(100)
Dog	4,950	4,950	3,840	(1,110)
Other licenses/permits	5,280	5,280	7,375	2,095
Permits				
Construction	110,565	110,565	142,080	31,515
Electrical and plumbing	91,300	91,300	100,926	9,626
Sanitary sewer	4,510	4,510	5,500	990
Zoning	24,870	24,870	28,250	3,380
Total Licenses and Permits	530,985	530,985	582,954	51,969

(Continued)

CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Revenues (Continued)
For the Year Ended December 31, 2015

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Fines and Forfeits				
Court forfeitures and costs	157,500	157,500	151,315	(6,185)
Parking violations	42,000	42,000	39,544	(2,456)
Total Fines and Forfeits	199,500	199,500	190,859	(8,641)
Public Charges for Services				
General government	34,799	34,799	31,055	(3,744)
Police	10,780	10,780	3,564	(7,216)
Alarm monitoring fees	12,100	12,100	1,925	(10,175)
Ambulance	822,193	822,193	742,510	(79,683)
Streets	69,500	69,500	83,119	13,619
Snow removal	6,600	6,600	2,095	(4,505)
Weed cutting	600	600	3,527	2,927
Recycling	1,100	1,100	4,875	3,775
Public health	8,800	8,800	5,287	(3,513)
Community center	265,445	265,445	264,159	(1,286)
Swimming pools	140,557	140,557	113,391	(27,166)
Parks	9,292	9,292	10,409	1,117
Recreation	103,835	103,835	144,676	40,841
Concession sales	-	-	20,590	20,590
Total Public Charges for Services	1,485,601	1,485,601	1,431,182	(54,419)
Intergovernmental Charges for Services				
General government	167,983	167,983	176,297	8,314
Public safety	337,800	337,800	331,161	(6,639)
Public works	751,567	751,567	751,567	-
Public health	38,382	38,382	37,200	(1,182)
Total Intergovernmental Charges for Services	1,295,732	1,295,732	1,296,225	493
Miscellaneous				
Investment income	100,000	100,000	150,616	50,616
Land contracts				
Donations	-	-	5,000	5,000
Sale of assets				
Sale of City property	66,500	66,500	4,960	(61,540)
Salvage products	-	-	2,491	2,491
Rental income	97,547	97,547	48,369	(49,178)
Department revenue	700	700	869	169
Other	550	550	-	(550)
Total Miscellaneous	265,297	265,297	212,305	(52,992)
Total Revenues	\$ 14,766,937	\$ 14,766,937	\$ 15,940,371	\$ 1,173,434

CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Expenditures
For the Year Ended December 31, 2015

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
General Government				
Council	\$ 89,810	\$ 92,060	\$ 87,546	\$ 4,514
Council outlay	3,000	3,000	3,000	-
Municipal court	97,479	97,479	118,442	(20,963)
Mayor	37,226	38,551	36,573	1,978
Mayor outlay	6,653	6,653	7,978	(1,325)
Administrator	115,184	122,234	113,144	9,090
Clerk/treasurer	229,813	229,813	231,488	(1,675)
Elections	21,660	21,660	9,882	11,778
Assessment of property	35,258	35,258	34,969	289
Accounting and finance	115,773	115,773	115,979	(206)
Data processing	78,924	78,924	129,974	(51,050)
Data processing outlay	7,800	7,800	-	7,800
Personnel and insurance	248,003	249,700	246,467	3,233
Legal	165,564	165,564	152,288	13,276
City hall	115,393	115,393	114,026	1,367
City hall outlay	80,000	80,000	80,823	(823)
Other general government	273,623	273,623	221,768	51,855
Total General Government	1,721,163	1,733,485	1,704,347	29,138
Public Safety				
Police department	4,479,828	4,492,405	4,311,562	180,843
Police department outlay	140,960	140,960	273,423	(132,463)
Traffic control	95,416	95,416	87,629	7,787
Fire/ambulance department	3,417,527	3,424,061	3,499,872	(75,811)
Fire/ambulance department outlay	91,000	91,000	130,074	(39,074)
Building and electrical	260,739	260,739	263,670	(2,931)
Jail	11,000	11,000	8,050	2,950
Total Public Safety	8,496,470	8,515,581	8,574,280	(58,699)
Public Works				
Street machinery repair	133,880	138,535	174,689	(36,154)
Street machinery repair outlay	18,375	18,375	32,281	(13,906)
Municipal service center	112,405	112,405	122,801	(10,396)
Municipal service center outlay	35,000	35,000	22,105	12,895
Mechanics	213,725	213,725	136,945	76,780
Mechanics outlay	3,189	3,189	2,323	866
Administration	158,335	158,335	184,453	(26,118)
Administration outlay	-	-	1,000	(1,000)
Engineer	278,177	278,177	266,931	11,246
Engineer outlay	800	800	-	800
Street maintenance	139,606	139,606	105,262	34,344
Street maintenance outlay	-	-	1,000	(1,000)
Storm sewer maintenance	-	-	11	(11)
Brush pickup	82,114	82,114	76,695	5,419
Brush pickup outlay	5,000	5,000	3,441	1,559

(Continued)

CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Expenditures (Continued)
For the Year Ended December 31, 2015

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Public Works (Continued)				
Weed cutting	4,904	4,904	10,611	(5,707)
Snow and ice control	274,515	274,515	134,969	139,546
Traffic signs and markings	145,099	145,099	138,721	6,378
Traffic lights	44,600	44,600	61,170	(16,570)
Traffic lights outlay	22,000	22,000	10,814	11,186
Street lighting	426,405	426,405	442,126	(15,721)
Transit system	433,950	433,950	429,311	4,639
Total Public Works	2,532,079	2,536,734	2,357,659	179,075
Sanitation				
Garbage and refuse collection	319,056	319,056	313,598	5,458
Landfill waste disposal	204,000	204,000	279,144	(75,144)
Recycling	113,244	113,244	96,959	16,285
Total Sanitation	636,300	636,300	689,701	(53,401)
Health and Human Services				
Nurse	485,558	485,558	482,130	3,428
Board of health	1,922	1,922	1,702	220
Total Health and Human Services	487,480	487,480	483,832	3,648
Culture and Recreation				
Community center	564,340	564,340	552,045	12,295
Community center outlay	10,000	12,500	9,288	3,212
Special events and celebrations	10,975	10,975	2,105	8,870
Park and recreation administration	219,805	219,805	228,209	(8,404)
Recreation	289,158	289,158	224,288	64,870
Swimming pools	289,228	289,228	244,953	44,275
Swimming pools outlay	15,000	15,000	11,038	3,962
Parks	401,081	401,081	423,260	(22,179)
Parks outlay	39,600	39,600	37,118	2,482
Parks equipment maintenance	63,855	63,855	103,200	(39,345)
Parks equipment outlay	30,000	72,945	29,663	43,282
Boat ramps	23,220	23,220	20,690	2,530
Boat ramps outlay	14,500	14,500	-	14,500
Forestry	207,277	207,277	183,861	23,416
Historical society	10,445	15,705	7,200	8,505
Total Culture and Recreation	2,188,484	2,239,189	2,076,918	162,271
Conservation and Development				
Economic development	263,461	290,361	312,864	(22,503)
Total Expenditures	\$ 16,325,437	\$ 16,439,130	\$ 16,199,601	\$ 239,529

CITY OF DE PERE, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2015

	Special Revenue Funds					Capital Project Funds		
	Development Loan Program	Public Land Acquisition	Riverwalk Pier	Cable Access	Dog Park	Total Special Revenue Funds	Capital Equipment	Community Center
ASSETS								
Cash and investments	\$ 31,809	\$ 97,967	\$ 112,513	\$ 16,565	\$ 17,527	\$ 276,381	\$ 102,528	\$ 2,579
Receivables								
Taxes	-	-	-	-	-	-	1,041,276	-
Accounts	-	-	-	28,043	-	28,043	-	-
Loans	335,305	-	-	-	-	335,305	-	-
Restricted assets	999,920	-	-	-	-	999,920	-	-
TOTAL ASSETS	\$ 1,367,034	\$ 97,967	\$ 112,513	\$ 44,608	\$ 17,527	\$ 1,639,649	\$ 1,143,804	\$ 2,579
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 1,887	\$ -	\$ 1,887	\$ 9,000	\$ -
Accrued and other current liabilities	-	-	-	643	-	643	-	-
Due to other funds	-	-	-	108,409	-	108,409	-	-
Total Liabilities	-	-	-	110,939	-	110,939	9,000	-
Deferred Inflows of Resources								
Property taxes	-	-	-	-	-	-	1,041,276	-
Loans receivable	335,305	-	-	-	-	335,305	-	-
Total Deferred Inflows of Resources	335,305	-	-	-	-	335,305	1,041,276	-
Fund Balances								
Restricted for								
Loans	1,031,729	-	-	-	-	1,031,729	-	-
Park land acquisition	-	97,967	-	-	-	97,967	-	-
Tax increment district projects	-	-	-	-	-	-	-	-
Committed for								
Subsequent years' expenditures	-	-	112,513	-	17,527	130,040	-	-
Capital outlay	-	-	-	-	-	-	93,528	2,579
Unassigned, reported in								
Special revenue fund	-	-	-	(66,331)	-	(66,331)	-	-
Capital projects funds	-	-	-	-	-	-	-	-
Total Fund Balances	1,031,729	97,967	112,513	(66,331)	17,527	1,193,405	93,528	2,579
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,367,034	\$ 97,967	\$ 112,513	\$ 44,608	\$ 17,527	\$ 1,639,649	\$ 1,143,804	\$ 2,579

Capital Projects Funds (Continued)									Total Nonmajor Governmental Funds
Police/Fire Expansion	TID No.5	TID No.7	TID No.8	TID No.9	TID No. 10	TID No. 11	TID No. 12	Total Capital Projects Funds	2015
\$ 2,932	\$ 6,357	\$ 683,330	\$ 1,305,334	\$ -	\$ -	\$ -	\$ -	\$ 2,103,060	\$ 2,379,441
-	818,914	58,043	191,787	29,984	123,551	-	-	2,263,555	2,263,555
-	-	-	-	-	-	-	-	-	28,043
-	-	-	-	-	-	-	-	-	335,305
-	-	-	-	-	-	-	-	-	999,920
\$ 2,932	\$ 825,271	\$ 741,373	\$ 1,497,121	\$ 29,984	\$ 123,551	\$ -	\$ -	\$ 4,366,615	\$ 6,006,264
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000	\$ 10,887
-	-	58	-	-	-	-	-	58	701
-	-	-	-	149,591	9,345	6,883	7,040	172,859	281,268
-	-	58	-	149,591	9,345	6,883	7,040	181,917	292,856
-	818,914	58,043	191,787	29,984	123,551	-	-	2,263,555	2,263,555
-	-	-	-	-	-	-	-	-	335,305
-	818,914	58,043	191,787	29,984	123,551	-	-	2,263,555	2,598,860
-	-	-	-	-	-	-	-	-	1,031,729
-	-	-	-	-	-	-	-	-	97,967
-	6,357	683,272	1,305,334	-	-	-	-	1,994,963	1,994,963
-	-	-	-	-	-	-	-	-	130,040
2,932	-	-	-	-	-	-	-	99,039	99,039
-	-	-	-	-	-	-	-	-	(66,331)
-	-	-	-	(149,591)	(9,345)	(6,883)	(7,040)	(172,859)	(172,859)
2,932	6,357	683,272	1,305,334	(149,591)	(9,345)	(6,883)	(7,040)	1,921,143	3,114,548
\$ 2,932	\$ 825,271	\$ 741,373	\$ 1,497,121	\$ 29,984	\$ 123,551	\$ -	\$ -	\$ 4,366,615	\$ 6,006,264

CITY OF DE PERE, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Special Revenue Funds					Capital Projects Funds		
	Development Loan Program	Public Land Acquisition	Riverwalk Pier	Cable Access	Dog Park	Total Special Revenue Funds	Capital Equipment	Community Center
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	111,806	-	111,806	-	-
Public charges for services	-	11,460	-	-	-	11,460	-	-
Miscellaneous	120,628	8,900	142,525	823	2,998	275,874	-	1,742
Total Revenues	120,628	20,360	142,525	112,629	2,998	399,140	700,000	1,742
Expenditures								
Current								
Culture and recreation	-	-	-	132,407	710	133,117	-	-
Conservation and development	347,516	-	389	9,461	-	357,366	-	-
Debt service								
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	-	5,495	-	-	-	5,495	-	2,835
Total Expenditures	347,516	5,495	389	141,868	710	495,978	-	2,835
Excess (Deficiency) of Revenues Over (Under) Expenditures	(226,888)	14,865	142,136	(29,239)	2,288	(96,838)	700,000	(1,093)
Other Financing Sources (Uses)								
Long-term debt issued	-	-	-	-	-	-	-	-
Debt premium	-	-	-	-	-	-	-	-
Transfers out	-	-	(80,000)	(18,500)	-	(98,500)	(700,000)	-
Total Other Financing Sources (Uses)	-	-	(80,000)	(18,500)	-	(98,500)	(700,000)	-
Net Change in Fund Balances	(226,888)	14,865	62,136	(47,739)	2,288	(195,338)	-	(1,093)
Fund Balances (Deficit) - January 1	1,258,617	83,102	50,377	(18,592)	15,239	1,388,743	93,528	3,672
Fund Balances (Deficit) - December 31	\$ 1,031,729	\$ 97,967	\$ 112,513	\$ (66,331)	\$ 17,527	\$ 1,193,405	\$ 93,528	\$ 2,579

Capital Projects Funds (Continued)									Total Nonmajor Governmental Funds
Police/Fire Expansion	TID No.5	TID No.7	TID No.8	TID No.9	TID No. 10	TID No. 11	TID No. 12	Total Capital Projects Funds	2015
\$ -	\$ 859,976	\$ -	\$ 221,328	\$ 38,732	\$ 55,554	\$ -	\$ -	\$ 1,875,590	\$ 1,875,590
-	2,632	994	272,478	16,260	4,612	-	-	296,976	296,976
-	-	-	-	-	-	-	-	-	111,806
-	-	-	-	-	-	-	-	-	11,460
-	25,001	-	-	-	3,800	-	-	30,543	306,417
-	887,609	994	493,806	54,992	63,966	-	-	2,203,109	2,602,249
-	-	-	-	-	-	-	-	-	133,117
-	3,229	3,640	5,095	3,467	22,800	6,883	7,040	52,154	409,520
-	-	2,636	-	-	-	-	-	2,636	2,636
-	114,468	383,572	2,724	-	-	-	-	503,599	509,094
-	117,697	389,848	7,819	3,467	22,800	6,883	7,040	558,389	1,054,367
-	769,912	(388,854)	485,987	51,525	41,166	(6,883)	(7,040)	1,644,720	1,547,882
-	-	250,000	-	-	-	-	-	250,000	250,000
-	-	8,198	-	-	-	-	-	8,198	8,198
-	(653,841)	(330,289)	(394,731)	(131,525)	(115,960)	-	-	(2,326,346)	(2,424,846)
-	(653,841)	(72,091)	(394,731)	(131,525)	(115,960)	-	-	(2,068,148)	(2,166,648)
-	116,071	(460,945)	91,256	(80,000)	(74,794)	(6,883)	(7,040)	(423,428)	(618,766)
2,932	(109,714)	1,144,217	1,214,078	(69,591)	65,449	-	-	2,344,571	3,733,314
\$ 2,932	\$ 6,357	\$ 683,272	\$ 1,305,334	\$ (149,591)	\$ (9,345)	\$ (6,883)	\$ (7,040)	\$ 1,921,143	\$ 3,114,548

CITY OF DE PERE, WISCONSIN
Combining Statement of Net Position
Internal Service Funds
December 31, 2015
(With summarized financial information as of December 31, 2014)

	Health Self Insurance	Dental Self Insurance	Totals	
			2015	2014
ASSETS				
Cash and investments	\$ 386,363	\$ 43,001	\$ 429,364	\$ 473,448
LIABILITIES				
Accounts and claims payable	108,190	2,102	110,292	77,551
Due to other funds	50,000	10,000	60,000	60,000
TOTAL LIABILITIES	<u>158,190</u>	<u>12,102</u>	<u>170,292</u>	<u>137,551</u>
NET POSITION				
Unrestricted	<u>\$ 228,173</u>	<u>\$ 30,899</u>	<u>\$ 259,072</u>	<u>\$ 335,897</u>

CITY OF DE PERE, WISCONSIN
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Health Self Insurance	Dental Self Insurance	Totals	
			2015	2014
Operating Revenues				
Charges for services	\$ 2,727,199	\$ 135,863	\$ 2,863,062	\$ 2,674,734
Operating Expenses				
Claims and administrative fees	2,789,746	150,318	2,940,064	2,951,186
Operating Loss	(62,547)	(14,455)	(77,002)	(276,452)
Nonoperating Revenues				
Interest income	176	1	177	112
Change in Net Position	(62,371)	(14,454)	(76,825)	(276,340)
Net Position - January 1	290,544	45,353	335,897	612,237
Net Position - December 31	\$ 228,173	\$ 30,899	\$ 259,072	\$ 335,897

CITY OF DE PERE, WISCONSIN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Health Self Insurance	Dental Self Insurance	Totals	
			2015	2014
Cash Flows from Operating Activities				
Cash received from interfund services provided	\$ 2,727,199	\$ 135,863	\$ 2,863,062	\$ 2,674,734
Cash payments to suppliers	(2,756,497)	(150,826)	(2,907,323)	(3,051,011)
Net Cash Used by Operating Activities	<u>(29,298)</u>	<u>(14,963)</u>	<u>(44,261)</u>	<u>(376,277)</u>
Cash Flows from Investing Activities				
Investment income	176	1	177	112
Change in Cash and Cash Equivalents	<u>(29,122)</u>	<u>(14,962)</u>	<u>(44,084)</u>	<u>(376,165)</u>
Cash and Cash Equivalents - January 1	<u>415,485</u>	<u>57,963</u>	<u>473,448</u>	<u>849,613</u>
Cash and Cash Equivalents - December 31	<u>\$ 386,363</u>	<u>\$ 43,001</u>	<u>\$ 429,364</u>	<u>\$ 473,448</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:				
Operating loss	\$ (62,547)	\$ (14,455)	\$ (77,002)	\$ (276,452)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Changes in current liabilities				
Accounts and claims payable	33,249	(508)	32,741	(99,825)
Net Cash Used by Operating Activities	<u>\$ (29,298)</u>	<u>\$ (14,963)</u>	<u>\$ (44,261)</u>	<u>\$ (376,277)</u>

CITY OF DE PERE, WISCONSIN
Water Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2015 and 2014

	2015	2014
Operating Revenues		
Charges for Services		
Residential	\$ 2,780,042	\$ 2,844,602
Commercial	1,021,200	924,411
Industrial	559,981	489,602
Public authorities	171,585	170,324
Public fire protection	1,383,526	1,370,657
Total Charges for Services	<u>5,916,334</u>	<u>5,799,596</u>
Other Operating Revenues		
Forfeited discounts	68,333	61,424
Other water revenues	303,044	284,883
Total Other Operating Revenues	<u>371,377</u>	<u>346,307</u>
 Total Operating Revenues	 <u>6,287,711</u>	 <u>6,145,903</u>
Operating Expenses		
Operation and Maintenance		
Source of supply	54,169	36,098
Pumping	80,853	84,180
Water treatment	38,803	31,947
Transmission and distribution	644,085	711,613
Customer accounts	195,051	175,950
Administrative and general	3,562,413	3,612,670
Total Operation and Maintenance	<u>4,575,374</u>	<u>4,652,458</u>
Depreciation	542,510	560,434
Taxes	46,350	49,076
Total Operating Expenses	<u>5,164,234</u>	<u>5,261,968</u>
 Operating Income	 <u>1,123,477</u>	 <u>883,935</u>
Nonoperating Expenses		
Interest and amortization expense	<u>(88,565)</u>	<u>(99,108)</u>
 Income Before Contributions and Transfers	 <u>1,034,912</u>	 <u>784,827</u>
Transfers out	<u>(448,820)</u>	<u>(437,330)</u>
 Changes in Net Position	 <u>586,092</u>	 <u>347,497</u>
 Net Position - January 1, as originally stated	 <u>20,658,796</u>	 <u>20,311,299</u>
 Cumulative Effect of Change in Accounting Principle	 <u>122,147</u>	 <u>-</u>
 Net Position - January 1, restated	 <u>20,780,943</u>	 <u>20,311,299</u>
 Net Position - December 31	 <u>\$ 21,367,035</u>	 <u>\$ 20,658,796</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Council
City of De Pere, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of De Pere, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of De Pere's basic financial statements, and have issued our report thereon which included emphasis of matter paragraphs as indicated on page 2 dated July 29, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2014-001 and 2014-002 that we consider to be significant deficiencies.

Compliance and Other Matters

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

City of De Pere, Wisconsin's Response to Findings

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

Purpose of this Report

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



Certified Public Accountants
Green Bay, Wisconsin
July 29, 2016

CITY OF DE PERE, WISCONSIN
 Schedule of Findings and Responses
 For the Year Ended December 31, 2015

Section I - Internal Control Over Financial Reporting

Finding No.	Control Deficiencies
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2014-001 Preparation of Annual Financial Report

Condition: Current City staff maintain accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.

Criteria: The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

Cause: City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect: Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Recommendation: We recommend the City continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.

Management Response: Management agrees it may not be cost effective to train additional staff to completely prepare the report, but will more thoroughly review the information to gain an increased understanding in hopes of assisting with the annual report preparation in 2016.

2014-002 Adjustments to the City's Financial Records

Condition: As part of our 2015 audit, we proposed adjusting journal entries that were material to the City's financial statement.

Criteria: Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

Cause: While City staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.

Effect: Year-end financial records prepared by the City may contain material misstatements.

Recommendation: We recommend the City Finance Director work to prepare the adjusting and closing entries necessary, prior to the audit, to reduce the risk of material misstatement to the financial statements.

Management Response: The City intends to utilize Schenck to work with the City Administrator to complete quarterly reviews to benchmark the status of implementation of the recommendation.

CITY OF DE PERE, WISCONSIN
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2015

Section II - Compliance and Other Matters

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2015.