

**TOWN OF GRAND CHUTE  
OUTAGAMIE COUNTY, WISCONSIN**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2015**

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
December 31, 2015

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## INDEPENDENT AUDITORS' REPORT

To the Town Board  
Town of Grand Chute, 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 Town of Grand Chute, Wisconsin ("the Town") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town'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 Town'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 Town'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 Town 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.4, the Town 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 schedules relating to pensions on pages 43 through 44 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2016, on our consideration of the Town'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 Town's internal control over financial reporting and compliance.



Certified Public Accountants  
Green Bay, Wisconsin  
June 6, 2016

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Statement of Net Position  
December 31, 2015

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 24,724,243	\$ 14,491,413	\$ 39,215,656
Receivables			
Taxes and other charges	30,022,426	937,391	30,959,817
Special assessments	2,235,915	3,081,463	5,317,378
Accounts	529,761	2,456,062	2,985,823
Inventories and prepaid items	200,512	69,791	270,303
Restricted and other assets			
Cash and investments	-	2,511,014	2,511,014
Net pension asset	1,156,759	122,733	1,279,492
Land held for resale	2,488,500	-	2,488,500
Capital assets, nondepreciable			
Land	2,994,584	1,751,139	4,745,723
Property held for future use	-	68,320	68,320
Construction in progress	3,797,929	3,278,889	7,076,818
Capital assets, depreciable			
Land improvements	1,769,542	6,451,242	8,220,784
Buildings	15,661,909	178,121	15,840,030
Machinery and equipment	7,247,129	2,567,194	9,814,323
Infrastructure	70,434,344	63,674,234	134,108,578
Less: Accumulated depreciation	(50,409,276)	(21,043,361)	(71,452,637)
<b>TOTAL ASSETS</b>	<b>112,854,277</b>	<b>80,595,645</b>	<b>193,449,922</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows	1,098,725	247,311	1,346,036
<b>LIABILITIES</b>			
Accounts payable	1,378,965	647,387	2,026,352
Accrued and other current liabilities	440,274	13,853	454,127
Accrued interest payable	80,218	33,907	114,125
Due to other governments	37,735,310	945,595	38,680,905
Unearned revenues	-	832	832
Long-term obligations			
Due within one year	2,390,000	1,150,000	3,540,000
Due in more than one year	10,573,045	3,115,533	13,688,578
<b>TOTAL LIABILITIES</b>	<b>52,597,812</b>	<b>5,907,107</b>	<b>58,504,919</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes and other charges	11,387,262	587,911	11,975,173
<b>NET POSITION</b>			
Net investment in capital assets	39,981,161	53,089,045	93,070,206
Restricted for			
Debt service	5,877,648	-	5,877,648
Fire impact fees	31,183	-	31,183
Capital improvements	-	1,987,819	1,987,819
Stormwater ponds	-	64,691	64,691
Pension benefits	2,255,484	370,044	2,625,528
Unrestricted	1,822,452	18,836,339	20,658,791
<b>TOTAL NET POSITION</b>	<b>\$ 49,967,928</b>	<b>\$ 74,347,938</b>	<b>\$ 124,315,866</b>

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

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Statement of Activities  
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 2,225,636	\$ 466,695	\$ -	\$ -
Public safety	5,570,062	546,263	152,070	-
Public works	8,012,772	1,514,492	1,203,117	1,139,643
Culture and recreation	386,677	58,343	9,705	-
Conservation and development	2,993,041	482,102	-	-
Interest on debt	310,498	-	-	-
<b>Total Governmental Activities</b>	<b>19,498,686</b>	<b>3,067,895</b>	<b>1,364,892</b>	<b>1,139,643</b>
<b>Business-type Activities</b>				
Water utility	5,860,257	5,734,678	-	675,972
Sewer utility	2,809,781	2,980,417	-	1,504,510
Storm water utility	1,056,630	2,919,683	-	679,390
<b>Total Business-type Activities</b>	<b>9,726,668</b>	<b>11,634,778</b>	<b>-</b>	<b>2,859,872</b>
<b>Total</b>	<b>\$ 29,225,354</b>	<b>\$ 14,702,673</b>	<b>\$ 1,364,892</b>	<b>\$ 3,999,515</b>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Other taxes

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

Interest and investment earnings

Miscellaneous

Gain on sale of asset

Transfers

Total general revenues and transfers

Change in net position

Net position - January 1, as originally reported

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	Total

\$ (1,758,941)	\$ -	\$ (1,758,941)
(4,871,729)	-	(4,871,729)
(4,155,520)	-	(4,155,520)
(318,629)	-	(318,629)
(2,510,939)	-	(2,510,939)
(310,498)	-	(310,498)
<u>(13,926,256)</u>	<u>-</u>	<u>(13,926,256)</u>

-	550,393	550,393
-	1,675,146	1,675,146
-	2,542,443	2,542,443
-	<u>4,767,982</u>	<u>4,767,982</u>
<u>(13,926,256)</u>	<u>4,767,982</u>	<u>(9,158,274)</u>

8,020,020	20,035	8,040,055
2,125,948	-	2,125,948
1,233,144	-	1,233,144
348,646	4,706	353,352
311,550	173,432	484,982
268,215	-	268,215
-	5,176	5,176
(775,615)	775,615	-
<u>11,531,908</u>	<u>978,964</u>	<u>12,510,872</u>

<u>(2,394,348)</u>	<u>5,746,946</u>	<u>3,352,598</u>
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50,061,452	68,282,850	118,344,302
2,300,824	318,142	2,618,966
<u>52,362,276</u>	<u>68,600,992</u>	<u>120,963,268</u>

<u>\$ 49,967,928</u>	<u>\$ 74,347,938</u>	<u>\$ 124,315,866</u>
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**TOWN OF GRAND CHUTE  
OUTAGAMIE COUNTY, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2015

	General	Special Assessment	Debt Service
<b>ASSETS</b>			
Cash and investments	\$ 18,565,898	\$ 5,145,170	\$ 739,231
Receivables			
Taxes and other charges	28,247,154	785,272	990,000
Special assessments	-	2,235,915	-
Accounts	228,706	-	-
Due from other funds	4,684,652	-	-
Inventories and prepaid items	200,512	-	-
Land held for resale	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 51,926,922</u></b>	<b><u>\$ 8,166,357</u></b>	<b><u>\$ 1,729,231</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 588,678	\$ -	\$ -
Accrued and other current liabilities	433,303	-	-
Due to other funds	-	-	-
Due to other governments	37,735,310	-	-
Total Liabilities	<u>38,757,291</u>	-	-
Deferred Inflows of Resources			
Property taxes and other charges	10,397,262	-	990,000
Special assessments	-	3,027,940	-
Land held for resale	-	-	-
Total Deferred Inflows of Resources	<u>10,397,262</u>	<u>3,027,940</u>	<u>990,000</u>
Fund Balances			
Nonspendable			
Inventories and prepaid items	200,512	-	-
Restricted			
Retirement of long-term debt	-	5,138,417	739,231
Fire impact fees	-	-	-
Assigned			
Dental insurance	14,789	-	-
Economic development	-	-	-
Park development	-	-	-
Public safety donations	-	-	-
Unassigned (Deficit)			
General fund	2,557,068	-	-
Capital projects fund	-	-	-
Total Fund Balances	<u>2,772,369</u>	<u>5,138,417</u>	<u>739,231</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 51,926,922</u></b>	<b><u>\$ 8,166,357</u></b>	<b><u>\$ 1,729,231</u></b>

(Continued)

Capital Projects	Tax Incremental District No. 1	Tax Incremental District No. 2	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 133,267	\$ -	\$ 140,677	\$ 24,724,243
-	-	-	-	30,022,426
-	-	-	-	2,235,915
7,592	-	-	293,463	529,761
-	-	-	-	4,684,652
-	-	-	-	200,512
-	-	2,488,500	-	2,488,500
<u>\$ 7,592</u>	<u>\$ 133,267</u>	<u>\$ 2,488,500</u>	<u>\$ 434,140</u>	<u>\$ 64,886,009</u>

\$ 546,152	\$ 24,255	\$ 9,857	\$ 210,023	\$ 1,378,965
-	157	314	6,500	440,274
3,403,053	1,187,470	2,014	92,115	4,684,652
-	-	-	-	37,735,310
<u>3,949,205</u>	<u>1,211,882</u>	<u>12,185</u>	<u>308,638</u>	<u>44,239,201</u>

-	-	-	-	11,387,262
-	-	-	-	3,027,940
-	-	2,488,500	-	2,488,500
-	-	2,488,500	-	16,903,702

-	-	-	-	200,512
-	-	-	-	5,877,648
-	-	-	31,183	31,183
-	-	-	-	14,789
-	-	-	75,486	75,486
-	-	-	10,272	10,272
-	-	-	8,561	8,561
-	-	-	-	2,557,068
(3,941,613)	(1,078,615)	(12,185)	-	(5,032,413)
<u>(3,941,613)</u>	<u>(1,078,615)</u>	<u>(12,185)</u>	<u>125,502</u>	<u>3,743,106</u>

<u>\$ 7,592</u>	<u>\$ 133,267</u>	<u>\$ 2,488,500</u>	<u>\$ 434,140</u>	<u>\$ 64,886,009</u>
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**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Balance Sheet (Continued)  
Governmental Funds  
December 31, 2015

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on previous page		\$ 3,743,106
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.		51,496,161
The Town'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	\$ 1,156,759	
Deferred outflows of resources	<u>1,098,725</u>	2,255,484
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special assessments		3,027,940
Land held for resale		2,488,500
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(11,515,000)	
Debt premium	(89,165)	
Compensated absences	(1,358,880)	
Accrued interest on long-term obligations	<u>(80,218)</u>	<u>(13,043,263)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 4)		<u><u>\$ 49,967,928</u></u>

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

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015

	General	Special Assessment	Debt Service
<b>Revenues</b>			
Taxes	\$ 8,026,027	\$ -	\$ 2,125,948
Special assessments	59,907	2,625,138	-
Intergovernmental	1,832,625	-	-
Licenses and permits	957,752	-	-
Fines and forfeitures	441,234	-	-
Public charges for services	1,216,360	-	-
Intergovernmental charges for services	218,810	-	-
Miscellaneous	449,342	188,822	-
<b>Total Revenues</b>	<u>13,202,057</u>	<u>2,813,960</u>	<u>2,125,948</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	2,068,745	32,422	-
Public safety	6,525,540	-	-
Public works	3,299,718	-	-
Culture and recreation	240,254	-	-
Conservation and development	791,723	-	-
<b>Debt service</b>			
Principal	-	-	3,235,000
Interest and fiscal charges	-	-	333,546
<b>Capital outlay</b>	-	-	-
<b>Total Expenditures</b>	<u>12,925,980</u>	<u>32,422</u>	<u>3,568,546</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>276,077</u>	<u>2,781,538</u>	<u>(1,442,598)</u>
<b>Other Financing Sources (Uses)</b>			
Sale of capital assets	43,107	-	-
Transfers in	374,320	-	2,000,000
Transfers out	(4,530,000)	(2,000,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(4,112,573)</u>	<u>(2,000,000)</u>	<u>2,000,000</u>
<b>Net Change in Fund Balances</b>	(3,836,496)	781,538	557,402
<b>Fund Balances (Deficit) - January 1</b>	<u>6,608,865</u>	<u>4,356,879</u>	<u>181,829</u>
<b>Fund Balances (Deficit) - December 31</b>	<u>\$ 2,772,369</u>	<u>\$ 5,138,417</u>	<u>\$ 739,231</u>

(Continued)

Capital Projects	Tax Incremental District No. 1	Tax Incremental District No. 2	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 1,227,137	\$ 11,379,112
-	-	-	-	2,685,045
-	-	-	-	1,832,625
-	-	-	-	957,752
-	-	-	-	441,234
-	-	-	106,122	1,322,482
-	-	-	-	218,810
-	805,995	-	3,749	1,447,908
-	805,995	-	1,337,008	20,284,968
-	-	-	-	2,101,167
-	-	-	3,639	6,529,179
-	-	-	-	3,299,718
-	-	-	-	240,254
-	102,586	14,748	852,821	1,761,878
-	-	-	-	3,235,000
-	20,000	2,083	-	355,629
5,907,931	3,734,563	2,495,354	-	12,137,848
5,907,931	3,857,149	2,512,185	856,460	29,660,673
(5,907,931)	(3,051,154)	(2,512,185)	480,548	(9,375,705)
-	-	-	-	43,107
455,000	2,000,000	2,500,000	-	7,329,320
-	-	-	(799,320)	(7,329,320)
455,000	2,000,000	2,500,000	(799,320)	43,107
(5,452,931)	(1,051,154)	(12,185)	(318,772)	(9,332,598)
1,511,318	(27,461)	-	444,274	13,075,704
\$ (3,941,613)	\$ (1,078,615)	\$ (12,185)	\$ 125,502	\$ 3,743,106

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
For the Year Ended December 31, 2015

Reconciliation to the Statement of Activities

Net Change in Fund Balances as shown on previous page \$ (9,332,598)

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 expensed in governmental fund statements	\$ 7,279,714	
Depreciation expense reported in the statement of activities	<u>(4,303,717)</u>	
Amount by which capital outlays exceed depreciation in current period		2,975,997

In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.

Proceeds from the disposition of capital assets as reported on the governmental funds operating statement	43,107	
Loss on disposition reported on the statement of activities	<u>102,580</u>	
Book value of capital assets disposed of		(145,687)

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits increased by: (10,437)

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 actual experience of the pension plan (45,340)

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. (1,604,914)

The Town purchased land for resale as part of TID No. 1 project plan. Land held for resale is recorded as an asset of the District; however, the Town does not expect the sale of the land to be soon enough to provide available resources; therefore, the Town reports as deferred inflows of resources. In contrast, the purchase of the land for resale has no impact on the statement of activities. 2,488,500

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 is: 3,235,000

Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues. 23,891

In prior years, the Town advance refunded long-term debt. The loss on the advance refunding is not recorded in the governmental funds. In the statement of activities, the loss is amortized over the life of the refunding debt issue. (3,299)

Debt premium is 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 debt issue. 24,539

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 5 - 6) \$ (2,394,348)

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

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, 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 Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 8,027,213	\$ 8,027,213	\$ 8,026,027	\$ (1,186)
Special assessments	60,000	60,000	59,907	(93)
Intergovernmental	1,829,603	1,829,603	1,832,625	3,022
Licenses and permits	841,500	841,500	957,752	116,252
Fines and forfeitures	412,500	412,500	441,234	28,734
Public charges for services	1,191,965	1,191,965	1,216,360	24,395
Intergovernmental charges for services	249,361	249,361	218,810	(30,551)
Miscellaneous	454,326	454,326	449,342	(4,984)
<b>Total Revenues</b>	<b>13,066,468</b>	<b>13,066,468</b>	<b>13,202,057</b>	<b>135,589</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	2,239,250	2,199,013	2,068,745	130,268
Public safety	6,855,539	6,865,777	6,525,540	340,237
Public works	3,515,354	3,515,354	3,299,718	215,636
Culture and recreation	234,725	234,725	240,254	(5,529)
Conservation and development	828,400	828,400	791,723	36,677
<b>Total Expenditures</b>	<b>13,673,268</b>	<b>13,643,269</b>	<b>12,925,980</b>	<b>717,289</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(606,800)</b>	<b>(576,801)</b>	<b>276,077</b>	<b>852,878</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	49,000	49,000	43,107	(5,893)
Transfers in	321,900	321,900	374,320	52,420
Transfers out	-	-	(4,530,000)	(4,530,000)
<b>Total Other Financing Sources (Uses)</b>	<b>370,900</b>	<b>370,900</b>	<b>(4,112,573)</b>	<b>(4,483,473)</b>
<b>Net Change in Fund Balance</b>	<b>(235,900)</b>	<b>(205,901)</b>	<b>(3,836,496)</b>	<b>(3,630,595)</b>
<b>Fund Balance - January 1</b>	<b>6,608,865</b>	<b>6,608,865</b>	<b>6,608,865</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 6,372,965</b>	<b>\$ 6,402,964</b>	<b>\$ 2,772,369</b>	<b>\$ (3,630,595)</b>

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

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Statement of Net Position  
Proprietary Funds  
December 31, 2015

	Sanitary District No. 1	Sanitary District No. 2	Sanitary District No. 3	East Side Utility	Total Enterprise Funds
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and investments	\$ -	\$ 6,462,488	\$ 7,686,097	\$ 342,828	\$ 14,491,413
Receivables					
Taxes and other charges	696,134	72,012	149,210	20,035	937,391
Accounts	1,156,928	649,527	643,780	5,827	2,456,062
Due from other funds	-	2,407,079	-	-	2,407,079
Inventories and prepaid expenses	40,164	20,174	9,453	-	69,791
<b>Total Current Assets</b>	<b>1,893,226</b>	<b>9,611,280</b>	<b>8,488,540</b>	<b>368,690</b>	<b>20,361,736</b>
<b>Noncurrent assets</b>					
Receivables					
Special assessments	536,954	2,251,448	293,061	-	3,081,463
Restricted and other assets					
Cash and investments	335,366	2,110,957	64,691	-	2,511,014
Net pension asset	54,037	40,566	28,130	-	122,733
Capital assets, nondepreciable					
Land	12,809	6,175	1,732,155	-	1,751,139
Property held for future use	68,320	-	-	-	68,320
Construction in progress	150,239	335,100	2,793,550	-	3,278,889
Capital assets, depreciable					
Land improvements	-	-	6,451,242	-	6,451,242
Buildings	178,121	-	-	-	178,121
Machinery and equipment	1,245,369	1,095,711	220,362	5,752	2,567,194
Infrastructure	26,644,468	22,173,417	13,764,250	1,092,099	63,674,234
Less: Accumulated depreciation	(7,742,035)	(8,551,888)	(4,305,582)	(443,856)	(21,043,361)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>20,557,291</b>	<b>15,058,515</b>	<b>20,655,977</b>	<b>653,995</b>	<b>56,925,778</b>
<b>Total Noncurrent Assets</b>	<b>21,483,648</b>	<b>19,461,486</b>	<b>21,041,859</b>	<b>653,995</b>	<b>62,640,988</b>
<b>TOTAL ASSETS</b>	<b>23,376,874</b>	<b>29,072,766</b>	<b>29,530,399</b>	<b>1,022,685</b>	<b>83,002,724</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related deferred outflows	128,169	84,992	34,150	-	247,311

(Continued)

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Statement of Net Position (Continued)  
Proprietary Funds  
December 31, 2015

	Sanitary District No. 1	Sanitary District No. 2	Sanitary District No. 3	East Side Utility	Total Enterprise Funds
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 77,146	\$ 173,951	\$ 69,054	\$ 2,647	\$ 322,798
Accrued and other current liabilities	6,460	4,411	2,982	-	13,853
Accrued interest	13,283	404	20,220	-	33,907
Due to other funds	2,407,079	-	-	-	2,407,079
Due to other governments	945,595	-	-	-	945,595
Unearned revenue	-	-	832	-	832
Current portion of general obligation debt	320,000	125,000	705,000	-	1,150,000
<b>Total Current Liabilities</b>	<b>3,769,563</b>	<b>303,766</b>	<b>798,088</b>	<b>2,647</b>	<b>4,874,064</b>
Noncurrent liabilities					
Accounts payable	109,768	214,821	-	-	324,589
General obligation debt	750,000	-	2,070,000	-	2,820,000
Debt premium	7,266	1,410	23,745	-	32,421
Compensated absences	132,312	80,964	49,836	-	263,112
<b>Total Noncurrent Liabilities</b>	<b>999,346</b>	<b>297,195</b>	<b>2,143,581</b>	<b>-</b>	<b>3,440,122</b>
<b>TOTAL LIABILITIES</b>	<b>4,768,909</b>	<b>600,961</b>	<b>2,941,669</b>	<b>2,647</b>	<b>8,314,186</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes and other charges	567,876	-	-	20,035	587,911
<b>NET POSITION</b>					
Net investment in capital assets	19,487,291	14,933,515	18,014,244	653,995	53,089,045
Restricted for					
Capital improvements	335,366	1,652,453	-	-	1,987,819
Stormwater ponds	-	-	64,691	-	64,691
Pension benefits	182,206	125,558	62,280	-	370,044
Unrestricted	(1,836,605)	11,845,271	8,481,665	346,008	18,836,339
<b>TOTAL NET POSITION</b>	<b>\$ 18,168,258</b>	<b>\$ 28,556,797</b>	<b>\$ 26,622,880</b>	<b>\$ 1,000,003</b>	<b>\$ 74,347,938</b>

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

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2015

	Sanitary District No. 1	Sanitary District No. 2	Sanitary District No. 3	East Side Utility	Total
<b>Operating Revenues</b>					
Charges for services	\$ 5,505,476	\$ 2,781,227	\$ 2,901,727	\$ 20,468	\$ 11,208,898
Other	229,202	178,587	17,956	135	425,880
<b>Total Operating Revenues</b>	<b>5,734,678</b>	<b>2,959,814</b>	<b>2,919,683</b>	<b>20,603</b>	<b>11,634,778</b>
<b>Operating Expenses</b>					
Operations and maintenance	5,205,260	2,224,969	533,135	23,105	7,986,469
Depreciation	593,635	543,527	440,892	10,228	1,588,282
Taxes	23,412	-	-	-	23,412
<b>Total Operating Expenses</b>	<b>5,822,307</b>	<b>2,768,496</b>	<b>974,027</b>	<b>33,333</b>	<b>9,598,163</b>
<b>Operating Income (Loss)</b>	<b>(87,629)</b>	<b>191,318</b>	<b>1,945,656</b>	<b>(12,730)</b>	<b>2,036,615</b>
<b>Nonoperating Revenues (Expenses)</b>					
Property taxes	-	-	-	20,035	20,035
Intergovernmental grants	4,706	-	-	-	4,706
Gain on sale of capital assets	5,101	75	-	-	5,176
Interest income	(17,851)	93,144	95,420	2,719	173,432
Interest expense	(41,435)	(9,357)	(90,436)	-	(141,228)
Amortization of debt premium	3,485	1,405	7,833	-	12,723
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(45,994)</b>	<b>85,267</b>	<b>12,817</b>	<b>22,754</b>	<b>74,844</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(133,623)</b>	<b>276,585</b>	<b>1,958,473</b>	<b>10,024</b>	<b>2,111,459</b>
Capital contributions	675,972	1,504,510	679,390	-	2,859,872
Capital contributions - Town	71,220	71,022	633,373	-	775,615
<b>Change in Net Position</b>	<b>613,569</b>	<b>1,852,117</b>	<b>3,271,236</b>	<b>10,024</b>	<b>5,746,946</b>
<b>Net Position - January 1, as originally reported</b>	<b>17,398,675</b>	<b>26,596,839</b>	<b>23,297,357</b>	<b>989,979</b>	<b>68,282,850</b>
<b>Cumulative effect of change in accounting principle</b>	<b>156,014</b>	<b>107,841</b>	<b>54,287</b>	<b>-</b>	<b>318,142</b>
<b>Net Position - January 1, restated</b>	<b>17,554,689</b>	<b>26,704,680</b>	<b>23,351,644</b>	<b>989,979</b>	<b>68,600,992</b>
<b>Net Position - December 31</b>	<b>\$ 18,168,258</b>	<b>\$ 28,556,797</b>	<b>\$ 26,622,880</b>	<b>\$ 1,000,003</b>	<b>\$ 74,347,938</b>

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

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015

	Sanitary District No. 1	Sanitary District No. 2	Sanitary District No. 3	East Side Utility	Total
<b>Cash Flows from Operating Activities</b>					
Cash received from customers	\$ 5,672,194	\$ 2,924,331	\$ 2,864,812	\$ 19,434	\$ 11,480,771
Cash payments to employees	(450,828)	(429,895)	(240,296)	(8,978)	(1,129,997)
Cash payments to suppliers	(4,635,642)	(1,982,865)	(252,237)	(13,481)	(6,884,225)
Net Cash Provided (Used) by Operating Activities	<u>585,724</u>	<u>511,571</u>	<u>2,372,279</u>	<u>(3,025)</u>	<u>3,466,549</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Changes in assets and liabilities					
Due to/from other funds	477,779	(477,779)	-	-	-
Intergovernmental grants	4,706	-	-	20,035	24,741
Net Cash Provided (Used) by Noncapital Financing Activities	<u>482,485</u>	<u>(477,779)</u>	<u>-</u>	<u>20,035</u>	<u>24,741</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition of capital assets	(848,206)	(324,433)	(2,449,607)	-	(3,622,246)
Proceeds from sale of capital assets	5,101	-	-	-	5,101
Capital contributions	316,989	245,998	1,022,273	-	1,585,260
Principal payments on long-term debt	(400,000)	(150,000)	(995,000)	-	(1,545,000)
Interest payments on long-term debt	(46,436)	(10,125)	(99,303)	-	(155,864)
Net Cash Used by Capital and Related Financing Activities	<u>(972,552)</u>	<u>(238,560)</u>	<u>(2,521,637)</u>	<u>-</u>	<u>(3,732,749)</u>
<b>Cash Flows Provided (Used) by Investing Activities</b>					
Interest from investments	(17,851)	93,144	95,729	2,719	173,741
Change in Cash and Cash Equivalents	77,806	(111,624)	(53,629)	19,729	(67,718)
Cash and Cash Equivalents - January 1	257,560	8,685,069	7,739,726	323,099	17,005,454
Cash and Cash Equivalents - December 31	<u>\$ 335,366</u>	<u>\$ 8,573,445</u>	<u>\$ 7,686,097</u>	<u>\$ 342,828</u>	<u>\$ 16,937,736</u>
<b>Reconciliation of Cash and Cash Equivalents to Statement of Net Position</b>					
Cash and investments	\$ -	\$ 6,462,488	\$ 7,686,097	\$ 342,828	\$ 14,491,413
Restricted cash and investments	335,366	2,110,957	64,691	-	2,511,014
Less: Long-term investments	-	-	(64,691)	-	(64,691)
	<u>\$ 335,366</u>	<u>\$ 8,573,445</u>	<u>\$ 7,686,097</u>	<u>\$ 342,828</u>	<u>\$ 16,937,736</u>

(Continued)

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Statement of Cash Flows (Continued)  
Proprietary Funds  
For the Year Ended December 31, 2015

	Sanitary District No. 1	Sanitary District No. 2	Sanitary District No. 3	East Side Utility	Total
Reconciliation of Operating Income (Loss) to					
Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ (87,629)	\$ 191,318	\$ 1,945,656	\$ (12,730)	\$ 2,036,615
Adjustments to reconcile operating					
income (loss) to net cash provided (used) by					
operating activities					
Depreciation	593,635	543,527	440,892	10,228	1,588,282
Depreciation reimbursement	56,589	(56,589)	-	-	-
Depreciation allocated to transportation	41,816	-	-	-	41,816
Changes in pension assets and related deferred outflows	(26,192)	(17,717)	(7,993)	-	(51,902)
Changes in assets and liabilities					
Accounts receivable	(85,781)	(47,771)	(71,279)	(1,169)	(206,000)
Delinquent user charges	23,297	12,288	16,408	-	51,993
Inventories and prepaid expenses	30	255	(758)	-	(473)
Deferred charges	-	-	951	-	951
Accounts payable	(88,472)	(47,854)	(210,001)	646	(345,681)
Accounts payable related to capital assets acquired	27,226	(72,862)	219,008	-	173,372
Accrued and other current liabilities	(13,969)	(10,674)	(6,028)	-	(30,671)
Unearned revenue	-	-	832	-	832
Due to other governments	120,225	-	-	-	120,225
Compensated absences	24,949	17,650	44,591	-	87,190
Net Cash Provided (Used) by Operating Activities	<u>\$ 585,724</u>	<u>\$ 511,571</u>	<u>\$ 2,372,279</u>	<u>\$ (3,025)</u>	<u>\$ 3,466,549</u>
Noncash Investing, Capital and Financing Activities					
Capital assets contributed by developer	\$ 597,379	\$ 690,896	\$ 629,986	\$ -	\$ 1,918,261
Capital assets contributed by Town	71,220	71,022	633,373	-	775,615

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

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Statement of Net Position  
Fiduciary Fund  
December 31, 2015

Agency Fund
Developer Deposits

ASSETS  
Cash and investments

\$ 11,077

LIABILITIES  
Deposits

\$ 11,077

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

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

The basic financial statements of the Town of Grand Chute, Wisconsin ("the Town"), 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 Town are described below:

1. Reporting Entity

The Town of Grand Chute is a municipal corporation governed by an elected five member board. In accordance with GAAP, the basic financial statements are required to include the Town (the primary government) and any separate component units that have a significant operational or financial relationship with the Town. The component units discussed below are included in the Town's reporting entity because of the significance of their operational and/or financial relationship with the Town.

2. Individual Component Unit Disclosures

**BLENDED COMPONENT UNITS**

The following component units are blended or included in the basic financial statements of the Town of Grand Chute.

The Town of Grand Chute Sanitary District No. 1, the Town of Grand Chute Sanitary District No. 2, Town of Grand Chute Sanitary District No. 3, and the East Side Utility are governed by the five-member Town Board of Grand Chute. Although they are legally separate from the Town, the Districts are reported as if they are part of the primary government because the Town Board is serving as their governing body. The Districts provide water, wastewater, and storm water services to portions of the Town.

3. Joint Venture

The Town is a participant with the Town of Menasha, Town of Greenville and Town of Neenah in a joint venture to operate a wastewater disposal plant. The Grand Chute-Menasha West Sewerage Commission was created for that purpose. The commission is governed by a seven-member board appointed by the aforementioned municipalities. Complete financial statements for the Commission can be obtained from the Commission's office at 1965 W. Butte Des Morts Beach Road, Appleton, Wisconsin.

4. 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 Town. 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*.

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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. The Town has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

**GENERAL FUND**

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

**SPECIAL ASSESSMENT DEBT SERVICE FUND**

The special assessment fund is used to account for current and deferred property assessments that are used for the repayment of long-term debt.

**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.

**CAPITAL PROJECTS 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 NO. 1 AND 2 CAPITAL PROJECT FUNDS**

This fund accounts for financial resources used in implementing each District's project plan.

The Town reports the following major enterprise funds:

**SANITARY DISTRICT NO. 1 ENTERPRISE FUND**

The Sanitary District No. 1 fund is a blended component unit that accounts for the financial resources to be used to operate a water utility.

**SANITARY DISTRICT NO. 2 ENTERPRISE FUND**

The Sanitary District No. 2 fund is a blended component unit that accounts for the financial resources to be used to operate a wastewater utility.

**SANITARY DISTRICT NO. 3 ENTERPRISE FUND**

The Sanitary District No. 3 fund is a blended component unit that accounts for the financial resources to be used to operate a storm water system.

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

EAST SIDE UTILITY FUND

The East Side Utility fund is a blended component unit that accounts for the financial resources to be used to operate a sewer utility.

Additionally, the Town reports the following fund type:

The Town accounts for assets held for developer's deposits in an *agency fund*.

5. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town 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 Town's water and sewer function and various other functions of the Town. 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 Town'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 Town's policy to use restricted resources first, then unrestricted resources, as they are needed.

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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

a. Cash and Investments

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

b. Accounts Receivable

Accounts receivable are recorded 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.

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 Town 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.

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

Capital assets of the Town 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	25 - 30
Buildings	25 - 50	25 - 50
Machinery and equipment	3 - 30	3 - 10
Infrastructure	15 - 60	25 - 100

g. Land Held for Resale

Land acquired by the Town for resale as part of the Town's tax incremental financing district no. 2 is reported on the governmental fund balance sheet at the estimated fair market value while the acquisition cost is considered a development cost of the District in accordance with its project plan. Because the land is not expected to be sold soon enough to provide available resources, the Town reports deferred inflows of resources for the estimated fair market value of the land.

h. Compensated Absences

It is the Town'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.

i. 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 Town has one item that qualifies for reporting in this category. The item is related to the Town'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, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town 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 Town also has an additional 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 land held for resale. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. 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. Issuance costs are expensed as incurred.

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

k. 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.

l. Fund Equity

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:

- Non-spendable 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 Town Board. These constraints can only be removed or changed by the Town Board using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of Town management. The Town Board has not authorized any employee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Town has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

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

m. 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.

**NOTE B - STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

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

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

**TOWN OF GRAND CHUTE  
OUTAGAMIE COUNTY, WISCONSIN**  
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December 31, 2015

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

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

2. Deficit Fund Balance

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

Funds	Deficit Fund Equity
Capital Projects	\$ 3,941,613
TIF District No. 1	1,078,615
TIF District No. 2	12,185

The deficits will be financed with future revenues, including debt proceeds and tax increments.

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

1. Cash and Investments

The Town 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 Town's cash and investments totaled \$41,737,747 on December 31, 2015 as summarized below:

Petty cash funds	\$ 2,327
Deposits with financial institutions	12,295,893
Investments	29,374,836
Beneficial interest in assets held by the Community Foundation	64,691
	<u>\$ 41,737,747</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 39,215,656
Restricted cash and investments	2,511,014
Fiduciary funds Statement of Net Position	
Agency funds	11,077
	<u>\$ 41,737,747</u>

Deposits and investments of the Town are subject to various risks. Presented below is a discussion of the specific risks and the Town's policy related to the risk.

**TOWN OF GRAND CHUTE  
OUTAGAMIE COUNTY, 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 Town does not have an additional custodial credit risk policy.

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

As of December 31, 2015, \$2,117,216 of the Town's deposits with financial institutions were in excess of federal and state depository insurance limits.

As of December 31, 2015, the Town held repurchase agreement investments of \$21,557,691, of which the underlying securities are held by the investment's counterparty, not in the name of the Town.

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 Town does not have an additional credit risk policy. Presented below is the actual rating as of yearend for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	AA	A	Not Rated
U.S. Treasury Notes	\$ 593,963	\$ 593,963	\$ -	\$ -	\$ -	\$ -
Federal agency securities	1,294,014	-	310,257	-	-	983,757
Negotiable certificates of deposit	201,064	-	-	-	-	201,064
Corporate notes	4,283,438	-	11,239	2,963,683	538,507	770,009
Municipal bonds	218,599	-	-	218,599	-	-
Canadian government bonds	1,036,876	-	139,814	399,114	497,948	-
Wisconsin Local Government Investment Pool	189,191	-	-	-	-	189,191
<b>Totals</b>	<b>\$ 7,817,145</b>	<b>\$ 593,963</b>	<b>\$ 461,310</b>	<b>\$ 3,581,396</b>	<b>\$ 1,036,455</b>	<b>\$ 2,144,021</b>

**TOWN OF GRAND CHUTE  
OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
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**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Concentration of Credit Risk

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

Issuer	Investment Type	Reported Amount	Percent of Total
GE Capital	Corporate notes	\$ 1,415,640	5%
Nicolet National Bank	Repurchase agreements	21,557,691	73%

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 Town 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 Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town'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	\$ 593,963	\$ 130,625	\$ 463,338	\$ -	\$ -
Federal agency securities	1,294,014	115,865	94,814	99,578	983,757
Negotiable certificates of deposit	201,064	201,064	-	-	-
Corporate notes	4,283,438	1,155,715	1,274,279	1,692,150	161,294
Municipal bonds	218,599	218,599	-	-	-
Canadian government bonds	1,036,876	-	637,762	399,114	-
Repurchase agreements	21,557,691	21,557,691	-	-	-
Wisconsin Local Government Investment Pool	189,191	189,191	-	-	-
<b>Totals</b>	<b>\$ 29,374,836</b>	<b>\$ 23,568,750</b>	<b>\$ 2,470,193</b>	<b>\$ 2,190,842</b>	<b>\$ 1,145,051</b>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Town'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
Governmental National Mortgage Association	\$ 836,958
Federal Home Loan Mortgage Corporation	354,316

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
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**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Investment in Wisconsin Local Government Investment Pool

The Town has investments in the Wisconsin local government investment pool of \$189,191 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 Town's share of the LGIP's assets was substantially equal to the carrying value.

Beneficial interest in assets held by Community Foundation

Beneficial interest in assets held by Community Foundation represents an endowment held at the Community Foundation for the Fox Valley Region, Inc. (Foundation) called the Forest View Estates Fund (Fund). It was established by the developer of the Forest View Estates Fund to provide a source of support for the support and maintenance of stormwater management infrastructure located in and serving the Forest View Estates Subdivision. The Fund is donor-restricted; therefore, it is classified and reported as restricted net position within the Sanitary District No. 3 enterprise fund. The fund is the legal asset of the Foundation. The agreement governing the assets includes a variance power allowing the Foundation to modify the restrictions on distributions from the Fund. Distributions from the Fund are ordinarily made annually to the Town following the Foundation's spending policy. Generally, the Foundation's spending policy appropriates distributions each year equal to 5% of the market value of the fund, which is based on the previous three-year average market value. Based on the terms of the agreement with the Foundation, the Town's distributions are not limited to the spending policy of the Foundation.

The Foundation maximizes total return consistent with an acceptable level of risk. Foundation assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions, while also growing the fund if possible. Accordingly, the Foundation expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total investment assets of the Foundation; investment assets and allocation between asset classes and strategies are managed by the Foundation to not expose the fund to unacceptable levels of risk.

Changes in the Fund's investment balance for the year ended December 31, 2015 was as follows:

Balance, January 1, 2015	\$ -
Contributions	65,000
Net depreciation	(309)
Balance, December 31, 2015	<u>\$ 64,691</u>

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

2. Property Taxes

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

The Town bills and collects its own property taxes and also levies and collects taxes for the Appleton Area School District, School District of Hortonville, Outagamie County, Fox Valley Technical College and the State of Wisconsin. Collections and remittances of taxes for other entities are accounted for in the Town's general fund.

3. Restricted and Other Assets

Restricted and other assets on December 31, 2015 totaled \$2,511,014 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Sanitary District No. 1		
Restricted Assets		
Impact fees	<u>\$ 335,366</u>	Impact fees collected for future purchases
Sanitary District No. 2		
Other Assets		
Depreciation fund	<u>458,504</u>	To be used for additions and betterments of the District's capital assets.
Restricted Assets		
Service availability charges	1,326,689	To account for SAC fees collected to be used for future sewerage plant expansion
DNR replacement fund	325,764	To be used for the replacement of certain equipment of the District in accordance with the Wisconsin Department of Natural Resources requirements.
	<u>1,652,453</u>	
Total Sanitary District No. 2	<u>2,110,957</u>	
Sanitary District No. 3		
Forest View Estates	<u>64,691</u>	Support and maintenance of stormwater management infrastructure located in and serving the Forest View Estates Subdivision
Total	<u>\$ 2,511,014</u>	

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
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**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

4. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,586,389	\$ 408,195	\$ -	\$ 2,994,584
Construction in progress	1,474,940	6,248,648	3,925,659	3,797,929
Total capital assets, not being depreciated	<u>4,061,329</u>	<u>6,656,843</u>	<u>3,925,659</u>	<u>6,792,513</u>
Capital assets, being depreciated:				
Land improvements	1,586,911	182,631	-	1,769,542
Buildings	12,775,942	2,885,967	-	15,661,909
Machinery and equipment	7,125,737	797,382	675,990	7,247,129
Infrastructure	69,751,794	682,550	-	70,434,344
Subtotals	<u>91,240,384</u>	<u>4,548,530</u>	<u>675,990</u>	<u>95,112,924</u>
Less accumulated depreciation for:				
Land improvements	499,859	51,009	-	550,868
Buildings	5,069,584	441,490	-	5,511,074
Machinery and equipment	3,080,467	448,800	530,303	2,998,964
Infrastructure	37,985,952	3,362,418	-	41,348,370
Subtotals	<u>46,635,862</u>	<u>4,303,717</u>	<u>530,303</u>	<u>50,409,276</u>
Total capital assets, being depreciated, net	<u>44,604,522</u>	<u>244,813</u>	<u>145,687</u>	<u>44,703,648</u>
Governmental activities capital assets, net	<u>\$ 48,665,851</u>	<u>\$ 6,901,656</u>	<u>\$ 4,071,346</u>	51,496,161
Less: Capital related general obligation debt				<u>(11,515,000)</u>
Net investment in capital assets				<u>\$ 39,981,161</u>

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,121,059	\$ 630,080	\$ -	\$ 1,751,139
Property held for future use	68,320	-	-	68,320
Construction in progress	731,261	3,821,558	1,273,930	3,278,889
Total capital assets, not being depreciated	<u>1,920,640</u>	<u>4,451,638</u>	<u>1,273,930</u>	<u>5,098,348</u>
Capital assets, being depreciated:				
Land improvements	6,165,383	285,859	-	6,451,242
Buildings	178,121	-	-	178,121
Machinery and equipment	2,446,151	139,954	18,911	2,567,194
Infrastructure	61,582,202	2,448,032	356,000	63,674,234
Subtotals	<u>70,371,857</u>	<u>2,873,845</u>	<u>374,911</u>	<u>72,870,791</u>
Less accumulated depreciation	<u>19,788,174</u>	<u>1,630,098</u>	<u>374,911</u>	<u>21,043,361</u>
Total capital assets, being depreciated, net	<u>50,583,683</u>	<u>1,243,747</u>	<u>-</u>	<u>51,827,430</u>
Business-type activities capital assets, net	<u>\$ 52,504,323</u>	<u>\$ 5,695,385</u>	<u>\$ 1,273,930</u>	<u>56,925,778</u>
Less: Capital related general obligation debt				<u>(3,970,000)</u>
Net investment in capital assets				<u>\$ 52,955,778</u>

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

<b>Governmental activities</b>	
General government	\$ 362,330
Public safety	418,362
Public works	3,478,207
Culture and recreation	43,078
Conservation and development	1,740
Total depreciation expense - governmental activities	<u>\$ 4,303,717</u>
<b>Business-type activities</b>	
Sanitary District No. 1	\$ 593,635
Sanitary District No. 2	543,527
Sanitary District No. 3	440,892
East Side Utility	10,228
Total depreciation expense - business-type activities	<u>1,588,282</u>
Depreciation allocated to various activities	41,816
Increase in accumulated depreciation - business-type activities	<u>\$ 1,630,098</u>

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

5. Interfund Receivable, Payables, and Transfers

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

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General Fund	\$ 4,592,537	\$ -
Tax Incremental District No. 1	-	1,187,470
Tax Incremental District No. 2	-	2,014
Capital Projects	-	3,403,053
Enterprise funds		
Sanitary District No. 1	-	2,407,079
Sanitary District No. 2	2,407,079	-
Room Tax Revenues		
General Fund	92,115	-
Room Tax	-	92,115
<b>Totals</b>	<b>\$ 7,091,731</b>	<b>\$ 7,091,731</b>

	Transfer to:					
	General Fund	General Capital Projects	TIF District #1	TIF District #2	Debt Service	
Transfers from:						
General Fund	\$ -	\$ 30,000	\$ 2,000,000	\$ 2,500,000	\$ -	\$ 4,530,000
Special Revenue						
Room Tax	374,320	-	-	-	-	374,320
Special Assessments	-	-	-	-	2,000,000	2,000,000
Park Development	-	225,000	-	-	-	225,000
Fire Impact Fees	-	200,000	-	-	-	200,000
<b>Totals</b>	<b>\$ 374,320</b>	<b>\$ 455,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,500,000</b>	<b>\$ 2,000,000</b>	<b>\$ 7,329,320</b>

The purpose of interfund transfers for the year ended December 31, 2015 is as follows:

	Amount
Town portion of room tax collections	\$ 374,320
Park capital improvements	225,000
Fire department capital improvements	200,000
Information technology capital improvements	30,000
Town contribution to Tax Incremental Districts	4,500,000
Long-term debt retirement	2,000,000
	<b>\$ 7,329,320</b>

In addition, Tax Incremental District No. 1 financed capital improvements of enterprise funds, which are reported as transfers on government-wide and proprietary fund financial statements as follows:

	Amount
Sanitary District No. 1	\$ 71,220
Sanitary District No. 2	71,022
Sanitary District No. 3	633,373
	<b>\$ 775,615</b>

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

6. Long-term Obligations

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

	Outstanding 1/1/15	Issued	Retired	Outstanding 12/31/15	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Notes	\$14,750,000	\$ -	\$ 3,235,000	\$11,515,000	\$ 2,390,000
Debt premium	113,704	-	24,539	89,165	-
Compensated absences	1,348,443	148,343	137,906	1,358,880	-
Governmental activities Long-term obligations	<u>\$16,212,147</u>	<u>\$ 148,343</u>	<u>\$ 3,397,445</u>	<u>\$12,963,045</u>	<u>\$ 2,390,000</u>
<b>Business-type activities:</b>					
General Obligation Debt					
Notes	\$ 5,515,000	\$ -	\$ 1,545,000	\$ 3,970,000	\$ 1,150,000
Debt premium	45,144	-	12,723	32,421	-
Compensated absences	175,922	106,083	18,893	263,112	-
Business-type activities Long-term obligations	<u>\$ 5,736,066</u>	<u>\$ 106,083</u>	<u>\$ 1,576,616</u>	<u>\$ 4,265,533</u>	<u>\$ 1,150,000</u>

Total interest paid during the year on long-term debt totaled \$485,162.

General Obligation Debt

The Town has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt has been issued for both governmental and proprietary fund activities. General obligation debt is reported in the proprietary funds if it is expected to be repaid from proprietary fund revenues.

General obligation debt service requirements are direct obligations and pledge the full faith and credit of the Town. General obligation debt outstanding on December 31, 2015 totaled \$15,485,000 and was comprised of the following issues:

Notes	\$ 395,000
\$4,215,000 issued 12/21/06; \$395,000 due in 2016; interest 3.875%	\$ 395,000
\$9,685,000 issued 08/26/08; \$980,000 to \$995,000 due annually through 2018; interest 4.0%	2,955,000
\$5,320,000 issued 10/1/09; \$545,000 to \$555,000 due annually through 2019; interest 2.75% to 3.5%	2,195,000
\$7,640,000 issued 11/1/10; \$775,000 to \$785,000 due annually through 2020; interest 2.0% to 3.0%	3,885,000
\$8,895,000 issued 3/27/12; \$845,000 to \$875,000 due annually through 2022; interest 0.75% to 1.75%	<u>6,055,000</u>
Total Outstanding General Obligation Debt	<u>\$ 15,485,000</u>

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, 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 \$15,485,000 on December 31, 2015 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,390,000	\$ 262,890	\$ 1,150,000	\$ 113,737	\$ 3,540,000	\$ 376,627
2017	2,275,000	206,371	870,000	77,868	3,145,000	284,239
2018	2,305,000	148,795	885,000	51,292	3,190,000	200,087
2019	1,725,000	88,695	475,000	23,467	2,200,000	112,162
2020	1,345,000	48,218	315,000	10,989	1,660,000	59,207
2021-2022	1,475,000	25,214	275,000	4,754	1,750,000	29,968
	<u>\$11,515,000</u>	<u>\$ 780,182</u>	<u>\$ 3,970,000</u>	<u>\$ 282,107</u>	<u>\$15,485,000</u>	<u>\$1,062,289</u>

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

Legal Margin for New Debt

The Town's legal margin for creation of additional general obligation debt on December 31, 2015 was \$103,204,846 as follows:

Equalized valuation of the Town	\$ 2,359,012,300
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>117,950,615</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 15,485,000
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>739,231</u>
Net outstanding general obligation debt applicable to debt limitation	<u>14,745,769</u>
Legal Margin for New Debt	<u>\$ 103,204,846</u>

7. Conduit Debt Obligations

In prior years, the Town has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Town, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

8. 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.

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:

**TOWN OF GRAND CHUTE  
OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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, 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 \$487,715 in contributions from the Town.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General	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%

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

At December 31, 2015, the Town reported an asset of \$1,279,492 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 Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the Town's proportion was 0.05209077%, which was a decrease of 0.00196763% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the Town recognized pension expense of \$512,556.

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 185,486
Net differences between projected and actual earnings on pension plan investments	619,592
Changes in proportion and differences between employer contributions and proportionate share of contributions	45,867
Employer contributions subsequent to the measurement date	495,091
<b>Total</b>	<b>\$ 1,346,036</b>

\$495,091 reported as deferred outflows related to pension resulting from the Town'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	\$ 194,005
2016	194,005
2017	194,005
2018	194,005
2019	74,925
<b>Total</b>	<b>\$ 850,945</b>

**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.*

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

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%

*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 Town's proportionate share of the net pension asset to changes in the discount rate.* The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the Town'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%)
Town's proportionate share of the net pension asset (liability)	\$ (3,609,667)	\$ 1,279,492	\$ 5,140,752

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

*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.

f. Payable to the WRS

At December 31, 2015 the Town reported a payable of \$114,968 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2015.

**NOTE D - OTHER INFORMATION**

1. Risk Management

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

2. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2015 and 2016 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the Town's January 1 equalized value as a result of net new construction. The actual limit for the Town for the 2015 budget was 1.72%. The actual limit for the Town for the 2016 budget was 1.34%. 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.

3. Contingencies

- a. Joint Venture - The Town's valuation and taxing power secures a portion of the outstanding long-term debt of the Grand Chute Menasha West Sewerage commission, a joint venture created by the Town and three other municipalities. As of December 31, 2015, the Town was potentially liable for approximately 60% of the Commission's outstanding long-term debt. The Town would be liable in the unlikely event that the Commission defaulted on the debt.
- b. The Town contracts with Grand Chute Menasha - West Sewage Commission to treat sewage. The U.S. Fish & Wildlife Service and the Wisconsin Department of Natural Resources are in the process of preparing Natural Resource Damage Assessments to determine the level of damages to the Lower Fox River and Green Bay natural resources resulting from PCB contamination, and the Wisconsin Department of Natural Resources is in the process of preparing a plan for the cleanup of PCB contaminated sediments in the Lower Fox River. Although none of the state or federal agencies has designated the Commission as a responsible party with respect to the natural resource damages or PCB cleanup costs, the seven Fox River Valley paper mills that have been designated as responsible parties have the ability to seek contribution toward such damages and costs from the POTWs (Publicly Owned Treatment Works) on the Lower Fox River, including the Commission. The currently available information indicates that the Commission bears virtually no responsibility for the discharge of PCB's into the Lower Fox River. Therefore, the Commission has a de minimis exposure in the above matters.

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

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

4. Cumulative Effect of Change in Accounting Principles

The Town 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
		Sanitary District No. 1	Sanitary District No. 2	Sanitary District No. 3		
Net Pension Asset	\$ 1,852,251	\$ 135,003	\$ 94,267	\$ 49,730	\$ 279,000	\$ 2,131,251
Deferred Outflows of Resources	448,573	21,011	13,574	4,557	39,142	487,715
Total Cumulative Effect of Change in Accounting Principle	\$ 2,300,824	\$ 156,014	\$ 107,841	\$ 54,287	\$ 318,142	\$ 2,618,966

5. Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 requires measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also requires disclosures about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Town is currently evaluating the impact this standard will have on the financial statements when adopted.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Schedule of Proportionate Share of the Net Pension Asset  
Wisconsin Retirement System  
Last 10 Fiscal Years\*

	2015
Proportion of the net pension asset	0.05209077%
Proportionate share of the net pension asset	\$ 1,279,492
Covered-employee payroll	\$ 5,454,449
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.

**TOWN OF GRAND CHUTE  
OUTAGAMIE COUNTY, WISCONSIN**  
Schedule of Contributions  
Wisconsin Retirement System  
Last 10 Fiscal Years\*

	2015
Contractually required contributions	\$ 487,715
Contributions in relation to the contractually required contributions	\$ 487,715
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 5,454,449
Contributions as a percentage of covered-employee payroll	8.94%

\* 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.

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Notes to Required Supplementary Information  
December 31, 2015

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

The Town 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**

**TOWN OF GRAND CHUTE  
OUTAGAMIE COUNTY, WISCONSIN**

General Fund

Detailed Comparison of Budgeted and Actual Revenues and Other Financing Sources  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Taxes</b>				
General property taxes	\$ 7,997,663	\$ 7,997,663	\$ 7,997,828	\$ 165
Payment in lieu of taxes	4,500	4,500	2,353	(2,147)
Other taxes	25,050	25,050	25,846	796
<b>Total Taxes</b>	<b>8,027,213</b>	<b>8,027,213</b>	<b>8,026,027</b>	<b>(1,186)</b>
<b>Special Assessments</b>	<b>60,000</b>	<b>60,000</b>	<b>59,907</b>	<b>(93)</b>
<b>Intergovernmental</b>				
<b>Federal aids</b>				
Law enforcement	47,169	47,169	61,323	14,154
<b>State aids</b>				
State shared taxes	269,458	269,458	273,026	3,568
Tax exempt computer aid	75,060	75,060	75,620	560
Fire insurance	82,850	82,850	87,544	4,694
Law enforcement	4,300	4,300	3,200	(1,100)
Transportation	785,984	785,984	784,463	(1,521)
Recycling	125,600	125,600	119,087	(6,513)
Other grants	-	-	9,867	9,867
<b>Local aids</b>				
Mass transit	439,182	439,182	418,495	(20,687)
<b>Total Intergovernmental</b>	<b>1,829,603</b>	<b>1,829,603</b>	<b>1,832,625</b>	<b>3,022</b>
<b>Licenses and Permits</b>				
<b>Licenses</b>				
Business and occupational licenses	69,000	69,000	107,058	38,058
Bicycle	-	-	401	401
Dog	-	-	8,074	8,074
<b>Permits</b>				
Building	256,500	256,500	290,575	34,075
Utility	20,000	20,000	29,486	9,486
Cable TV	290,000	290,000	299,811	9,811
Zoning	201,500	201,500	219,362	17,862
Other permits	4,500	4,500	2,985	(1,515)
<b>Total Licenses and Permits</b>	<b>841,500</b>	<b>841,500</b>	<b>957,752</b>	<b>116,252</b>
<b>Fines and Forfeitures</b>				
Court penalties and costs	410,000	410,000	436,877	26,877
Judgments and damages	2,500	2,500	4,357	1,857
<b>Total Fines and Forfeitures</b>	<b>412,500</b>	<b>412,500</b>	<b>441,234</b>	<b>28,734</b>

(Continued)

**TOWN OF GRAND CHUTE  
OUTAGAMIE COUNTY, WISCONSIN**

General Fund

Detailed Comparison of Budgeted and Actual Revenues and Other Financing Sources (Continued)  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Public Charges for Services</b>				
General government	20,250	20,250	27,614	7,364
Garbage and recycling collection	1,062,915	1,062,915	1,084,090	21,175
Law enforcement fees	57,000	57,000	50,419	(6,581)
Fire department	22,750	22,750	24,277	1,527
Street related charges	12,000	12,000	14,573	2,573
Cemetery fees	50	50	189	139
Weed control	1,000	1,000	1,755	755
Park and recreation charges	16,000	16,000	13,443	(2,557)
<b>Total Public Charges for Services</b>	<b>1,191,965</b>	<b>1,191,965</b>	<b>1,216,360</b>	<b>24,395</b>
<b>Intergovernmental charges for services</b>				
Public safety	24,361	24,361	24,950	589
Public works	225,000	225,000	193,860	(31,140)
<b>Total Intergovernmental Charges for Services</b>	<b>249,361</b>	<b>249,361</b>	<b>218,810</b>	<b>(30,551)</b>
<b>Miscellaneous</b>				
Interest income	226,750	226,750	137,491	(89,259)
Rental income	134,580	134,580	138,285	3,705
Insurance recoveries, dividends and refunds	48,596	48,596	68,650	20,054
Donations	3,900	3,900	4,761	861
Other	40,500	40,500	100,155	59,655
<b>Total Miscellaneous</b>	<b>454,326</b>	<b>454,326</b>	<b>449,342</b>	<b>(4,984)</b>
<b>Total Revenues</b>	<b>13,066,468</b>	<b>13,066,468</b>	<b>13,202,057</b>	<b>135,589</b>
<b>Other Financing Sources</b>				
Sale of capital assets	49,000	49,000	43,107	(5,893)
Transfers in	321,900	321,900	374,320	52,420
<b>Total Other Financing Sources</b>	<b>370,900</b>	<b>370,900</b>	<b>417,427</b>	<b>46,527</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 13,437,368</b>	<b>\$ 13,437,368</b>	<b>\$ 13,619,484</b>	<b>\$ 182,116</b>

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
 General Fund  
 Detailed Comparison of Budgeted and Actual Expenditures  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>General Government</b>				
Town board	\$ 90,230	\$ 90,230	\$ 91,680	\$ (1,450)
Municipal court	186,500	186,500	161,741	24,759
Legal	70,000	70,000	37,515	32,485
General administration	599,830	760,543	863,801	(103,258)
Town clerk	137,390	137,390	122,223	15,167
Elections	32,320	32,320	21,780	10,540
Treasurer	200,480	200,480	228,573	(28,093)
General building/town hall	269,145	269,145	270,100	(955)
Insurance	241,615	241,615	237,855	3,760
Uncollectible taxes and tax refunds	60,000	60,000	33,477	26,523
Contingency	351,740	150,790	-	150,790
<b>Total General Government</b>	<b>2,239,250</b>	<b>2,199,013</b>	<b>2,068,745</b>	<b>130,268</b>
<b>Public Safety</b>				
Police - patrol	2,875,638	2,885,876	2,686,524	199,352
Police - administration	485,845	485,845	509,611	(23,766)
Police - investigations	678,421	678,421	630,157	48,264
Fire department	2,809,435	2,809,435	2,694,521	114,914
Animal control	6,200	6,200	4,727	1,473
<b>Total Public Safety</b>	<b>6,855,539</b>	<b>6,865,777</b>	<b>6,525,540</b>	<b>340,237</b>
<b>Public Works</b>				
Highways	798,225	798,225	739,909	58,316
Winter maintenance	227,634	227,634	165,767	61,867
Highway shop	331,150	331,150	358,263	(27,113)
Street lights	317,700	317,700	306,707	10,993
Bus service	560,700	560,700	543,752	16,948
Refuse and landfill	755,400	755,400	701,331	54,069
Recycling	518,215	518,215	479,194	39,021
Weed and nuisance control	4,610	4,610	3,425	1,185
Cemetery	1,720	1,720	1,370	350
<b>Total Public Works</b>	<b>3,515,354</b>	<b>3,515,354</b>	<b>3,299,718</b>	<b>215,636</b>
<b>Culture and Recreation</b>				
Parks maintenance	204,070	204,070	209,877	(5,807)
Recreation	16,690	16,690	16,420	270
Trails maintenance	13,965	13,965	13,957	8
<b>Total Culture and Recreation</b>	<b>234,725</b>	<b>234,725</b>	<b>240,254</b>	<b>(5,529)</b>
<b>Conservation and Development</b>				
Assessment of property	242,260	242,260	231,963	10,297
Building inspection and code enforcement	309,870	309,870	369,136	(59,266)
Zoning and planning	276,270	276,270	190,624	85,646
<b>Total Conservation and Development</b>	<b>828,400</b>	<b>828,400</b>	<b>791,723</b>	<b>36,677</b>
<b>Total Expenditures</b>	<b>\$ 13,673,268</b>	<b>\$ 13,643,269</b>	<b>\$ 12,925,980</b>	<b>\$ 717,289</b>

# NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

### **Room Tax**

To account for collections of room tax from Town businesses and record disbursements to the Convention and Visitor's Bureau and transfers to the General Fund.

### **Park Development**

To account for monies received from developers of vacant lots for the purpose of financing park facilities and corresponding park development expenditures. Developers have the option of dedicating land for park purposes in lieu of a cash payment.

### **Fire Impact Fees**

To account for fire impact fees collected by the Town.

### **Fire Donations**

To account for donations for fire prevention.

### **K-9 Unit**

To account for donations for the K-9 unit.

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2015

	Room Tax	Park Development	Fire Impact Fees	Fire Donations	K-9 Unit	Total Nonmajor Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 90,661	\$ 10,272	\$ 31,183	\$ 3,722	\$ 4,839	\$ 140,677
Receivables						
Accounts	293,463	-	-	-	-	293,463
<b>TOTAL ASSETS</b>	<b>\$ 384,124</b>	<b>\$ 10,272</b>	<b>\$ 31,183</b>	<b>\$ 3,722</b>	<b>\$ 4,839</b>	<b>\$ 434,140</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 210,023	\$ -	\$ -	\$ -	\$ -	\$ 210,023
Accrued and other current liabilities	6,500	-	-	-	-	6,500
Due to other funds	92,115	-	-	-	-	92,115
<b>Total Liabilities</b>	<b>308,638</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>308,638</b>
<b>Fund Balances</b>						
<b>Restricted</b>						
Fire impact fees	-	-	31,183	-	-	31,183
<b>Assigned</b>						
Economic development	75,486	-	-	-	-	75,486
Park development	-	10,272	-	-	-	10,272
Public safety donations	-	-	-	3,722	4,839	8,561
<b>Total Fund Balances</b>	<b>75,486</b>	<b>10,272</b>	<b>31,183</b>	<b>3,722</b>	<b>4,839</b>	<b>125,502</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 384,124</b>	<b>\$ 10,272</b>	<b>\$ 31,183</b>	<b>\$ 3,722</b>	<b>\$ 4,839</b>	<b>\$ 434,140</b>

**TOWN OF GRAND CHUTE**  
**OUTAGAMIE COUNTY, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2015

	Room Tax	Park Development	Fire Impact Fees	Fire Donations	K-9 Unit	Total Nonmajor Governmental Funds
<b>Revenues</b>						
Taxes	\$ 1,227,137	\$ -	\$ -	\$ -	\$ -	\$ 1,227,137
Public charges for services	-	40,400	65,722	-	-	106,122
Miscellaneous	-	1,092	1,113	1,524	20	3,749
<b>Total Revenues</b>	<b>1,227,137</b>	<b>41,492</b>	<b>66,835</b>	<b>1,524</b>	<b>20</b>	<b>1,337,008</b>
<b>Expenditures</b>						
<b>Current</b>						
Public safety	-	-	-	1,279	2,360	3,639
Conservation and development	852,821	-	-	-	-	852,821
<b>Total Expenditures</b>	<b>852,821</b>	<b>-</b>	<b>-</b>	<b>1,279</b>	<b>2,360</b>	<b>856,460</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>374,316</b>	<b>41,492</b>	<b>66,835</b>	<b>245</b>	<b>(2,340)</b>	<b>480,548</b>
<b>Other Financing Uses</b>						
Transfers out	(374,320)	(225,000)	(200,000)	-	-	(799,320)
<b>Net Change in Fund Balances</b>	<b>(4)</b>	<b>(183,508)</b>	<b>(133,165)</b>	<b>245</b>	<b>(2,340)</b>	<b>(318,772)</b>
<b>Fund Balances - January 1</b>	<b>75,490</b>	<b>193,780</b>	<b>164,348</b>	<b>3,477</b>	<b>7,179</b>	<b>444,274</b>
<b>Fund Balances - December 31</b>	<b>\$ 75,486</b>	<b>\$ 10,272</b>	<b>\$ 31,183</b>	<b>\$ 3,722</b>	<b>\$ 4,839</b>	<b>\$ 125,502</b>

**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 Town Board  
Town of Grand Chute  
Outagamie County, 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 Town of Grand Chute, Outagamie County, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town of Grand Chute's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 2 dated June 6, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Grand Chute, 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 Town of Grand Chute, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Grand Chute, 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 Town'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 a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2015-001 that we consider to be a significant deficiency.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Town of Grand Chute, 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 Town of Grand Chute, Wisconsin's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants  
Green Bay, Wisconsin  
June 6, 2016

**TOWN OF GRAND CHUTE  
OUTAGAMIE COUNTY, WISCONSIN**  
Schedule of Findings and Responses  
For the Year Ended December 31, 2015

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

Finding No.	Control Deficiencies
<b>2015-001</b>	<p><b>Adjustments to the Town's Financial Records</b></p> <p><b>Condition:</b> As part of our 2015 audit, we proposed adjusting journal entries that were material to the Town's basic financial statement.</p> <p><b>Criteria:</b> Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.</p> <p><b>Cause:</b> While Town staff maintains financial records which accurately report financial transactions throughout the year, the Town experienced significant capital asset additions related to development activities, including instances where the Town's Tax Incremental Financing Districts funded portions of projects or infrastructure was constructed and donated to the Town by the developers, which required adjustments to financial records. Town personnel were instrumental in developing the supporting documentation for the adjustments.</p> <p>In addition, we assisted with the implementation of GASB Statements Nos. 68 and 71 in the Town's financial records, which resulted in the Town's proportionate share of the Wisconsin Retirement System being recognized in its financial statements.</p> <p><b>Effect:</b> Year-end financial records prepared by the Town may contain misstatements until all capital asset activity is recorded.</p> <p><b>Recommendation:</b> We recommend the Town evaluate how donated capital assets can be incorporated into the Town's financial records when ownership is transferred to the Town. In addition, we recommend the Town evaluate its capital asset accounting processes to ensure adequate resources exist to properly monitor projects throughout the year. While the new financial accounting system with project accounting works well, the complexity of project cost allocations between water, sewer, storm water, and general Town requires interaction between the community development, public works and finance functions.</p>

**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.