

**CITY OF STEVENS POINT**

Stevens Point, Wisconsin

**FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2015

# CITY OF STEVENS POINT

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# CITY OF STEVENS POINT

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## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Stevens Point  
Stevens Point, Wisconsin

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stevens Point, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Stevens Point'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 from material misstatement. The financial statements of the Redevelopment Authority of the City of Stevens Point were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the City of Stevens Point's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Stevens Point'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.

To the City Council  
City of Stevens Point

### **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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stevens Point, Wisconsin, as of December 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof 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 I, the City of Stevens Point adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective December 31, 2015. Our opinions are not modified with respect to this matter.

As discussed in Note IV.J, the Redevelopment of the City of Stevens Point transferred the operations of Edgewater Manor to the City of Stevens Point as of December 31, 2015. 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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such 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. 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.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stevens Point's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

To the City Council  
City of Stevens Point

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

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the City of Stevens Point'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Stevens Point's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly Virchow Krause, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin  
July 5, 2016

# CITY OF STEVENS POINT

## UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2015

Our discussion and analysis of the City of Stevens Point's financial performance provides an overview of the city's financial activities for the year ended December 31, 2015. Please read it in conjunction with the city's financial statements following this section.

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### **FINANCIAL HIGHLIGHTS**

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Combined net position increased by less than 4% in 2015 to \$137.4 million. Of this amount, \$89.6 million represents the city's net investment in capital assets, while \$14.0 million was held for restricted purposes, and \$33.8 million was unrestricted.

At the end of 2015, the city's governmental activities reported total net position of \$55.0 million, including unrestricted net position of \$20.2 million.

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### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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This annual financial report consists of four parts:

- > Management's discussion and analysis
- > Basic financial statements
  - Government-wide Financial Statements
  - Fund Financial Statements
  - Notes to the Financial Statements
- > Required supplementary information
- > Supplementary Information: combining statements for non-major governmental funds.

The basic financial statements include governmental activities and business-type activities that provide both long-term and short-term information about the city's overall financial status. The remaining statements are fund financial statements that focus on individual parts of city government and report the operations in more detail than the government-wide statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, non-major enterprise funds, and internal service funds.

#### **GOVERNMENT-WIDE STATEMENTS**

Government-wide statements report information about the city as a whole using accounting methods similar to those used by private-sector companies.

The first of these government-wide statements is the Statement of Net Position. This is the citywide statement of position presenting information that includes all of the city's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city as a whole is improving or deteriorating. Evaluation of the overall health of the city should extend to other non-financial factors such as the diversification of the tax base or the condition of city infrastructure, in addition to the financial information provided in this report.

# CITY OF STEVENS POINT

UNAUDITED  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2015

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## OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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### **GOVERNMENT-WIDE STATEMENTS** (cont.)

The second government-wide statement is the Statement of Activities, which reports how the city's net position changed during the current fiscal year. All of the current year's revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the city's distinct activities or functions on revenues provided by the city's taxpayers.

The government-wide financial statements of the city are divided into two categories:

- > **Governmental Activities** – The city's basic services are included, such as police, fire, public works, parks, community development, assessor, finance, and administration. These activities are principally supported by taxes and intergovernmental revenues.
- > **Business-type Activities** – The Stevens Point Water, Wastewater, and Stormwater Utilities charge user fees to cover the costs of the service they provide. The Stevens Point Transit System charges user fees which are coupled with Federal/State capital and operating subsidies and the property tax levy to cover the costs of the services they provide. The Stevens Point Airport charges user fees combined with the property tax levy to cover the costs of services provided.

The government-wide financial statements include the Redevelopment Authority (RDA). The RDA is a legally separate organization which is presented as a discrete column separate from the primary government.

### **FUND FINANCIAL STATEMENTS**

The fund statements provide detailed information about the city's significant funds. Funds are accounting devices that the city uses to keep track of specific sources of funding and spending for particular purposes. Major funds are separately reported while all others are combined into a single aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The city has three kinds of funds:

- > **Governmental Funds** – are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. The focus, however, is very different with fund statements providing a distinctive view of the city's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

# CITY OF STEVENS POINT

UNAUDITED  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2015

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## OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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### *FUND FINANCIAL STATEMENTS* (cont.)

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

- > **Proprietary Funds** – are reported in the fund financial statements and generally report services for which the city charges customers a fee. The city has five proprietary funds – water, wastewater and stormwater utilities, transit fund, and airport fund. Proprietary fund statements offer short and long-term financial information about activities the city operates like a business. A second type of proprietary fund, the internal service fund, reports activities that provide services to other city programs.
  - > **Agency Funds** – are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the city's own programs. The accounting used for agency funds is much like that used for proprietary funds.
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## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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### *STATEMENT OF NET POSITION*

The city has combined net position of \$137.4 million, of which 40.0% or \$55.0 million are related to the governmental activities. There was less than 4% increase or \$4.9 million increase in the Net Position from the prior year. Of this net increase, \$2.9 million was attributable to an increase in governmental activities and \$2.0 million was attributable to an increase in business-type activities (see Table 1).

Total net position of the city's governmental activities increased by 5.56% to \$55.0 million. Investment in capital assets and restricted net position totaling \$34.8 million (restricted to the purposes they can be used for or invested in capital assets such as buildings, roads, equipment, etc.), represent 63.3% of the total. Unrestricted net position of \$20.2 million represents the remaining 36.7% of the total.

Total net position of the city's business-type activities increased by 2.6% to \$82.4 million at December 31, 2015. Unrestricted net position totaled \$12.9 million, representing 15.7% of the total. The increase is due primarily to operating income in the Water, Wastewater, and Stormwater utilities.

# CITY OF STEVENS POINT

UNAUDITED  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2015

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

### STATEMENT OF NET POSITION (cont.)

**Table 1**  
**City of Stevens Point 2015 and 2014 Net Position**  
(in millions of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 59.2	\$ 55.3	\$ 18.0	\$ 16.4	\$ 77.2	\$ 71.7
Capital assets	43.5	44.5	83.0	83.5	126.5	128.0
Total Assets	<u>102.7</u>	<u>99.8</u>	<u>101.0</u>	<u>99.9</u>	<u>203.7</u>	<u>199.7</u>
Deferred inflows of resources	<u>2.6</u>	-	<u>0.5</u>	-	<u>3.1</u>	-
Long-term debt outstanding	32.2	35.6	18.4	19.4	50.6	55.0
Other liabilities	<u>2.1</u>	<u>2.0</u>	<u>0.5</u>	<u>0.5</u>	<u>2.6</u>	<u>2.5</u>
Total Liabilities	<u>34.3</u>	<u>37.6</u>	<u>18.9</u>	<u>19.9</u>	<u>53.2</u>	<u>57.5</u>
Deferred inflows of resources	<u>16.0</u>	<u>15.1</u>	<u>0.2</u>	<u>0.5</u>	<u>16.2</u>	<u>15.6</u>
Net Position						
Net investment						
in capital assets	25.2	23.9	65.2	64.4	89.7*	87.4*
Restricted	9.6	7.7	4.3	3.1	13.9	10.8
Unrestricted	<u>20.2</u>	<u>15.4</u>	<u>12.9</u>	<u>11.9</u>	<u>33.8*</u>	<u>28.4*</u>
Total Net Position – End of Year	<u>55.0</u>	<u>47.0</u>	<u>82.4</u>	<u>79.4</u>	<u>137.4</u>	<u>126.5</u>

Note: Figures may not total due to rounding.

\* The net position section includes an adjustment for capital assets owned by the business-type activities, but financed by the debt of the governmental activities column.

### STATEMENT OF ACTIVITIES

The city had combined total revenues of \$42.3 million in 2015 and combined total expenses of \$38.8 million. After transfers and special items, governmental activities had a net increase of \$2.9 million and business activities had a net increase of \$2.1 million. Table 2 and the following narrative consider the operations of governmental and business-type activities separately.

# CITY OF STEVENS POINT

UNAUDITED  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2015

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

### STATEMENT OF ACTIVITIES (cont.)

**Table 2**  
**Change in City of Stevens Point 2015 and 2014 Net Position**  
(in millions of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 4.3	\$ 4.1	\$ 10.3	\$ 10.6	\$ 14.6	\$ 14.7
Operating grants and contributions	0.6	2.3	1.0	1.1	1.6	3.3
Capital grants and contributions	2.7	2.2	1.1	0.3	3.8	2.5
General Revenues						
Property taxes	14.8	14.1	0.5	0.8	15.3	14.9
Other taxes	1.0	1.0	-	-	1.0	1.0
Intergovernmental (not restricted)	5.1	5.4	-	-	5.1	5.4
Investment income	0.3	0.3	-	-	0.3	0.3
Others	0.5	0.6	0.1	0.1	0.6	0.7
<b>Total Revenues</b>	<u>29.3</u>	<u>30.0</u>	<u>13.0</u>	<u>12.9</u>	<u>42.3</u>	<u>42.9</u>
<b>Expenses</b>						
General government	3.0	2.7	-	-	3.0	2.7
Public safety	10.6	11.7	-	-	10.6	11.7
Public works	8.0	7.7	-	-	8.0	7.7
Health and human services	0.1	0.1	-	-	0.1	0.1
Culture, recreation and education	2.3	2.6	-	-	2.3	2.6
Conservation and development	2.5	2.0	-	-	2.5	2.0
Interest and fiscal charges	0.9	1.0	-	-	0.9	1.0
Water	-	-	3.1	3.2	3.1	3.2
Wastewater	-	-	3.6	3.1	3.6	3.1
Stormwater	-	-	0.9	0.9	0.9	0.9
Transit	-	-	2.2	2.2	2.2	2.2
Airport	-	-	0.8	1.0	0.8	1.0
<b>Total Expenses</b>	<u>27.4</u>	<u>27.8</u>	<u>10.6</u>	<u>10.4</u>	<u>38.0</u>	<u>38.2</u>
Excess (Deficiency) Before Transfers and Special Item	1.9	2.2	2.4	2.5	4.3	4.7
Transfers	1.0	0.4	(1.0)	(0.4)	-	-
Special Item	-	-	0.7	-	0.7	-
<b>Change In Net Position</b>	<u>2.9</u>	<u>2.7</u>	<u>2.1</u>	<u>2.0</u>	<u>5.0</u>	<u>4.7</u>
Net Position – Beginning of Year**	<u>52.1</u>	<u>44.3</u>	<u>80.3</u>	<u>77.4</u>	<u>132.4</u>	<u>121.8</u>
<b>ENDING NET POSITION</b>	<u>\$ 55.0</u>	<u>\$ 47.0</u>	<u>\$ 82.4</u>	<u>\$ 79.4</u>	<u>\$ 137.4</u>	<u>\$ 126.5</u>

Note: Figures may not total due to rounding.

\*\* 2014 beginning of the year net position has been restated. See Note IV.I. in the 2015 report.

# CITY OF STEVENS POINT

UNAUDITED  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2015

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## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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### **GOVERNMENTAL ACTIVITIES**

The City of Stevens Point received a total of \$29.3 million in combined governmental activity revenues in 2015. As Table 2 indicates, the largest revenue source is the property tax, which accounts for \$14.8 million, or 50.5%, of governmental activity revenues. This is followed by non-restricted intergovernmental aid and charges for services which combine to total \$9.4 million or 32.1%. All other revenues account for the remaining \$5.1 million, or 17.4%.

Total governmental activities expenses were \$27.4 million in 2015. Public safety, including police, EMS, inspection and fire services, accounts for the largest share of city expenses at 38.7%. This is followed by public works at 29.2%, general government of 10.9%, and conservation and development at 9.1%. All other expenses account for the remaining 12.1%.

### **BUSINESS-TYPE ACTIVITIES**

The City of Stevens Point received \$13.0 million in business-type activity revenue during 2015 from its water, wastewater, and stormwater utilities, transit system and airport. Charges for services are by far the largest revenue sources for these operations, representing 79.2% of non-capital contribution revenues.

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## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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### **GOVERNMENTAL FUNDS**

The focus of the city's governmental funds is to provide information regarding near-term inflows, outflows, and spendable resources. Such information can be useful in addressing the city's financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of 2015, the *combined* fund balance for the city's governmental funds was \$32.6 million. Of this total, \$6.2 million is considered nonspendable, \$9.3 million is restricted or committed and \$10.8 million is assigned for specific purposes that are not considered restricted or committed. The balance of *unassigned* government fund balances is \$6.3 million. These funds are allocated across the following areas:

Unassigned Governmental Fund Balances (Deficits): (in millions of dollars)

	2015	2014
General Fund	\$ 10.9	\$ 11.6
Capital Project Funds	(4.6)	(3.7)
Total	<u>\$ 6.3</u>	<u>\$ 7.9</u>

Note: Figures may not total due to rounding.

# CITY OF STEVENS POINT

UNAUDITED  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2015

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## FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

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### **GOVERNMENTAL FUNDS (cont.)**

#### **General Fund**

The general fund is the primary operating fund of the city.

- > Total fund balance as of December 31, 2015 was \$19.9 million of which \$6.0 million was considered nonspendable. Included in the nonspendable amount are prepaids and inventories, noncurrent receivables, and minor amounts for delinquent personal property taxes.
- > Assigned fund balance increased from \$2.4 million in 2014 to \$3.0 million in 2015. The increase is primarily due to an increase in the assignment for emerald ash borer in the amount of \$0.4 million.
- > Unassigned fund balance decreased by \$0.7 million to \$10.9 million. The unassigned fund balance is now approximately 51.2% of general fund revenues.

#### **Special Revenue Funds**

The special revenue funds serve to account for specialized areas of government operations, which include activities such as room tax, industrial park improvements, special land purchase, recycling, fuel system replacement, department of administration loan program, riverfront festival, public safety grants, and community development enhancement grants. These activities are funded from sources other than the levy.

- > Total fund balance for all special revenue funds as of December 31, 2015 was \$3.6 million.
- > Total revenues for 2015 were \$2.0 million, which included \$0.8 million from hotel/motel taxes.
- > Total expenditures for the year were \$1.6 million.

#### **Debt Service Fund**

General debt service is supported by reimbursements from the water and sewage utility, and tax levy.

- > At the end of 2015, there was a total fund balance of \$1.1 million in the general debt service fund.
- > During 2015, the debt service fund had total revenues of \$3.4 million, primarily from tax collections.
- > Total expenditures were \$3.7 million for the year for principal and interest payments.

# CITY OF STEVENS POINT

UNAUDITED  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2015

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## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)**

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### ***GOVERNMENTAL FUNDS (cont.)***

#### ***Capital Project Funds***

The city has committed funds on an annual basis for repair and improvements to public highways and streets to maintain and upgrade the street system in the city. In 2015, the city also continued the replacement of fleet vehicles and equipment. The city has a significant fund balance in the capital projects fund, which is primarily the result of jurisdictional transfer funds received from the State. The city intends to spend this balance down in 2017 with the construction of an overpass on Country Club Drive.

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## **GENERAL FUND BUDGETARY HIGHLIGHTS**

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The general fund budget is adopted at the functional level of expenditure. One budget amendment was made in 2015 related to a new information technology position. The city ended the year with favorable variance in general fund revenues and a favorable variance in general fund. Overall, the city did have a favorable variance to budget.

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## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

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### ***CAPITAL ASSETS***

In accordance with the implementation requirements of GASB No. 34, the city recorded historical costs and depreciation for all of its capital assets with the exceptions of bridges, street lighting, and storm water related infrastructure. For 2015, the city has retroactively reported all infrastructure assets as required by GASB No. 34.

As of December 31, 2015, the city reported a combined investment in capital assets of \$126.5 million net of accumulated depreciation. Of this amount, \$43.5 million, or 34.4%, is attributable to governmental activities. The business-type activities report \$83.0 million of capital assets. Total accumulated depreciation for both governmental and business-type activities was \$91.5 million. A schedule of capital asset activity can be found in Footnote IV.D.

# CITY OF STEVENS POINT

UNAUDITED  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2015

## CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

### *LONG-TERM DEBT*

At year end, the governmental activities had \$28.9 million in general obligation bonds, a decrease of \$3.0 million or 9.4%. At the end of 2015, the business-type activities had a total of \$17.7 million in outstanding revenue bonds and general obligation debt. That amount is a decrease of \$1.0 million, or 5.6%, from the prior year. The city made one general obligation borrowing during 2015:

- > The city borrowed \$1.75 million for various projects including street projects, building improvement projects, equipment purchases, property acquisitions. \$1.4 million was unspent as of December 31, 2015.

In 2015, Moody's Investor Services affirmed the city's rating of Aa2. The rating opinion includes the following statements: Financial profile will remain strong due to ample cash reserves and management's commitment to maintaining a healthy General Fund Fund Balance.

State law limits the city to issuing general obligation bonds totaling no more than 5% of the city's equalized value. Based on 2015 equalized value of \$1.7 billion, this limit is \$87.0 million. The city currently has \$30.6 million of general obligation notes and bonds outstanding representing approximately 35.2% of legal debt capacity. A schedule of long-term debt activity can be found in Note IV.F.

**Table 3**  
**City of Stevens Point**  
**Outstanding Debt**  
(in millions)

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligation debt	\$ 28.9	\$ 31.9	\$ 1.7	\$ 1.8	\$ 30.6	\$ 33.7
Revenue debt	-	-	16.0	16.9	16.0	16.9
<b>Totals</b>	<b>\$ 28.9</b>	<b>\$ 31.9</b>	<b>\$ 17.7</b>	<b>\$ 18.7</b>	<b>\$ 46.6</b>	<b>\$ 50.6</b>

Note: Figures may not total due to rounding.

# CITY OF STEVENS POINT

UNAUDITED  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2015

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## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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The assessed value increased from \$1,486,863,000 on January 1, 2014 to \$1,501,069,700 on January 1, 2015, an increase of 1.0%. The equalized value of the city, including TID, increased from \$1,664,973,700 on January 1, 2014 to \$1,740,399,800 on January 1, 2015, an increase of 4.5%. The growth in equalized value was led by new construction and recovering property values. The final equalized and assessed valuations are determined by the Wisconsin Department of Revenue.

The City of Stevens Point has a diverse economy, which is anchored by Sentry Insurance and the University of Wisconsin – Stevens Point. Additional major employers include, but are not limited to, Ministry Medical Group, Associated Banc-Corp, AIG Travel Guard, Land's End, Skyward, Donaldson Co., and Worzalla Publishing.

Economic Development has remained active as the City of Stevens Point opened a new Business Park, "East Park Commerce Center". The first business, Service Cold Storage, completed construction in 2014. Near the business park, Skyward completed construction of a new corporate headquarters in 2016.

Moody's Investor Service has affirmed an Aa2 rating for Stevens Point under their municipal rating structure which demonstrates the financial strength and economic stability of the City of Stevens Point.

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## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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This financial report is designed to provide our citizens, taxpayers, customers, elected officials, and creditors with a general overview of the city's finances and to demonstrate the city's accountability for the money it receives. If you have any questions about this report or need additional information, please contact the City of Stevens Point, Corey Ladick, Comptroller-Treasurer, 1515 Strongs Ave, Stevens Point, WI 54481, [cladick@stevenspoint.com](mailto:cladick@stevenspoint.com).

**CITY OF STEVENS POINT**

STATEMENT OF NET POSITION  
As of December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 34,529,355	\$ 9,730,611	\$ 44,259,966	\$ 2,444,211
Receivables (net)				
Taxes	12,610,917	150,000	12,760,917	-
Delinquent personal property taxes	44,398	-	44,398	-
Special assessments	250,809	629,396	880,205	-
Accounts receivable	570,271	1,625,484	2,195,755	-
Accrued interest	50,445	-	50,445	-
Pledges	235,000	-	235,000	-
Due from other governments	3,420,607	121,593	3,542,200	-
Prepaid items and inventories	897,415	378,776	1,276,191	-
Internal balances	1,086,728	(1,086,728)	-	-
Notes receivable	2,713,286	-	2,713,286	-
Loans receivable	-	-	-	1,339,347
Other assets	-	1,495,788	1,495,788	-
Restricted assets				
Cash and investments	-	4,448,687	4,448,687	-
Receivables	-	38,893	38,893	-
Net pension asset	2,480,066	417,190	2,897,256	-
Land held for resale	302,720	-	302,720	791,400
Capital Assets				
Land	5,334,053	1,912,087	7,246,140	1,334,595
Construction in progress	-	1,376	1,376	-
Other capital assets, net of depreciation	38,174,842	81,125,965	119,300,807	2,855,785
Total Assets	102,700,912	100,989,118	203,690,030	8,765,338
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	2,615,003	447,522	3,062,525	-
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	1,727,264	448,109	2,175,373	432
Claims payable	208,754	-	208,754	-
Special deposits	539	38,893	39,432	-
Due to other governments	155,781	-	155,781	-
Noncurrent liabilities				
Due within one year	4,447,857	1,032,949	5,480,806	-
Due in more than one year	27,785,719	17,394,927	45,180,646	-
Total Liabilities	34,325,914	18,914,878	53,240,792	432
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue	15,991,909	150,000	16,141,909	-
<b>NET POSITION</b>				
Net investment in capital assets	25,157,068	65,150,927	89,580,407	4,190,380
Restricted	9,630,178	4,341,432	13,971,610	-
Unrestricted	20,210,846	12,879,403	33,817,837	4,574,526
<b>TOTAL NET POSITION</b>	<b>\$ 54,998,092</b>	<b>\$ 82,371,762</b>	<b>\$ 137,369,854</b>	<b>\$ 8,764,906</b>

See accompanying notes to financial statements.

**CITY OF STEVENS POINT**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues			Net Expenses (Revenues) and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Totals	
Primary Government								
Governmental Activities								
General government	\$ 2,989,253	\$ 371,823	\$ 11,455	\$ -	\$ (2,605,975)	\$ -	\$ (2,605,975)	\$ -
Public safety	10,558,543	2,653,289	109,522	-	(7,795,732)	-	(7,795,732)	-
Public works	8,044,432	298,921	265,420	2,656,197	(4,823,894)	-	(4,823,894)	-
Health and human services	93,392	-	1,130	-	(92,262)	-	(92,262)	-
Culture, recreation and education	2,350,397	731,664	189,283	1,485	(1,427,965)	-	(1,427,965)	-
Conservation and development	2,512,447	203,564	-	-	(2,308,883)	-	(2,308,883)	-
Interest and fiscal charges	869,680	-	71,854	-	(797,826)	-	(797,826)	-
Total Governmental Activities	<u>27,418,144</u>	<u>4,259,261</u>	<u>648,664</u>	<u>2,657,682</u>	<u>(19,852,537)</u>	<u>-</u>	<u>(19,852,537)</u>	<u>-</u>
Business-type Activities								
Water	3,160,309	4,020,784	-	37,052	-	897,527	897,527	-
Wastewater	3,564,297	4,282,252	71,581	759,026	-	1,548,562	1,548,562	-
Stormwater	933,755	1,302,352	-	268,515	-	637,112	637,112	-
Transit	2,233,204	363,980	902,605	-	-	(966,619)	(966,619)	-
Airport	816,522	349,595	-	89,656	-	(377,271)	(377,271)	-
Total Business-type Activities	<u>10,708,087</u>	<u>10,318,963</u>	<u>974,186</u>	<u>1,154,249</u>	<u>-</u>	<u>1,739,311</u>	<u>1,739,311</u>	<u>-</u>
Total Primary Government	<u>\$ 38,126,231</u>	<u>\$ 14,578,224</u>	<u>\$ 1,622,850</u>	<u>\$ 3,811,931</u>	<u>(19,852,537)</u>	<u>1,739,311</u>	<u>(18,113,226)</u>	<u>-</u>
Component Unit								
Redevelopment Authority	\$ 741,182	\$ 464,095	\$ -	\$ -	-	-	-	(277,087)
General Revenues								
Taxes								
Property taxes, levied for general purposes					10,442,895	527,726	10,970,621	-
Property taxes, levied for debt service					3,224,347	-	3,224,347	-
Property taxes, TIF increment					1,143,407	-	1,143,407	-
Other taxes					1,026,912	-	1,026,912	-
Intergovernmental revenues not restricted to specific programs					5,082,448	-	5,082,448	-
Investment income					276,279	17,164	293,443	57,385
Gain on sale of capital assets					283,136	-	283,136	-
Miscellaneous					221,446	86,323	307,769	-
Total General Revenues					<u>21,700,870</u>	<u>631,213</u>	<u>22,332,083</u>	<u>57,385</u>
Transfers					1,043,955	(1,043,955)	-	-
Special item					-	723,075	723,075	(723,075)
Change in Net Position					2,892,288	2,049,644	4,941,932	(942,777)
NET POSITION - Beginning of Year (as restated)					<u>52,105,804</u>	<u>80,322,118</u>	<u>132,427,922</u>	<u>9,707,683</u>
NET POSITION - END OF YEAR					<u>\$ 54,998,092</u>	<u>\$ 82,371,762</u>	<u>\$ 137,369,854</u>	<u>\$ 8,764,906</u>

See accompanying notes to financial statements.

**CITY OF STEVENS POINT**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2015

	General Fund	General Debt Service Fund	Capital Project Funds		Nonmajor Governmental Funds	Totals
			General Capital Projects	TID No. 6		
<b>ASSETS</b>						
Cash and investments	\$ 13,855,550	\$ 454,036	\$ 9,274,971	\$ -	\$ 7,737,942	\$ 31,322,499
Taxes receivable						
Property taxes	7,847,603	3,178,877	-	90,035	1,494,402	12,610,917
Delinquent personal property taxes	44,398	-	-	-	-	44,398
Special assessments	123,703	-	-	-	127,106	250,809
Accounts receivable						
Interest	10,877	-	39,568	-	-	50,445
Sundry	261,547	-	42,433	-	171,766	475,746
Pledges	-	235,000	-	-	-	235,000
Due from other governments	3,214,880	-	-	178,500	27,227	3,420,607
Due from other funds	910,502	-	27,392	-	10,000	947,894
Inventories and prepaid items	839,646	-	-	-	1,817	841,463
Advances to other funds	5,108,131	606,677	-	-	-	5,714,808
Notes receivable	200,000	-	-	-	2,513,286	2,713,286
<b>TOTAL ASSETS</b>	<b>\$ 32,416,837</b>	<b>\$ 4,474,590</b>	<b>\$ 9,384,364</b>	<b>\$ 268,535</b>	<b>\$ 12,083,546</b>	<b>\$ 58,627,872</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 535,075	\$ -	\$ 59,925	\$ 6,046	\$ 209,806	\$ 810,852
Accrued liabilities	646,259	-	-	-	1,813	648,072
Special deposit	539	-	-	-	-	539
Due to other governments	155,271	-	-	-	510	155,781
Due to other funds	56,299	-	264,061	-	26,017	346,377
Advances from other funds	-	-	-	4,239,195	852,936	5,092,131
Total Liabilities	<u>1,393,443</u>	<u>-</u>	<u>323,986</u>	<u>4,245,241</u>	<u>1,091,082</u>	<u>7,053,752</u>
<b>Deferred Inflows of Resources</b>						
Unearned revenue	10,933,566	3,178,877	-	90,035	1,494,402	15,696,880
Unavailable revenue	169,188	235,000	39,568	178,500	2,675,383	3,297,639
Total Deferred Inflows of Resources	<u>11,102,754</u>	<u>3,413,877</u>	<u>39,568</u>	<u>268,535</u>	<u>4,169,785</u>	<u>18,994,519</u>
<b>Fund Balances (Deficits)</b>						
Nonspendable	5,998,784	-	-	-	217,473	6,216,257
Restricted	21,352	1,060,713	1,342,990	-	3,679,959	6,105,014
Committed	-	-	-	-	3,212,369	3,212,369
Assigned	3,012,394	-	7,677,820	-	106,931	10,797,145
Unassigned (deficits)	10,888,110	-	-	(4,245,241)	(394,053)	6,248,816
Total Fund Balances (Deficits)	<u>19,920,640</u>	<u>1,060,713</u>	<u>9,020,810</u>	<u>(4,245,241)</u>	<u>6,822,679</u>	<u>32,579,601</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 32,416,837</b>	<b>\$ 4,474,590</b>	<b>\$ 9,384,364</b>	<b>\$ 268,535</b>	<b>\$ 12,083,546</b>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.						43,508,895
Land held for resale in governmental funds are not financial resources and, therefore, are not reported in the funds.						302,720
Some receivables that are not currently available are reported as unearned revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note II-A.						3,297,639
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.						2,480,066
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.						2,615,003
Internal service funds are used by management to charge costs of insurance coverage to individual funds. The assets, liabilities, and deferred inflows of resources of the internal service funds are included in government activities in the statement of net position. See Note II-A.						2,716,084
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II-A.						(32,501,916)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>						<b>\$ 54,998,092</b>

See accompanying notes to financial statements.

**CITY OF STEVENS POINT**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

	General Fund	General Debt Service Fund	Capital Project Funds		Nonmajor Governmental Funds	Total Governmental Funds
			General Capital Projects	TID No. 6		
<b>REVENUES</b>						
Taxes	\$ 10,650,435	\$ 3,224,347	\$ -	\$ 47,965	\$ 1,906,508	\$ 15,829,255
Special assessments	94,188	-	-	-	246,004	340,192
Intergovernmental	6,579,287	71,854	65,170	778,470	232,146	7,726,927
Licenses and permits	346,607	-	-	-	-	346,607
Fines, forfeitures and penalties	426,130	-	-	-	-	426,130
Public charges for services	520,752	-	-	-	245,125	765,877
Intergovernmental charges for services	2,245,662	-	-	-	5,328	2,250,990
Investment income	188,510	-	70,569	-	14,462	273,541
Miscellaneous	253,852	-	50,073	70,224	476,042	850,191
Total Revenues	<u>21,305,423</u>	<u>3,296,201</u>	<u>185,812</u>	<u>896,659</u>	<u>3,125,615</u>	<u>28,809,710</u>
<b>EXPENDITURES</b>						
Current						
General government	2,266,491	-	26,811	1,250	82,224	2,376,776
Public safety	10,270,629	-	-	-	34,605	10,305,234
Public works	5,237,593	-	434,046	-	347,557	6,019,196
Health and human services	93,392	-	-	-	-	93,392
Culture, recreation and education	1,767,638	-	-	-	435,515	2,203,153
Conservation and development	271,569	-	-	835,663	887,167	1,994,399
Capital Outlay	431,945	-	1,325,402	-	288,654	2,046,001
Debt Service						
Principal retirement	-	3,264,434	-	1,180,501	390,000	4,834,935
Interest and fiscal charges	-	451,770	5,000	259,085	193,973	909,828
Total Expenditures	<u>20,339,257</u>	<u>3,716,204</u>	<u>1,791,259</u>	<u>2,276,499</u>	<u>2,659,695</u>	<u>30,782,914</u>
Excess (deficiency) of revenues over expenditures	<u>966,166</u>	<u>(420,003)</u>	<u>(1,605,447)</u>	<u>(1,379,840)</u>	<u>465,920</u>	<u>(1,973,204)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-term debt issued	-	-	1,750,000	-	-	1,750,000
Pledge revenue	-	79,000	-	-	-	79,000
Sale of city property	14,647	-	-	-	444,376	459,023
Transfers in	982,026	59,500	780,453	-	180,000	2,001,979
Transfers out	(405,000)	(69,242)	-	-	(708,782)	(1,183,024)
Total Other Financing Sources (Uses)	<u>591,673</u>	<u>69,258</u>	<u>2,530,453</u>	<u>-</u>	<u>(84,406)</u>	<u>3,106,978</u>
<b>Net Change in Fund Balance</b>	<u>1,557,839</u>	<u>(350,745)</u>	<u>925,006</u>	<u>(1,379,840)</u>	<u>381,514</u>	<u>1,133,774</u>
<b>FUND BALANCES (DEFICITS) -</b>						
Beginning of Year	<u>18,362,801</u>	<u>1,411,458</u>	<u>8,095,804</u>	<u>(2,865,401)</u>	<u>6,441,165</u>	<u>31,445,827</u>
<b>FUND BALANCES (DEFICITS) -</b>						
<b>END OF YEAR</b>	<u>\$ 19,920,640</u>	<u>\$ 1,060,713</u>	<u>\$ 9,020,810</u>	<u>\$ (4,245,241)</u>	<u>\$ 6,822,679</u>	<u>\$ 32,579,601</u>

See accompanying notes to financial statements.

## CITY OF STEVENS POINT

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds	\$ 1,133,774
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of these assets are capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,046,001
Some items reported as outlay are not capitalized	(336,474)
Depreciation is reported in the government-wide statements	(2,257,060)
Loss on disposal of assets is reported in the government-wide statements	(1,167,688)
Contributed capital assets are reported as revenues in the government-wide statements.	685,386
Loss on the disposal of land held for resale is reported as an expense in the government-wide statements.	(23,451)
<p>Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>	
Special assessments	188,390
Other	(842,126)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Debt issued	(1,750,000)
Principal repaid	4,834,935
Part of the change in net position in the internal service fund is reported with governmental activities	13,004
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Compensated absences	336,423
Other post employment benefits	(39,793)
Accrued interest on debt	29,794
Net pension asset	(1,590,274)
Deferred outflows of resources related to pensions	1,621,093
<p>Governmental funds report debt premiums and debt discount as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>	
	10,354
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,892,288</b>

See accompanying notes to financial statements.

**CITY OF STEVENS POINT**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 As of December 31, 2015

ASSETS	Business-type Activities - Enterprise Funds					Totals	Governmental
	Water Department	Wastewater Department	Stormwater Department	Transit	Other Enterprise Funds		Activities - Internal Service Funds
<b>CURRENT ASSETS</b>							
Cash and investments	\$ 4,534,549	\$ 3,116,817	\$ 986,794	\$ 686,966	\$ 405,485	\$ 9,730,611	\$ 3,206,856
Taxes receivable							
Property taxes	-	-	-	-	150,000	150,000	-
Accounts receivable							
Customers	500,037	629,746	201,235	49,821	22,658	1,403,497	94,525
Sundry	30,715	174,638	16,634	-	-	221,987	-
Special assessments	-	62,940	-	-	-	62,940	-
Restricted assets							
Redemption account	1,510,772	391,324	-	-	-	1,902,096	-
Receivables	-	-	-	-	38,893	38,893	-
Due from other governmental units	-	-	-	121,593	-	121,593	-
Due from municipality	-	17,167	7,324	295,869	-	320,360	-
Due from other utilities	598,285	-	-	-	-	598,285	-
Inventory and prepaid items	298,383	8,860	4,319	-	67,214	378,776	55,952
Accrued utility revenue	428,920	556,308	175,378	-	-	1,160,606	-
Total Current Assets	<u>7,901,661</u>	<u>4,957,800</u>	<u>1,391,684</u>	<u>1,154,249</u>	<u>684,250</u>	<u>16,089,644</u>	<u>3,357,333</u>
<b>NONCURRENT POSITION</b>							
Restricted Assets							
Replacement account	-	1,821,370	-	-	-	1,821,370	-
Reserve account	-	725,221	-	-	-	725,221	-
Net pension asset	138,849	84,915	28,169	147,956	17,301	417,190	-
Total Restricted Assets	<u>138,849</u>	<u>2,631,506</u>	<u>28,169</u>	<u>147,956</u>	<u>17,301</u>	<u>2,963,781</u>	<u>-</u>
Capital Assets							
Utility plant	48,091,239	40,973,291	22,378,501	-	-	111,443,031	-
Land	399,282	794,011	-	324,290	394,504	1,912,087	-
Land improvements	-	-	-	-	2,037	2,037	-
Buildings	-	-	-	4,848,256	3,811,814	8,660,070	-
Equipment	-	-	-	4,046,741	656,275	4,703,016	-
Runway infrastructure	-	-	-	-	6,998,900	6,998,900	-
Accumulated depreciation	(14,056,163)	(15,625,958)	(9,350,175)	(3,330,161)	(8,318,632)	(50,681,089)	-
Construction work in progress	1,376	-	-	-	-	1,376	-
Total Capital Assets	<u>34,435,734</u>	<u>26,141,344</u>	<u>13,028,326</u>	<u>5,889,126</u>	<u>3,544,898</u>	<u>83,039,428</u>	<u>-</u>
Other Assets							
Land held for future use	333,806	-	-	-	-	333,806	-
Special assessments	-	566,456	-	-	-	566,456	-
Preliminary survey and investigation	-	1,376	-	-	-	1,376	-
Total Other Assets	<u>333,806</u>	<u>567,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>901,638</u>	<u>-</u>
Total Noncurrent Assets	<u>34,908,389</u>	<u>29,340,682</u>	<u>13,056,495</u>	<u>6,037,082</u>	<u>3,562,199</u>	<u>86,904,847</u>	<u>-</u>
Total Assets	<u>42,810,050</u>	<u>34,298,482</u>	<u>14,448,179</u>	<u>7,191,331</u>	<u>4,246,449</u>	<u>102,994,491</u>	<u>3,357,333</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension related amounts	152,180	93,557	30,200	155,340	16,245	447,522	-

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds						Governmental
	Water Department	Wastewater Department	Stormwater Department	Transit	Other Enterprise Funds	Totals	Activities - Internal Service Funds
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable	\$ 133,435	\$ 18,169	\$ 454	\$ 15,171	\$ 26,148	\$ 193,377	\$ -
Accrued liabilities	40,251	37,350	6,142	81,329	8,508	173,580	-
Claims payable	-	-	-	-	-	-	208,754
Due to municipality	819,356	-	-	61,055	41,466	921,877	-
Due to other utilities	-	392,295	205,990	-	-	598,285	-
Current liabilities payable from restricted assets							
Accrued interest	34,906	46,246	-	-	-	81,152	-
Current portion of revenue bonds payable	502,850	397,906	-	-	-	900,756	-
Deposits	-	-	-	-	38,893	38,893	-
Current portion of advances	-	167,211	-	-	-	167,211	-
Current portion of general obligation debt	67,241	-	-	64,952	-	132,193	-
Total Current Liabilities	<u>1,598,039</u>	<u>1,059,177</u>	<u>212,586</u>	<u>222,507</u>	<u>115,015</u>	<u>3,207,324</u>	<u>208,754</u>
<b>NONCURRENT LIABILITIES</b>							
Revenue bonds payable	9,016,848	6,129,458	-	-	-	15,146,306	-
General obligation notes payable	1,056,155	-	-	489,707	-	1,545,862	-
Advance from municipality	-	439,466	-	-	16,000	455,466	-
Accrued sick leave and vacation	172,645	82,554	34,238	163,463	4,806	457,706	-
Other postemployment benefits liability	79,755	76,383	-	71,954	16,961	245,053	-
Total Noncurrent Liabilities	<u>10,325,403</u>	<u>6,727,861</u>	<u>34,238</u>	<u>725,124</u>	<u>37,767</u>	<u>17,850,393</u>	<u>-</u>
Total Liabilities	<u>11,923,442</u>	<u>7,787,038</u>	<u>246,824</u>	<u>947,631</u>	<u>152,782</u>	<u>21,057,717</u>	<u>208,754</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unearned revenue	-	-	-	-	150,000	150,000	295,029
<b>NET POSITION</b>							
Net investment in capital assets	23,792,640	19,450,596	13,028,326	5,334,467	3,544,898	65,150,927	-
Restricted for							
Equipment replacement	-	1,821,370	-	-	-	1,821,370	-
Debt service	1,475,866	627,006	-	-	-	2,102,872	-
Pension	138,849	84,915	28,169	147,956	17,301	417,190	-
Unrestricted	5,631,433	4,621,114	1,175,060	916,617	397,713	12,741,937	2,853,550
<b>TOTAL NET POSITION</b>	<u>\$ 31,038,788</u>	<u>\$ 26,605,001</u>	<u>\$ 14,231,555</u>	<u>\$ 6,399,040</u>	<u>\$ 3,959,912</u>	<u>82,234,296</u>	<u>\$ 2,853,550</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						137,466	
<b>NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>						<u>\$ 82,371,762</u>	

See accompanying notes to financial statements.

**CITY OF STEVENS POINT**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds					Totals	Governmental
	Water Department	Wastewater Department	Stormwater Department	Transit	Other Enterprise Funds		Activities - Internal Service Funds
<b>OPERATING REVENUES</b>							
Public charges for services							
Bus fare revenues	\$ -	\$ -	\$ -	\$ 314,561	\$ 349,595	\$ 664,156	\$ -
Water revenues	4,134,964	-	-	-	-	4,134,964	-
Water bad debt expense	(246,254)	-	-	-	-	(246,254)	-
Wastewater revenues	-	4,270,894	-	-	-	4,270,894	-
Stormwater revenues	-	-	1,301,871	-	-	1,301,871	-
Intergovernmental charges for services							
Local governmental subsidies	-	-	-	-	-	-	3,330,110
Other Items	132,074	11,358	481	49,419	-	193,332	-
Total Operating Revenues	<u>4,020,784</u>	<u>4,282,252</u>	<u>1,302,352</u>	<u>363,980</u>	<u>349,595</u>	<u>10,318,963</u>	<u>3,330,110</u>
<b>OPERATING EXPENSES</b>							
Public works/transportation/airport	1,767,625	2,171,237	580,725	1,774,353	406,684	6,700,624	-
Depreciation	1,148,553	1,092,890	353,030	445,076	409,089	3,448,638	-
General government	-	-	-	-	-	-	3,536,432
Total Operating Expenses	<u>2,916,178</u>	<u>3,264,127</u>	<u>933,755</u>	<u>2,219,429</u>	<u>815,773</u>	<u>10,149,262</u>	<u>3,536,432</u>
Operating Income (Loss)	<u>1,104,606</u>	<u>1,018,125</u>	<u>368,597</u>	<u>(1,855,449)</u>	<u>(466,178)</u>	<u>169,701</u>	<u>(206,322)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Property taxes	-	-	-	377,726	150,000	527,726	-
Mass transit aids	-	-	-	856,134	-	856,134	-
Local governmental subsidies	-	-	-	46,471	-	46,471	-
Intergovernmental grants	-	71,581	-	-	-	71,581	-
Investment income (loss)	12,425	4,739	-	-	-	17,164	(10,143)
Other items	(4,938)	-	74,474	15,325	1,462	86,323	-
Interest expense	(243,595)	(299,634)	-	(11,127)	-	(554,356)	-
Total Nonoperating Revenue (Expenses)	<u>(236,108)</u>	<u>(223,314)</u>	<u>74,474</u>	<u>1,284,529</u>	<u>151,462</u>	<u>1,051,043</u>	<u>(10,143)</u>
Income (Loss) Before Contributions & Transfers	868,498	794,811	443,071	(570,920)	(314,716)	1,220,744	(216,465)
<b>CAPITAL CONTRIBUTIONS</b>	37,052	759,026	268,515	-	89,656	1,154,249	-
<b>TRANSFERS IN</b>	-	106,636	-	69,242	-	175,878	225,000
<b>TRANSFERS OUT</b>	(792,026)	-	(106,636)	(321,171)	-	(1,219,833)	-
<b>SPECIAL ITEM</b>	-	-	-	-	723,075	723,075	-
<b>CHANGE IN NET POSITION</b>	113,524	1,660,473	604,950	(822,849)	498,015	2,054,113	8,535
NET POSITION – Beginning of Year (as restated)	<u>30,925,264</u>	<u>24,944,528</u>	<u>13,626,605</u>	<u>7,221,889</u>	<u>3,461,897</u>		<u>2,845,015</u>
<b>NET POSITION – END OF YEAR</b>	<u>\$ 31,038,788</u>	<u>\$ 26,605,001</u>	<u>\$ 14,231,555</u>	<u>\$ 6,399,040</u>	<u>\$ 3,959,912</u>		<u>\$ 2,853,550</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(4,469)	
<b>CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>						<u>\$ 2,049,644</u>	

See accompanying notes to financial statements.

**CITY OF STEVENS POINT**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds					Totals	Governmental
	Water Department	Wastewater Department	Stormwater Department	Transit	Other Enterprise Funds		Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Received from customers	\$ 4,355,803	\$ 4,282,281	\$ 1,338,413	\$ 363,616	\$ 342,565	\$ 10,682,678	\$ 3,812,299
Paid to suppliers for goods and services	(995,637)	(1,861,974)	(234,027)	(776,132)	(341,014)	(4,208,784)	(3,627,284)
Paid to employees for services	(787,583)	(466,373)	(169,250)	(934,587)	(119,251)	(2,477,044)	-
Net Cash Flows From Operating Activities	<u>2,572,583</u>	<u>1,953,934</u>	<u>935,136</u>	<u>(1,347,103)</u>	<u>(117,700)</u>	<u>3,996,850</u>	<u>185,015</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
General property taxes	-	-	-	377,726	150,000	527,726	-
Paid to municipality for tax equivalent	(789,187)	-	-	-	-	(789,187)	-
Mass transit aids received	-	-	-	968,123	-	968,123	-
Cash received from transfer of operations	-	-	-	-	282,718	282,718	-
Local government subsidies received	-	-	-	46,471	-	46,471	-
Fuel tax discount	-	-	-	9,168	-	9,168	-
Transfers in (out)	-	-	-	(321,171)	-	(321,171)	225,000
Net Cash Flows From Noncapital Financing Activities	<u>(789,187)</u>	<u>-</u>	<u>-</u>	<u>1,080,317</u>	<u>432,718</u>	<u>723,848</u>	<u>225,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Investments sold and matured	400,000	250,000	-	-	-	650,000	-
Investments purchased	(1,600,000)	(250,000)	-	-	-	(1,850,000)	-
Investment income (loss)	12,425	4,739	-	-	-	17,164	(10,143)
Net Cash Flows From Investing Activities	<u>(1,187,575)</u>	<u>4,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,182,836)</u>	<u>(10,143)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Debt retired	(557,519)	(378,717)	-	-	-	(936,236)	-
Interest paid	(245,691)	(301,369)	-	-	-	(547,060)	-
Grant received	-	15,630	-	337,937	-	353,567	-
Capital related advance repaid to the municipality	-	(162,924)	-	-	-	(162,924)	-
Capital transfer in (out)	-	106,636	(106,636)	-	-	-	-
Salvage on retirement of plant	9,142	-	-	-	-	9,142	-
Acquisition and construction of capital assets	(298,850)	(1,704,356)	(201,707)	-	(26,956)	(2,231,869)	-
IRS BAB interest subsidy received	-	71,581	-	-	-	71,581	-
Net Cash Flows From Capital and Related Financing Activities	<u>(1,092,918)</u>	<u>(2,353,519)</u>	<u>(308,343)</u>	<u>337,937</u>	<u>(26,956)</u>	<u>(3,443,799)</u>	<u>-</u>
<b>Net Change in Cash and Cash Equivalents</b>	<u>(497,097)</u>	<u>(394,846)</u>	<u>626,793</u>	<u>71,151</u>	<u>288,062</u>	<u>94,063</u>	<u>399,872</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>4,942,418</u>	<u>6,199,578</u>	<u>360,001</u>	<u>615,815</u>	<u>117,423</u>	<u>12,235,235</u>	<u>2,806,984</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,445,321</u>	<u>\$ 5,804,732</u>	<u>\$ 986,794</u>	<u>\$ 686,966</u>	<u>\$ 405,485</u>	<u>\$ 12,329,298</u>	<u>\$ 3,206,856</u>

See accompanying notes to financial statements.

	Business-type Activities, Enterprise Funds					Totals	Governmental
	Water Department	Wastewater Department	Stormwater Department	Transit	Other Enterprise Funds		Activities - Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ 1,104,606	\$ 1,018,125	\$ 368,597	\$ (1,855,449)	\$ (466,178)	\$ 169,701	\$ (206,322)
Miscellaneous non-operating revenue (expense)	(4,938)	-	11,094	-	1,462	7,618	-
Noncash items included in income (loss)							
Depreciation	1,148,553	1,092,890	353,030	445,076	409,089	3,448,638	-
Depreciation charged to clearing and other utilities	124,549	-	-	-	-	124,549	-
Other operating amortization expenses	-	-	-	-	954	954	-
Unfunded postemployment benefits liability	(7,835)	3,310	-	5,247	-	722	-
Change in Assets, Liabilities, and Deferred Inflows of Resources							
Accounts receivable	322,426	14,470	(5,356)	(362)	(8,492)	322,686	469,924
Inventory and prepaid items	(46,303)	4,569	14,577	-	(32,999)	(60,156)	(55,952)
Due to/from other funds	(35,756)	(121,351)	192,762	4,651	-	40,306	-
Accounts payable and accrued liabilities	(22,392)	(47,611)	(2,495)	37,385	(23,363)	(58,476)	(34,900)
Pension related amounts	(7,145)	(4,860)	(777)	(793)	1,827	(11,748)	-
Compensated absences	(3,182)	(5,608)	3,704	-	-	(5,086)	-
Unearned revenues	-	-	-	17,142	-	17,142	12,265
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 2,572,583</b>	<b>\$ 1,953,934</b>	<b>\$ 935,136</b>	<b>\$ (1,347,103)</b>	<b>\$ (117,700)</b>	<b>\$ 3,996,850</b>	<b>\$ 185,015</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS</b>							
Cash and investments	\$ 4,534,549	\$ 3,116,817	\$ 986,794	\$ 686,966	\$ 405,485	\$ 9,730,611	\$ 3,206,856
Restricted assets - cash and investments	1,510,772	2,937,915	-	-	-	4,448,687	-
Less: Noncash equivalents	(1,600,000)	(250,000)	-	-	-	(1,850,000)	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 4,445,321</b>	<b>\$ 5,804,732</b>	<b>\$ 986,794</b>	<b>\$ 686,966</b>	<b>\$ 405,485</b>	<b>\$ 12,329,298</b>	<b>\$ 3,206,856</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Capital contributions received and accrued	\$ 37,052	\$ -	\$ -	\$ -	\$ -	\$ 37,052	\$ -
Principal and interest forgiven through transfer	\$ -	\$ -	\$ -	\$ 69,242	\$ -	\$ 69,242	\$ -
Capital costs special assessed to customers	\$ -	\$ 629,396	\$ -	\$ -	\$ -	\$ 629,396	\$ -
Capital contributions and transfers	\$ -	\$ 114,000	\$ 268,515	\$ -	\$ 89,656	\$ 472,171	\$ -
Capital assets transferred	\$ -	\$ -	\$ 256,268	\$ -	\$ -	\$ 256,268	\$ -
Net value of assets and liabilities transferred from the RDA	\$ -	\$ -	\$ -	\$ -	\$ 440,357	\$ 440,357	\$ -

See accompanying notes to financial statements.

**CITY OF STEVENS POINT**

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUND

As of December 31, 2015

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	Tax Collection Fund
<b>ASSETS</b>	
Cash and investments	\$ 14,347,937
Taxes receivable	<u>9,831,401</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 24,179,338</u></b>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 24,179,338</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 24,179,338</u></b>

See accompanying notes to financial statements.

# CITY OF STEVENS POINT

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# CITY OF STEVENS POINT

## INDEX TO NOTES TO FINANCIAL STATEMENTS (cont.) As of and for the Year Ended December 31, 2015

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# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the City of Stevens Point, Wisconsin (the “city”) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **A. REPORTING ENTITY**

This report includes all of the funds of the city. The reporting entity for the city consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and is able to impose its will on that organization; (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government; (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government, or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or had the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and its component unit have substantively the same governing body and a financial benefit or burden relationship exists; (2) the primary government and the component unit have substantially the same governing body and management of the primary government has operational responsibility for the component unit; (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens; or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

#### ***Discretely Presented Component Unit***

##### *Redevelopment Authority of the City of Stevens Point*

The government-wide financial statements include the Redevelopment Authority ("Authority") as a component unit. The Authority is a legally separate organization. The Authority performs development activities within the city and provides housing and zero interest loans to low income residents within the government's jurisdiction. The members of the Authority's governing body are appointed by the common council. See Note IV. K. for additional disclosure information. The Authority has a December 31, 2015 year end. Separately issued financial statements of the Redevelopment Authority may be obtained from the administrative offices at 1515 Strongs Avenue, Stevens Point, WI 54481.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In June 2012, the GASB issued statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement addresses an issues regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

#### **Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The city does not allocate indirect expenses to functions in the statement of activities. 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 or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

#### **Fund Financial Statements**

Financial statements of the city are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities/deferred inflows of resources, net position/fund balance, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements (cont.)***

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the city or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the city believes is particularly important to financial statement users may be reported as a major fund.

The city reports the following major governmental funds:

General Fund – accounts for the city's primary operating activities. It is used to account for all financial resources except those accounted for and reported in another fund.

General Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.

General Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including acquisition or construction of capital facilities or other capital assets.

TID No. 6 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The city reports the following major enterprise funds:

Water Department Fund – accounts for operations of the water system

Wastewater Department Fund – accounts for operations of the sewer system

Stormwater Department Fund – accounts for operations of the storm sewer system

Transit Fund – accounts for operations of the transit system

# CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

#### ***Fund Financial Statements (cont.)***

The city reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Hotel/Motel Room Tax	Drug Task Force
Industrial Park Improvements	Telecommunications
Special Land Purchase	Police Grants
McDill Lake Management	Fire Grants
CAP Loan Levy	Museum
Fuel Dispenser System Replacement	Community Rehab Grant Program
Riverfront Festival	Park Trust
State EMS Act 102 Grant	Funds in Lieu of Parks
Blight Elimination	Section A-125
Soil Remediation	Special Assessments
Department of Administration	
HRRP Project Grant	
Federal Forfeiture	

Capital Projects Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

General Capital Projects (Pre-2011)  
Highway 10 East Construction  
Fire Safety Smoke House  
TID No. 5  
TID No. 7  
TID No. 8  
TID No. 9  
Subdivision Development Construction  
Vehicle/Equipment

Permanent Funds – used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

United Way  
Library General Endowment Trust  
Willett Trust Parks  
Smongeski Trust

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements (cont.)***

The city reports the following nonmajor governmental and enterprise funds (cont.):

Enterprise Fund – may be used to report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Airport

Edgewater

In addition, the city reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the city, or to other governmental units, on a cost-reimbursement basis.

Employee Self-Insurance  
Employee Sick Leave

Agency funds are used to account for assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

##### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's water, wastewater treatment department, stormwater department, transit utility, airport fund, edgewater fund, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)**

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled to the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met and recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2015, there were \$1,407,844 of unrecorded anticipated future assessments which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

The 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 water, wastewater, stormwater, transit, and airport funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)**

##### ***Fund Financial Statements (cont.)***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

##### **1. Deposits and Investments**

For purposes of the statement of cash flows, the city considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of city funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds including cemetery perpetual care funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The city has adopted an investment policy. That policy follows the state statute for allowable investments.

The city's investment policy addresses custodial credit risk. For deposits in excess of those insured by FDIC and the State Municipal Guarantee Fund, the policy requires a secondary pledge of assets, if deemed necessary by the Treasurer.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **1. Deposits and Investments (cont.)**

Concentration of credit is also addressed by the city's investment policy. The policy specifies that with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City of Stevens Point investment portfolio will be invested in a single security type or with a single financial institution.

The city's investment policy does not provide for credit risk, interest rate risk, or investments highly sensitive to interest rate changes.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated to the general fund. Interest on commingled investments earned by other funds is considered immaterial. Investment income on commingled investments of the capital projects funds is allocated based on average fund balances.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

##### **2. Receivables**

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund Statement of Assets and Liabilities.

Property tax calendar – 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	April 30, 2016
Third installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale – 2015 delinquent real estate taxes	October 2018

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **2. Receivables (cont.)**

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, wastewater, and stormwater departments because they have the right by law to place delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The city has received federal grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The city records a loan receivable when the loan has been made and funds have been disbursed.

It is the city’s policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

##### **3. Inventories and Prepaid Items**

Governmental fund inventories are recorded at cost based on the average cost method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at the lower of cost or market based on the “first-in, first-out method, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **4. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

##### **5. Capital Assets**

###### **Government-Wide Statements**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements and are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets, \$5,000 for enterprise fund assets and \$50,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40-50 Years
Land Improvements	15-30 Years
Machinery and Equipment	3-15 Years
Intangible Assets	7 Years
Utility System	7-77 Years
Infrastructure	20-70 Years
Runway Infrastructure	10-25 Years

###### **Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **6. Other Assets**

In the governmental activities column on the statement of net position, land held for resale consists of land and improvements and is valued at lower of cost or market value. Properties include both land intended for resale and land designated as public area.

Other assets in the business-type activities consist of land held for future use.

##### **7. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

##### **8. Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2015 are determined on the basis of current salary rates and include salary related payments.

##### **9. Long-Term Obligations**

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

**10. Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until that future time.

**11. Equity Classifications**

**Government-Wide Statements**

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

- a. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either 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.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column. The amount is a reduction in “net investment in capital assets,” and an increase in “unrestricted” net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Totals
Net investment in capital assets	\$ 25,157,068	\$ 65,150,927	\$ (727,588)	\$ 89,580,407
Unrestricted	20,210,846	12,879,403	727,588	33,817,837

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

**Fund Statements**

Governmental fund balances are displayed as follows:

- a) Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

**11. Equity Classifications (cont.)**

**Fund Statements (cont.)**

- b) Restricted – Consists of fund balances with constraints placed on their use either 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.
- c) Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the city. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the city that originally created the commitment.
- d) Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the Comptroller/Treasurer to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e) Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The city considers unassigned (if applicable) amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the city would first use assigned, then committed and lastly restricted amounts of fund balance when expenditures are made.

The city has a formal minimum fund balance policy. That policy is to maintain a minimum of four months of the following years' budgeted general fund expenditures, with a targeted maximum of six months of the following year's budgeted general fund expenditures. The balance required at year end was \$7,394,027 to \$11,091,041. Unassigned fund balance totaled \$10,888,110 at December 31, 2015.

Proprietary fund equity is classified the same as in the government-wide statements.

See Note IV. H. for further information.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

**12. Basis for Existing Rates**

Current water rates were approved by the PSCW on April 10, 2012. The rates were made effective by the department as of May 1, 2012, and are designed to provide a 2.75% rate of return.

Current wastewater rates were approved by the utility commission effective April 1, 2010.

Current stormwater rates were approved by the utility commission effective January 1, 2013.

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### NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION**

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additional details of this reconciliation are as follows.

Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.

Special assessments	\$ 250,559
Loans receivable	2,513,286
Pledges receivable	235,000
Grants receivable	213,491
Interest receivable	50,446
PILOT	<u>34,857</u>
Combined Adjustment for Unavailable Revenue	<u>\$ 3,297,639</u>

Long-term liabilities applicable to the city's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net position.

Bonds and notes payable	\$ 28,869,176
Compensated absences	1,628,632
Accrued interest	268,340
Other postemployment benefits	1,592,981
Unamortized premium	32,787
Lease obligation	<u>110,000</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 32,501,916</u>

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

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#### A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION (cont.)

Internal service funds are used by management to charge costs of insurance coverage to individual funds. The assets, liabilities, and deferred inflows of resources of the internal service funds are included in the statement of net position.

Internal service fund assets	\$ 3,357,333
Less: Internal service fund liabilities	(208,754)
Less: Internal service fund deferred inflows of resources	(295,029)
Sub-total	<u>2,853,550</u>
Less: Internal service activities related to enterprise funds	<u>(137,466)</u>
Combined Adjustment for Internal Service Funds	<u>\$ 2,716,084</u>

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### NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### A. BUDGETARY INFORMATION

A budget has been adopted for all governmental funds except for the park trust and special assessments special revenue funds, the general capital projects fund (pre-2011) and vehicle/equipment capital project funds, and the Willett trust parks permanent fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

**CITY OF STEVENS POINT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

**B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

Total expenditures exceeded the budget for the following funds:

Fund	Budgeted Expenditures	Actual Expenditures and Transfers	Excess Expenditures Over Appropriations
CAP Loan Levy	\$ 376	\$ 14,724	\$ 14,348
Riverfront festival	130,000	143,171	13,171
Department of administration	75,008	128,121	53,113
Soil remediation	-	341,039	341,039
Drug task force	-	2,180	2,180
Federal forfeiture	-	21,290	21,290
Community rehab grant program	60,120	76,959	16,839
Telecommunications	258,155	266,901	8,746
Police grants	-	11,135	11,135
General debt service	3,619,132	3,785,446	166,314
Tax Incremental Financing District No. 5	162,414	177,448	15,034
Tax Incremental Financing District No. 6	902,939	2,276,499	1,373,560
Tax Incremental Financing District No. 7	553,439	555,849	2,410
Tax Incremental Financing District No. 9	239,370	269,127	29,757
United way	-	352	352
Library general endowment trust	100	439	339
Smongeski trust	3,000	3,323	323

The city controls expenditures at the functional level for the general fund and total expenditure level for other funds. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the city's year-end budget to actual report. There may be offsetting revenues relating to excess expenditures.

**C. DEFICIT BALANCES**

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2015, the following individual funds held a deficit balance:

Fund	Amount	Reason
TID No. 6	\$ 4,245,241	Expenditures in excess of revenues
Section A-125	16,017	Expenditures in excess of revenues
TID No. 8	378,036	Expenditures in excess of revenues

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

#### C. DEFICIT BALANCES (cont.)

TIF District deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Other fund deficits are anticipated to be funded with future contributions or general tax revenues.

#### D. LIMITATIONS ON THE CITY'S TAX LEVY

Wisconsin law limits the city's future tax levies. Generally, the city is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the city's equalized value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The city is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

### NOTE IV – DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

The city maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the city's funds.

The city's cash and investments at year end were comprised of the following:

	Carrying Value	Statement Balance	Associated Risks
Deposits	\$ 60,545,075	\$ 60,206,942	Custodial credit risk
State and local bonds	1,008,274	1,008,274	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk, highly sensitive to interest rate changes
U.S. Agencies – explicitly guaranteed	714,935	714,935	Custodial credit risk, interest rate risk, highly sensitive to interest rate changes
U.S. Agencies – implicitly guaranteed	308,819	308,819	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk, highly sensitive to interest rate changes
Mutual funds (bonds)	132,556	126,409	Credit risk, interest rate risk, highly sensitive to interest rate changes
LGIP	31,802	31,802	Credit risk
Petty cash/cash on hand	315,129	-	None
<b>Total Cash and Investments</b>	<b>\$ 63,056,590</b>	<b>\$ 62,397,181</b>	

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements	
Per statement of net position	
Unrestricted cash and investments	\$ 44,259,966
Restricted cash and investments	4,448,687
Per statement of assets and liabilities –	
Agency fund	<u>14,347,937</u>
Total Cash and Investments	<u>\$ 63,056,590</u>

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$500,000 at each financial institution of the city's investments are covered by SIPC. In addition, the institutions have purchased additional insurance to fully cover all investments as of December 31, 2015.

#### **Custodial Credit Risk**

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the city's deposits may not be returned to the city.

The city maintains collateral agreements with five of its banks. At December 31, 2015, the banks had pledged various government securities in the amount of \$40,786,988 to secure the city's deposits. The city also has letters of credit with two of their banks in the amount of \$11,500,000 at December 31, 2015.

As of December 31, 2015, \$304,376 of the city's total bank balance of \$60,206,942 was exposed to custodial credit risk as it was uninsured and uncollateralized.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The city does not have any investments exposed to custodial credit risk.

**CITY OF STEVENS POINT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2015, the city's investments were rated as follows:

Investment Type	Moody's Investors Services	Standard & Poors
State and local bonds	AAA, Aa3, Aa2, Aa1	AA-
US Agencies – implicitly guaranteed	AAA	

The mutual fund's rating at December 31, 2015 was unknown.

The city held investments in the Local Government Investment Pool (LGIP) which was not rated.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2015, the city held investments in FHLB's that were 10.36% of the city's total investment portfolio of \$2,190,239.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2015, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than one year	1 – 5	6 – 20
Mutual fund	\$ 126,409	\$ -	\$ -	\$ 126,409
State and local bonds	1,008,274	40,238	254,198	713,838
U.S. agencies – explicitly guaranteed	308,819	-	-	308,819
U.S. agencies – implicitly guaranteed	714,935	-	-	714,935
Totals	<u>\$ 2,158,437</u>	<u>\$ 40,238</u>	<u>\$ 254,198</u>	<u>\$ 1,864,001</u>

**Investments Highly Sensitive to Market Changes**

The city held securities of \$1,547,332 with maturities exceeding ten years.

See Note I.D.1. for further information on deposit and investment policies.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	General Debt Service Fund	General Capital Projects	TID No. 6	Nonmajor Funds	Totals
Gross receivables	\$ 11,705,247	\$ 3,413,877	\$ 82,001	\$ 268,535	\$ 4,333,787	\$ 19,803,447
Less: Allowance for uncollectibles	(2,239)	-	-	-	-	(2,239)
 Net Total Receivables	 <u>\$ 11,703,008</u>	 <u>\$ 3,413,877</u>	 <u>\$ 82,001</u>	 <u>\$ 268,535</u>	 <u>\$ 4,333,787</u>	 <u>\$ 19,801,208</u>
 Amounts not expected to be collected within one year	 <u>\$ 368,101</u>	 <u>\$ 156,000</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 2,640,392</u>	 <u>\$ 3,164,493</u>

Receivables of the city are reported net of uncollectible amounts of \$2,081 for delinquent taxes and \$158 for accounts receivable.

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 15,696,880	\$ -
Special assessments not yet due	-	250,559
Pledges receivable not yet received	-	235,000
Loan receivable not yet due	-	2,513,286
Grant revenues	-	213,491
PILOT	-	34,857
Interest income	-	50,446
 Total Unearned/Unavailable Revenue For Governmental Funds	 <u>\$ 15,696,880</u>	 <u>\$ 3,297,639</u>
 Unearned revenue included in deferred inflows	 \$ 15,696,880	
Unearned revenue included in the internal service funds deferred inflows of resources	 <u>295,029</u>	
 Total Unearned Revenue for Governmental Funds	 <u>\$ 15,991,909</u>	

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **B. RECEIVABLES (cont.)**

For economic development loans, the city is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain to be loaned to other businesses and/or the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments. At December 31, 2015, the City has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the State will be recorded.

#### **C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

##### ***Long-Term Debt Accounts***

- Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.

##### ***Equipment Replacement Account***

The wastewater treatment department established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

##### ***Receivables***

Restricted assets have been recorded in connection with security deposits.

##### ***Net Pension Asset***

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### C. RESTRICTED ASSETS (cont.)

Following is a list of Business-type Activities restricted assets at December 31, 2015. See Note IV.H for Governmental Activities.

Restricted Assets	
Redemption account	\$ 1,902,096
Reserve account	725,221
Equipment replacement account	1,821,370
Receivables	38,893
Net pension asset	<u>417,190</u>
Total Restricted Assets	4,904,770
Restricted Assets Not Funded by Revenues	(482,186)
Current Liabilities Payable From Restricted Assets	<u>(81,152)</u>
Total Restricted Net Position as Calculated	<u>\$ 4,341,432</u>

#### D. CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated/amortized				
Land	\$ 6,073,310	\$ 33,086	\$ 772,343	\$ 5,334,053
Total Capital Assets Not Being Depreciated/ Amortized	<u>6,073,310</u>	<u>33,086</u>	<u>772,343</u>	<u>5,334,053</u>
Capital assets being depreciated/ amortized				
Buildings and improvements	19,684,588	193,327	131,086	19,746,829
Machinery and equipment	7,514,658	325,449	15,377	7,824,730
Intangibles - software	588,166	105,765	-	693,931
Vehicles	7,774,050	391,236	463,809	7,701,477
Bridges	5,045,678	-	-	5,045,678
Streets	28,262,379	1,254,452	811,167	28,705,664
Street lighting	1,715,818	91,598	-	1,807,416
Sidewalks	5,034,851	-	-	5,034,851
Traffic signals	1,161,949	-	-	1,161,949
Trails	457,950	-	-	457,950
Fiber optic network	857,231	-	-	857,231
Total Capital Assets Being Depreciated/ Amortized	<u>78,097,318</u>	<u>2,361,827</u>	<u>1,421,439</u>	<u>79,037,706</u>

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

Governmental Activities (cont.)	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation/amortization for				
Buildings and improvements	\$ (11,893,014)	\$ (375,703)	\$ 125,418	\$ (12,143,299)
Machinery and equipment	(3,977,164)	(411,037)	15,377	(4,372,824)
Intangibles – software	(213,787)	(52,591)	-	(266,378)
Vehicles	(3,922,610)	(507,721)	415,318	(4,015,013)
Bridges	(3,116,578)	(100,913)	-	(3,217,491)
Streets	(12,924,773)	(574,113)	469,981	(13,028,905)
Street lighting	(1,095,707)	(59,345)	-	(1,155,052)
Sidewalks	(1,453,104)	(100,696)	-	(1,553,800)
Traffic signals	(824,698)	(34,900)	-	(859,598)
Trails	(127,946)	(22,897)	-	(150,843)
Fiber optic network	(82,517)	(17,144)	-	(99,661)
Total Accumulated Depreciation/Amortization	<u>(39,631,898)</u>	<u>(2,257,060)</u>	<u>1,026,094</u>	<u>(40,862,864)</u>
Total Capital Assets, Net of Depreciation/Amortization	<u>38,465,420</u>	<u>104,767</u>	<u>395,345</u>	<u>38,174,842</u>
Capital Assets, Net of Depreciation/Amortization	<u>\$ 44,538,730</u>			<u>\$ 43,508,895</u>

Depreciation/amortization expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 407,746
Public safety	235,390
Public works, which includes the depreciation of infrastructure	1,481,459
Leisure activities	<u>132,465</u>
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 2,257,060</u>

Business-type Activities	Beginning Balance	Additions	Deletions	Adjustments*	Ending Balance
Capital assets not being depreciated					
Land and land rights	\$ 1,762,120	\$ 62,931	\$ -	\$ 87,036	\$ 1,912,087
Construction in progress	<u>238,969</u>	<u>1,376</u>	<u>238,969</u>	<u>-</u>	<u>1,376</u>
Total Capital Assets Not Being Depreciated	<u>2,001,089</u>	<u>64,307</u>	<u>238,969</u>	<u>87,036</u>	<u>1,913,463</u>

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Adjustments*	Ending Balance
<b>Business-type Activities (cont.)</b>					
Other Capital Assets					
Water system	\$ 47,943,402	\$ 265,804	\$ 117,967	\$ -	\$ 48,091,239
Wastewater treatment system	39,262,974	2,041,504	331,187	-	40,973,291
Stormwater system	21,779,722	726,490	127,711	-	22,378,501
Transit vehicles and buildings	8,894,997	-	-	-	8,894,997
Airport runway infrastructure	6,998,900	-	-	-	6,998,900
Airport buildings and equipment	1,934,089	116,612	-	-	2,050,701
Edgewater capital	-	-	-	2,419,425	2,419,425
Total Capital Assets					
Being Depreciated	126,814,084	3,150,410	576,865	2,419,425	131,807,054
Less: Accumulated depreciation for					
Water system	(12,892,344)	(1,281,786)	117,967	-	(14,056,163)
Wastewater treatment system	(14,757,510)	(1,199,635)	331,187	-	(15,625,958)
Stormwater system	(8,931,969)	(545,917)	127,711	-	(9,350,175)
Transit vehicles and buildings	(2,885,085)	(445,076)	-	-	(3,330,161)
Airport runway infrastructure	(5,104,930)	(349,945)	-	-	(5,454,875)
Airport buildings and equipment	(781,011)	(59,143)	-	-	(840,154)
Edgewater capital	-	-	-	(2,023,603)	(2,023,603)
Total Accumulated Depreciation	(45,352,849)	(3,881,502)	576,865	(2,023,603)	(50,681,089)
Total Capital Assets, Net of Depreciation	81,461,235	(731,092)	-	395,822	81,125,965
Net Capital Assets	\$ 83,462,324				\$ 83,039,428

\*The operations of Edgewater Manor were transferred to the City of Stevens Point on December 31, 2015.

Depreciation expense was charged to functions as follows:

#### Business-type Activities

Water	\$ 1,148,553
Wastewater	1,092,890
Stormwater	353,030
Transit	445,076
Airport	409,089
Total Business-type Activities Depreciation Expense	\$ 3,448,638

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

**CITY OF STEVENS POINT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS**

***Interfund Receivables/Payables***

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	Section A-125	\$ 16,017	\$ -
General fund	Airport fund	6,609	-
General fund	Water utility	791,964	-
General fund	Transit fund	61,055	-
General fund	Edgewater fund	34,857	-
General capital projects	Water utility	27,392	-
Hotel-motel room tax	Riverfront festival	10,000	-
Stormwater utility	General Fund	7,324	-
Water utility	Wastewater utility	392,295	-
Water utility	Stormwater utility	205,990	-
Wastewater utility	General fund	17,167	-
Transit fund	General fund	31,808	-
Transit fund	General capital projects	<u>264,061</u>	-
Subtotal – Fund Financial Statements		1,866,539	
Less: Fund eliminations		(624,302)	
Less: Government-wide eliminations		(640,720)	
Less: Interfund receivable created with internal service fund elimination		(137,466)	
Plus: Interfund advances		<u>622,677</u>	
Total – Government-Wide Statement of Net Position		<u>\$ 1,086,728</u>	
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
Governmental activity	Business-type activity	\$ 1,544,554	
Business-type activity	Governmental activity	<u>(457,826)</u>	
Total		<u>\$ 1,086,728</u>	

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**CITY OF STEVENS POINT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)**

**Advances**

The general fund is advancing funds for TID No. 6 and TID No. 8. The amount of the advance is determined by the deficiency of revenues over expenditures and other financing sources since the districts' inception. No repayment schedule has been established. The general fund is also advancing funds to the Airport. No repayment schedule has been established.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	Airport fund	\$ 16,000	\$ 16,000
General fund	TID No. 6	4,239,195	4,239,195
General fund	TID No. 8	852,936	852,936
Debt service fund	Wastewater utility	<u>606,677</u>	439,466
Sub-total – Fund Financial Statements		5,714,808	
Less: Fund eliminations		<u>(5,092,131)</u>	
Total – Interfund Advances		<u><u>\$ 622,677</u></u>	

The debt service fund has also advanced funds to the Wastewater Utility. A repayment schedule has been established.

<u>Date</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Amount 12/31/15</u>
1/1/2010	Wastewater Bio-gas project	11/1/2019	2.40%	\$ 1,500,000	\$ 606,677

Debt service requirements to maturity for the Wastewater advance are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 167,211	\$ 15,692	\$ 182,903
2017	171,499	10,611	182,110
2018	177,930	5,370	183,300
2019	<u>90,037</u>	<u>1,351</u>	<u>91,388</u>
Totals	<u><u>\$ 606,677</u></u>	<u><u>\$ 33,024</u></u>	<u><u>\$ 639,701</u></u>

## CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### *E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)*

##### *Transfers*

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Special Revenue Funds		
General	Telecommunications	\$ 90,000	Operating transfer
General	Hotel/motel room tax	100,000	Operating transfer
General	Enterprise Fund		
General	Water utility	792,026	PILOT
Debt Service Funds	Special Revenue Funds		
General debt service	Hotel/Motel Room tax	50,000	Debt service
General debt service	Capital Projects Funds		
General debt service	General capital projects (pre-2011)	9,500	Debt service
Special Revenue Funds	General Fund		
Soil remediation	General	180,000	Operating transfer
Capital Projects Funds	Capital Projects Funds		
General capital projects	Highway 10 east construction	459,282	To close fund
Capital Projects Funds	Enterprise Funds		
General capital projects	Transit	321,171	Operating transfer
Enterprise Funds	Enterprise Funds		
Wastewater utility	Stormwater Utility	106,636	Working capital
Enterprise Funds	Debt Service Fund		
Transit	Debt service	69,242	Debt service
Internal Service Funds	General Fund		
Employee sick leave	General	<u>225,000</u>	Sick leave payments
Subtotal – Fund Financial Statements		2,402,857	
Less: Fund eliminations		(1,220,418)	
Less: Government-wide eliminations		<u>(138,484)</u>	
Total – Government-Wide Statement of Activities		<u>\$ 1,043,955</u>	

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

##### Transfers (cont.)

Receivable Fund	Payable Fund	Amount
Governmental activity	Business-type activity	\$ 1,113,197
Business-type activity	Governmental activity	<u>(69,242)</u>
Total		<u>\$ 1,043,955</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unassigned revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable					
General obligation debt	\$ 31,944,111	\$ 1,750,000	\$ 4,824,935	\$ 28,869,176	\$ 4,112,131
Add/(Subtract) deferred amounts for Premiums	<u>43,141</u>	<u>-</u>	<u>10,354</u>	<u>32,787</u>	<u>-</u>
Total Bonds and Notes Payable	<u>31,987,252</u>	<u>1,750,000</u>	<u>4,835,289</u>	<u>28,901,963</u>	<u>4,112,131</u>
Other Liabilities					
Lease obligation	120,000	-	10,000	110,000	10,000
Vested compensated absences	1,965,055	56,588	393,011	1,628,632	325,726
Other postemployment benefits liability	<u>1,553,188</u>	<u>39,793</u>	<u>-</u>	<u>1,592,981</u>	<u>-</u>
Sub-totals	<u>3,638,243</u>	<u>96,381</u>	<u>403,011</u>	<u>3,331,613</u>	<u>335,726</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 35,625,495</u>	<u>\$ 1,846,381</u>	<u>\$ 5,238,300</u>	<u>\$ 32,233,576</u>	<u>\$ 4,447,857</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable					
General obligation debt	\$ 1,801,663	\$ -	\$ 123,608	\$ 1,678,055	\$ 132,193
Revenue bonds	<u>16,917,805</u>	<u>-</u>	<u>870,743</u>	<u>16,047,062</u>	<u>900,756</u>
Sub-totals	<u>18,719,468</u>	<u>-</u>	<u>994,351</u>	<u>17,725,117</u>	<u>1,032,949</u>
Other Liabilities					
Vested compensated absences	458,343	104,887	105,524	457,706	-
Other postemployment benefits liability	<u>243,377</u>	<u>9,511</u>	<u>7,835</u>	<u>245,053</u>	<u>-</u>
Sub-totals	<u>701,720</u>	<u>114,398</u>	<u>113,359</u>	<u>702,759</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 19,421,188</u>	<u>\$ 114,398</u>	<u>\$ 1,107,710</u>	<u>\$ 18,427,876</u>	<u>\$ 1,032,949</u>

**CITY OF STEVENS POINT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2015 was \$87,019,990. Total general obligation debt outstanding at year end was \$30,547,231.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/15
<u>Governmental Activities</u>					
<u>General Obligation Debt</u>					
G.O. notes - STFL	02/11/08	03/15/27	5.50%	\$ 1,000,000	\$ 608,836
G.O. notes	06/03/08	11/01/28	3.50-4.00%	4,690,000	3,505,000
G.O. notes	03/31/09	09/01/17	5.12%	3,650,000	1,700,000
G.O. notes	06/02/10	10/01/19	1.40-4.15%	3,000,000	2,300,000
G.O. notes (Comm. Dev. Bonds)	03/30/11	09/01/31	1.0-4.5%	5,965,000	4,725,000
G.O. notes	05/02/11	11/01/20	2.65%	3,315,000	2,065,000
G.O. refunding bonds	05/25/11	09/01/19	2.0-3.0%	2,870,000	1,415,000
G.O. bonds	02/22/12	08/01/21	1.86%	3,308,000	2,690,340
G.O. notes	02/01/13	08/01/21	1.49%	3,250,000	3,000,000
G.O. notes	04/01/13	10/01/23	2.10%	1,700,000	1,100,000
G.O. notes	12/30/13	12/01/23	2.0-3.5%	2,085,000	1,815,000
G.O. notes	12/30/13	12/01/23	1.0-2.6%	775,000	695,000
G.O. notes	03/12/14	02/01/24	2.00%	2,360,000	1,500,000
G.O. notes	03/11/15	02/01/23	1.98%	1,750,000	1,750,000
Total Governmental Activities – General Obligation Debt					<u>\$ 28,869,176</u>

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/15
<u>Business-type Activities</u>					
<u>General Obligation Debt</u>					
G.O. notes	12/09/09	05/01/29	2.67%	\$ 1,417,205	\$ 1,123,396
G.O. bonds	02/22/12	08/01/21	1.86%	682,000	554,659
Total Business-type Activities General Obligation Debt					<u>\$ 1,678,055</u>

**CITY OF STEVENS POINT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 4,112,131	\$ 822,573	\$ 132,193	\$ 39,074
2017	3,997,170	684,656	151,080	35,968
2018	3,639,583	572,475	142,666	32,656
2019	3,819,381	478,780	177,034	29,245
2020	3,009,023	480,908	186,666	25,338
2021-2025	7,581,423	2,404,908	524,178	77,809
2026-2030	2,560,465	277,123	364,238	19,756
2031	150,000	3,375	-	-
Totals	<u>\$ 28,869,176</u>	<u>\$ 5,724,798</u>	<u>\$ 1,678,055</u>	<u>\$ 259,846</u>

**Revenue Debt**

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water and wastewater utilities.

**Business-type Activities Revenue Debt**

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/15
<u>Wastewater Department</u>					
Sewer system bonds	03/26/97	05/01/16	2.998%	\$ 364,413	\$ 24,716
Sewer system bonds	04/28/10	05/01/29	2.48%	3,019,439	2,362,648
Sewer system bonds	03/25/10	05/01/30	1.9-6.15%	4,790,000	4,140,000
<u>Water Department</u>					
Water system bonds	07/13/11	05/01/31	2.20%	10,964,228	<u>9,519,698</u>
Total Business-type Activities Revenue Debt					<u>\$ 16,047,062</u>

**CITY OF STEVENS POINT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

**Business-type Activities Revenue Debt (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Revenue Debt	
	Principal	Interest
2016	\$ 900,756	\$ 473,512
2017	900,659	449,297
2018	925,608	423,758
2019	945,898	396,930
2020	971,533	368,891
2021-2025	5,179,910	1,384,081
2026-2030	5,525,749	525,353
2031	696,949	7,666
Totals	\$ 16,047,062	\$ 4,029,488

The Series A 2010 Capital Projects debt, in the amount of \$4,790,000, was issued under the taxable municipal debt Build America Bond program (BABs). The department’s annual interest expense for these bonds is shown at gross and will be reduced by a 35% federal interest subsidy provided by the federal government. During federal fiscal year 2015, the federal interest subsidy was reduced by 7.3% and during federal fiscal year 2016, the subsidy will be reduced by 6.8%. This amount may continue to change based on sequestration.

All utility revenues net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2015 was \$1,463,469. A total customer net revenue as defined for 2015 was \$4,701,854. Annual principal and interest payments are expected to require 27% and 35% of net revenues on average, respectively, for the Wastewater Utility and the Water Utility. Total principal and interest remaining to be paid on the bonds is \$20,076,550.

**Other Debt Information**

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability and other post employment benefits obligation attributable to governmental activities will be liquidated primarily by the general fund. The lease obligation will be liquidated by TID No. 6.

**Lessor – Operating Leases**

The city has entered into a lease with the Midstate Technical and Adult Education District for use of a wing constructed on the campus. The city received one rent payment of \$80,386 for the entire duration of the lease, representing their share of the construction costs. The lease expires December 31, 2016.

**CITY OF STEVENS POINT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**G. LEASE DISCLOSURES**

***Lessor – Operating Leases*** (cont.)

During 2013, the Community Development Authority (CDA) assigned a lease obligation in the amount of \$140,000 for Old Dunham’s building to the city. The CDA retained ownership of the building. On January 1, 2014, the CDA dissolved and the Redevelopment Authority (RDA) took over ownership of the building. This lease obligation will be liquidated by TID No. 6.

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Lease Obligation Principal</u>
2016	\$ 10,000
2017	10,000
2018	10,000
2019	10,000
2020	10,000
2021-2025	50,000
2026	10,000
Totals	<u>\$ 110,000</u>

The city has no other material operating or capital leases as lessee or lessor.

**H. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2015 includes the following:

***Governmental Activities***

Net Investment in Capital Assets	
Land	\$ 5,334,053
Other capital assets, net of accumulated depreciation/amortization	38,174,842
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	(18,319,040)
Less: Unamortized debt premium	(32,787)
Total Net Investment in Capital Assets	<u>25,157,068</u>

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **H. NET POSITION/FUND BALANCES (cont.)**

##### **Governmental Activities (cont.)**

Restricted	
Debt service	\$ 1,027,514
Tourism promotion	1,445,062
Library	60,238
Health	150,288
Parks	202,406
Housing rehabilitation	2,608,396
Public safety – law enforcement	298,485
TID development	1,357,723
Pensions	2,480,066
Total Restricted	<u>9,630,178</u>
Unrestricted	<u>20,210,846</u>
Total Governmental Activities Net Position	<u>\$ 54,998,092</u>

Governmental fund balances reported on the fund financial statements at December 31, 2015 include the following:

#### **Nonspendable**

##### Major Funds

##### General Fund

Delinquent personal property taxes	\$ 44,398
Prepaid items	228,270
Inventories	611,376
Noncurrent receivables	<u>5,114,740</u>
Total	<u>\$ 5,998,784</u>

##### Nonmajor Funds

##### Special Revenue Funds

Hotel/Motel room tax – prepaid items	\$ 66
Telecommunication Fund – prepaid items	1,751
Total Special Revenue Funds	<u>1,817</u>

##### Permanent Funds

United Way – health purposes	15,000
Library General Endowment Trust – library purposes	60,238
Willett Parks Trust – parks purposes	5,130
Smongeski Trust – health purposes	135,288
Total Permanent Funds	<u>215,656</u>

Total Nonmajor Funds \$ 217,473

# CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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### *H. NET POSITION/FUND BALANCES* (cont.)

#### *Governmental Activities* (cont.)

##### **Restricted**

##### Major Funds

General Fund – park purposes	\$ 21,352
General Debt Service Fund – debt service purposes	\$ 1,060,713
General Capital Projects – capital construction and purchases (unspent bond proceeds)	\$ 1,342,990

##### Nonmajor Funds

##### Special Revenue Funds

Hotel/motel room tax – tourism promotion	\$ 1,444,996
State EMS Act 102 grant – law enforcement purposes	74,237
Department of administration – housing rehabilitation	81,100
HRRP project grant – housing rehabilitation	61,579
Federal forfeitures expenditures – law enforcement purposes	51,942
Drug task force – law enforcement purposes	40,821
Police grants – law enforcement purposes	120,531
Fire grants – fire department purposes	500
Funds in lieu of parks – parks purposes	39,422
Special assessments – special assessment purposes	240,495
Sub-total	<u>2,155,623</u>

##### Capital Projects Funds

General capital projects (pre-2011) – capital construction and purchases	138,752
TID No. 5 – TID development	310,682
TID No. 7 – TID development	335,643
TID No. 9 – TID development	739,259
Sub-total	<u>1,524,336</u>

Total Nonmajor Funds	<u>\$ 3,679,959</u>
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# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **H. NET POSITION/FUND BALANCES** (cont.)

##### **Governmental Activities** (cont.)

##### **Committed**

##### Nonmajor Funds

##### Special Revenue Funds

Industrial park improvements – capital purposes	\$	168,808
Special land purchase – capital purposes		225,173
CAP loan levy – housing rehabilitation		2,388
Fuel dispenser system replacement – capital purposes		54,276
Riverfront festival – recreation purposes		406
Blight elimination – conservation purposes		22,513
Soil remediation – conservation purposes		34,165
Telecommunication purposes		736,094
Museum – recreation purposes		20,402
Community rehab revolving loan – housing rehabilitation		122,493
Park trust – parks purposes		11,382
Sub-total		<u>1,398,100</u>

##### Capital Projects Funds

Fire safety smoke house – capital purposes		541
Subdivision development construction – capital purposes		1,767,279
Vehicle equipment – capital purposes		46,449
Sub-total		<u>1,814,269</u>

##### Total Nonmajor Funds

\$ 3,212,369

##### **Assigned**

##### Major Funds

##### General Fund

Landfill abatement	\$	137,858
Equipment replacement		80,550
Tree cutting		69,739
Police overtime		162
Encumbrances		431,973
Deer culling		2,046
Sculpture park		265
Parks		29,453
TID 6 expenditures		228,929
Fire department overtime		4,727
Cemetery use		54,735
Future budget – capital		750,300
Turtle signs		826
PILOT		793,052
County ambulance funds		27,417
Fire donations		22
Chaplain donations		340
Emerald Ash Borer		400,000
Total	\$	<u>3,012,394</u>

##### General Capital Projects

Capital purposes	\$	<u>7,677,820</u>
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# CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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### **H. NET POSITION/FUND BALANCES (cont.)**

#### **Governmental Activities (cont.)**

##### **Assigned (cont.)**

##### Nonmajor Funds

##### Capital Projects Funds

General capital projects (pre-2011) – capital purposes \$ 76,578

##### Special Revenue Fund

McDill lake management – dam repair and management 30,353

Total

\$ 106,931

##### **Unassigned (deficit)**

##### Major Funds

##### General Fund

\$ 10,888,110

##### TID No. 6

\$ (4,245,241)

##### Nonmajor Funds

##### Special Revenue Fund

##### Section A-125

\$ (16,017)

##### Capital Projects Fund

##### TID No. 8

(378,036)

Total Nonmajor Funds

\$ (394,053)

#### **Business-type Activities**

##### Net Investment in Capital Assets

##### Land

\$ 1,912,087

##### Construction in progress

1,376

##### Other capital assets, net of accumulated depreciation

81,125,965

##### Add: reserve from borrowing

443,293

##### Less: related long-term debt outstanding

(18,331,794)

##### Total Net Investment in Capital Assets

65,150,927

##### Restricted (See Note IV. C.)

4,341,432

##### Unrestricted

12,879,403

Total Business-type Activities Net Position

\$ 82,371,762

**CITY OF STEVENS POINT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**I. RESTATEMENT OF NET POSITION**

Net position has been restated as a result of the implementation of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and implementation of GASB Statement no. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Water Department	Wastewater Department	Stormwater Department	Transit	Nonmajor Enterprise Funds
Net Position – December 31, 2014 (as reported)	\$ 47,041,554	\$ 79,469,154	\$ 30,641,380	\$ 24,770,916	\$ 13,569,013	\$ 6,919,386	\$ 3,426,524
Add: Net pension asset	4,070,340	684,702	227,883	139,364	46,231	242,829	28,395
Add: Deferred outflows related to pensions	993,910	168,262	56,001	34,248	11,361	59,674	6,978
Net Position – December 31, 2014 (as restated)	<u>\$ 52,105,804</u>	<u>\$ 80,322,118</u>	<u>\$ 30,925,264</u>	<u>\$ 24,944,528</u>	<u>\$ 13,626,605</u>	<u>\$ 7,221,889</u>	<u>\$ 3,461,897</u>

**J. SPECIAL ITEM**

On December 31, 2015, the Authority transferred the operations of Edgewater Manor to the City of Stevens Point. See Note IV.K.9 for more details.

**K. COMPONENT UNIT**

***Redevelopment Authority of the City of Stevens Point***

This report contains the Redevelopment Authority (Authority), which is included as a discretely presented component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

1. Basis of Accounting/Measurement Focus

The Authority prepares its financial statements in accordance with generally accepted accounting principles. The accounting records are kept on the accrual basis of accounting and the flow of economic resources measurement focus. No conversion entries are necessary to convert the Authority financial statements to the full accrual method.

# CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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### **K. COMPONENT UNIT** (cont.)

#### ***Redevelopment Authority of the City of Stevens Point*** (cont.)

#### 2. Cash and Investments

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of Authority funds is restricted by state statutes. Available investments are limited to those listed in Note I.D.1.

The Authority has adopted an investment policy, which includes allowable investments. The Authority's policy does not address the following risks.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

**CITY OF STEVENS POINT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**K. COMPONENT UNIT (cont.)**

***Redevelopment Authority of the City of Stevens Point* (cont.)**

2. Cash and Investments (cont.)

The Authority's cash and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 599,652	\$ 659,023	Custodial credit risk
Certificates of deposit	49,879	49,879	Custodial credit risk
U.S. agencies – implicitly guaranteed	416,137	416,137	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk, investments highly sensitive to interest rate changes
U.S. agencies – explicitly guaranteed	1,254,211	1,254,211	Custodial credit risk, interest rate risk, investments highly sensitive to interest rate changes
State and local bonds	124,053	124,053	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk, investments highly sensitive to interest rate changes
Petty Cash	<u>279</u>	-	None
Total Cash and Investments	<u>\$ 2,444,211</u>	<u>\$ 2,503,303</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	<u>\$ 2,444,211</u>		
Total Cash and Investments	<u>\$ 2,444,211</u>		

# CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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### **K. COMPONENT UNIT (cont.)**

#### ***Redevelopment Authority of the City of Stevens Point (cont.)***

##### 2. Cash and Investments (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the amounts collateralized.

#### ***Custodial Credit Risk***

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned to the Authority.

The Authority does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Authority does not have any investments exposed to custodial credit risk.

#### ***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The U.S. agencies – implicitly guaranteed were rated Aaa and the state and local bonds were rated Aa2 and A2 by Moody's at December 31, 2015.

#### ***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2015, the Authority held investments in the bonds of Milwaukee County, Wisconsin and FHLB's that were 5.36% and 21.34%, respectively, of the Authority's total investment portfolio.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

**K. COMPONENT UNIT (cont.)**

***Redevelopment Authority of the City of Stevens Point (cont.)***

2. Cash and Investments (cont.)

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2015, the Authority's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than one year	1 – 5	6 – 30
State and local bonds	\$ 124,053	\$ -	\$ -	\$ 124,063
U.S. agencies – explicitly guaranteed	1,254,211	-	27,210	1,227,001
U.S. agencies – implicitly guaranteed	416,137	-	-	416,137
<b>Total</b>	<b>\$ 1,794,401</b>	<b>\$ -</b>	<b>\$ 27,210</b>	<b>\$ 1,767,191</b>

***Investments Highly Sensitive to Market Changes***

The Authority held securities of \$1,609,068 with maturities exceeding ten years.

3. Receivables

Accounts receivable has been adjusted for any known uncollectible accounts. There is no allowance as of December 31, 2015.

The Authority has received federal and state grant funds for housing rehabilitation loan programs to loan to various individuals. The Authority records a loan receivable when the loan has been made and funds have been disbursed.

It is the Authority's policy to record expense when the initial loan is made from federal and state grant funds. The net amount of the loan receivable balance is included in restricted net position. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted net position in the financial statements.

All of the receivables on the statement of net position are expected to be collected within one year except for loans receivable. There is a small portion of loans that are being repaid. Loans receivable that are due within one year total \$14,045.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **K. COMPONENT UNIT (cont.)**

##### ***Redevelopment Authority of the City of Stevens Point (cont.)***

#### 4. Land Held for Resale

On the statement of net position, land held for resale consists of land and improvements and is valued at lower of cost or market value. Properties include both land intended for resale and land designated as public area.

#### 5. Capital Assets

Capital assets are defined by the Authority as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation. The Authority has no infrastructure assets.

Additions to and replacements of capital assets are recorded at original cost, which includes materials, labor, overhead and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to capital assets. The cost of property replaced, retired or otherwise disposed of, is deducted from capital assets and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of revenues, expenses, and changes in net position, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Land improvements	15 – 25 years
Buildings	40 years
Building improvements	15 – 40 years
Equipment	10 years

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### K. COMPONENT UNIT (cont.)

#### *Redevelopment Authority of the City of Stevens Point* (cont.)

#### 5. Capital Assets (cont.)

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

	Beginning Balance	Additions	Deletions	Adjustments*	Ending Balance
Capital Assets Not Being Depreciated					
Land	\$ 1,421,631	\$ -	\$ -	\$ (87,036)	\$ 1,334,595
Total Capital Assets Not Being Depreciated	<u>\$ 1,421,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (87,036)</u>	<u>\$ 1,334,595</u>
Other Capital Assets					
Land improvements	\$ 1,798,292	\$ -	\$ -	\$ (2,037)	\$ 1,796,255
Buildings	3,882,424	-	-	(2,354,324)	1,528,100
Building improvements	51,321	1,783	-	(53,104)	-
Equipment	4,965	4,995	-	(9,960)	-
Total Capital Assets Being Depreciated	<u>5,737,002</u>	<u>6,778</u>	<u>-</u>	<u>(2,419,425)</u>	<u>3,324,355</u>
Less: Accumulated depreciation for					
Land improvements	(218,138)	(71,007)	-	2,037	(287,108)
Buildings	(2,089,213)	(97,061)	-	2,004,812	(181,462)
Building improvements	(10,558)	(1,231)	-	11,789	-
Equipment	(4,965)	-	-	4,965	-
Total Accumulated Depreciation	<u>(2,322,874)</u>	<u>(169,299)</u>	<u>-</u>	<u>2,023,603</u>	<u>(468,570)</u>
Net Other Capital Assets	<u>\$ 3,414,128</u>				<u>\$ 2,855,785</u>

\*The operations of Edgewater Manor were transferred to the City of Stevens Point on December 31, 2015. See Note IV.K.9.

#### 6. Lease Disclosures

During 2013, the Community Development Authority (CDA) assigned a lease obligation in the amount of \$140,000 for Old Dunham's building to the city. The CDA retained ownership of the building. On January 1, 2014, the CDA dissolved and the Redevelopment Authority (RDA) took over ownership of the building. This lease obligation will be liquidated by TID No. 6.

# CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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### **K. COMPONENT UNIT** (cont.)

#### ***Redevelopment Authority of the City of Stevens Point*** (cont.)

##### 7. Compensated Absences/Other Post Employment Benefits

City of Stevens Point employees provide the necessary staffing to operate the Authority's operations. These employees receive benefits according to the City of Stevens Point's policies.

All vested vacation and sick leave pay is accrued when incurred.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2015 are determined on the basis of current salary rates and include salary related payments.

Other postemployment benefit information related specifically to the Authority is unavailable. See the other postemployment benefits note (Note V. E.).

##### 8. Net Position

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either 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.
- c. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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

# CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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### K. COMPONENT UNIT (cont.)

#### *Redevelopment Authority of the City of Stevens Point* (cont.)

#### 8. Net Position (cont.)

Net position reported on the statement of net position at December 31, 2015 includes the following:

Investment in Capital Assets	
Land	\$ 1,334,595
Other capital assets, net of accumulated depreciation	<u>2,885,785</u>
Total Investment in Capital Assets	4,190,380
Unrestricted	<u>4,574,526</u>
Total Net Position	<u>\$ 8,764,906</u>

#### 9. Special Item

On December 31, 2015, the Authority transferred the operations of Edgewater Manor to the City of Stevens Point. At year-end, the Authority transferred assets, liabilities, and net position in the amount of \$818,623 (of which \$482,858 were capital assets), \$95,548 (all current liabilities), and \$723,075, respectively, to the City, which is reported as a special item on the Statement of Revenues, Expenses, and Changes in Net Position.

#### 10. Revenue and Expenses

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to tenants for rent. Operating expenses for enterprise funds include the cost of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### 11. Other Information

##### ***Employer's Retirement System***

The City of Stevens Point employees provide the necessary staffing to operate the Authority operations and the city makes the required contributions to the Wisconsin Retirement System. Information related to the Wisconsin Retirement System specific to the Authority is unavailable. See Note V. A.

# CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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### **K. COMPONENT UNIT (cont.)**

#### ***Redevelopment Authority of the City of Stevens Point (cont.)***

##### 11. Other Information (cont.)

###### ***Risk Management***

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets and errors and omission. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

###### ***Commitments and Contingencies***

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded as expenses when the related liabilities are incurred.

The Authority has provided a guaranty to the third party lender of the Central Wisconsin Children's Museum to make principal payments from the housing trust funds interest revenues in the event that the museum cannot make its own debt payments. The Authority does not have any recourse if the museum defaults on their payments. Monthly payments are \$3,950. The Central Wisconsin Children's Museum's loan matures on July 12, 2018. The Authority's obligation is until the end of the loan. At December 31, 2015, the balance of the loan outstanding is \$401,797.

The Authority has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

###### ***Related Parties***

The administration and operation of the Authority is performed by employees of the City of Stevens Point. The Authority pays the City of Stevens Point for these services, as well as other allocated costs.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION

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#### A. EMPLOYEES' RETIREMENT SYSTEM

##### **Summary of Significant Accounting Policies**

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

##### **General Information About the Pension Plan**

**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 and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

**Vesting.** 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.

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

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

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

The WRS also provides death and disability benefits for employees.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE V – OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

**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 \$1,162,172 in contributions from the city.

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%

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### ***Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2015, the city reported an asset of \$2,897,256 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the city's proportion was 0.11795330%, which was a decrease of 0.00265658% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the city recognized pension expense of \$1,119,605.

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

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 420,012
Net differences between projected and actual earnings on pension plan investments	1,402,991
Changes in proportion and differences between employer contributions and proportionate share of contributions	93,175
Employer contributions subsequent to the measurement date	<u>1,146,347</u>
Totals	<u>\$ 3,062,525</u>

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE V – OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

\$1,146,347 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources
2016	\$ 467,749
2017	467,749
2018	467,749
2019	467,748
2020	45,183

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

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

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

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE V – OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension asset/(liability)	\$(8,173,657)	\$2,897,256	\$11,640,615

**CITY OF STEVENS POINT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE V – OTHER INFORMATION (cont.)**

**A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)**

**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.

At December 31, 2015, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

**B. RISK MANAGEMENT**

The city is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The city purchases commercial insurance to provide coverage for losses from most of these risks excluding health care of employees. However, the risks related to providing for the health care of its employees is accounted for and financed by the city in an internal service fund – the employee self-insurance fund. There were no material reductions in purchased coverage for 2015 and settled claims have not exceeded the commercial coverage in any of the past three years.

**Self Insurance**

For employee health care claims, the uninsured risk of loss is \$60,000 annually per covered individual. The number of covered participants is 512. The city has purchased commercial insurance for claims in excess of those amounts.

All funds of the city participate in the risk management program. Amounts payable to the employee self-insurance fund are based on actuarial estimates of the amounts necessary to pay prior and current claims and to establish a reserve for catastrophic losses.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The city does not allocate overhead costs or other non-incremental costs to the claims liability.

**Claims Liability**

	Prior Year	Current Year
Unpaid claims – beginning of year	\$ 552,274	\$ 243,654
Current year claims and changes in estimates	3,899,533	3,367,368
Claim payments	(4,208,153)	(3,402,268)
Unpaid Claims – End of Year	\$ 243,654	\$ 208,754

# CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE V – OTHER INFORMATION (cont.)

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### **B. RISK MANAGEMENT (cont.)**

#### ***Transit Mutual Insurance Corporation of Wisconsin (TMIC)***

Transit Mutual Insurance Corporation of Wisconsin (TMi) is a municipal mutual insurance corporation, which insures auto liability and auto physical damage for municipally-owned transit systems in Wisconsin. Each insured property is an owner of the mutual insurance corporation. The city insures its transit systems' auto liability and physical damage with TMi and is an owner of the corporation.

The city's auto liability insurance policy has a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMi insures \$2,500,000 and reinsures \$4,500,000 with Genesis Insurance. In addition, the city's policy provides for \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

The physical damage policy issued by TMi to the city provides collision and comprehensive coverage for the lesser of the agreed value or the cost of repairs minus a \$500 per accident deductible for private passenger and service units and a \$1,000 per accident deductible for bus units.

Management of TMi consists of a board of directors comprised of one representative for each member. The city does not exercise any control over the activities of the corporation beyond its representation on the board of directors.

Premiums are determined in advance of each premium year, which begins on January 1. TMi is an assessable mutual; accordingly, the board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the premium year. Members are required by Wisconsin statute and TMi bylaws to fund any deficit attributable to a premium year during which they were a member. TMi was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums.

The city's share of this corporation is 1.93% for auto liability and 2.21% of physical damage liability. A list of the other members and their share of participation is available in the TMi report which can be obtained directly from TMi's offices.

### **C. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

The city has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### **C. COMMITMENTS AND CONTINGENCIES (cont.)**

In 2006, the city committed to a municipal revenue obligation as part of a development agreement with Stevens Point Properties, LLC. The amount of the obligation may be up to \$800,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 5. Payments are scheduled through the year 2025, and carry an interest rate of 5.5%. The interest payment on the liability is included in the maximum obligation of \$800,000. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end has not been determined. As of December 31, 2015, a total of \$800,000 has been paid out on the agreement and there is no further liability to the city.

In 2006, the city committed to a municipal revenue obligation as part of a development agreement with Northpoint Center, LLC. The amount of the obligation is \$556,062, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 5. Payments are scheduled through the year 2025, and carry an interest rate of 5.5%. The interest payment on the liability is included in the maximum obligation of \$556,062. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end has not been determined. As of December 31, 2015, a total of \$434,268 has been paid out on the agreement.

In 2007, the city entered into a developer agreement with Executive Place at Point, LLC. The city agreed to make a contribution of \$1,000,000 to the project, which was paid in 2007 out of TIF No. 6. In consideration for the city's contribution, the developer agreed to pay a minimum real estate tax payment for 2008 through 2028. In 2014, the agreement was amended to require the developer to provide \$147,000 to the city to pay down debt related to the agreement. In exchange, the city released collateral securing the agreement and removed the requirement to make minimum real estate tax payments.

In 2008, the city committed to a municipal revenue obligation as part of a development agreement with Gerrard Corporation. The amount of the obligation may be up to \$244,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 5. Payments are scheduled through the year 2022, and carry an interest rate of 6%. The interest payment on the liability is included in the maximum obligation of \$244,000. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end has not been determined. As of December 31, 2015, a total of \$173,575 has been paid out on the agreement.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### **C. COMMITMENTS AND CONTINGENCIES (cont.)**

In 2008, the city entered into a developer agreement with Meridian TG LLC. The city agreed to make a developer incentive payment of \$1,000,000 and contribute \$530,000 for site work. The site work payment of \$530,000 and \$757,313 of developer incentive payment were expended in 2009. The city also agreed to make tenant incentive payments through 2028 contingent upon the tenant maintaining certain employment levels. The tenant incentive payments are payable solely from excess revenues generated by TIF No. 7. The tenant incentive payments are not considered general obligation debt. After 2028, there is no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end has not been determined. This project was sold to American International Realty Corp and as of December 31, 2015, \$1,044,909 has been paid out.

In 2013, the city entered into a developer agreement with Service Cold Storage, LLC. The city agreed to make a contribution of \$419,000 to the project, as well as reimburse the developer \$19,200 for clearing vegetation from the Development site for a total of \$438,200, which was paid in 2013 by TIF No. 9. In consideration for the city contribution, the developer will contemplate expending approximately \$15,750,000 in total on the construction of a cold storage warehouse building. Upon completion, the property shall have an assessed value of at least \$10,000,000. During 2013, the city also gave Service Cold Storage, LLC land as part of this agreement. The value of the land was estimated to be \$807,500.

In 2014, the city committed to a municipal revenue obligation as part of a development agreement with SkyGroup, LLC. The city will reimburse the developer for improvements made up to the amount of increment earned by the development. This obligation is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 9. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end has not been determined. As of December 31, 2015, no amount has been paid out on the agreement.

In 2015, the city entered into a developer agreement with Ki Properties, LLC. The city agreed to loan the developer's parent company, Ki Mobility, LLC \$475,000. The loan has a term of eleven (11) years and carries an interest rate of 3%. The loan will be repaid with the increase in tax increment generated by the development. The loan has not been issued as of December 31, 2015.

# CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE V – OTHER INFORMATION (cont.)

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### **D. JOINT VENTURE**

#### ***Stevens Point-Plover Municipal Court***

The City of Stevens Point and the Village of Plover jointly operate the local municipal court which is called the Stevens Point-Plover Municipal Court and provides non-criminal citation processing.

The communities share in the annual operation of the municipal court based on the joint venture agreement as follows:

<u>Municipality</u>	<u>% Participation</u>
City of Stevens Point	75%
Village of Plover	<u>25</u>
Total	<u><u>100%</u></u>

The governing committee is made up of citizens from each community. Local representatives are appointed by the chief executive officer of each community. The committee recommends its own budget which is ratified by each community member. The committee also controls the financial affairs of the courts.

Financial information of the court as of December 31, 2015 is available directly from the municipal court in Stevens Point, Wisconsin.

The city accounts for its share of operation in the general fund. The city has an equity interest in the organization equal to its share of participation. The equity interest relative to capital assets is reported in the governmental activities.

### **E. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The city has adopted a plan that provides postemployment medical benefits for retirees and their dependents. Upon retirement, individuals are eligible to continue to receive coverage under the employer-provided group medical plan. This results in another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

The retirees pay 100% of the premium amounts under the plan. For fiscal year 2015, total member contributions were \$72,138.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE V – OTHER INFORMATION (cont.)

#### **E. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)**

The city's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the city's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the district's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	162,669
Interest on net OPEB obligation		71,863
Adjustment to annual required contribution		<u>(120,925)</u>
Annual OPEB cost		113,607
Contributions made		<u>(72,138)</u>
Increase in Net OPEB Obligation		41,469
Net OPEB Obligation – Beginning of Year		<u>1,796,565</u>
Net OPEB Obligation – End of Year	\$	<u><u>1,838,034</u></u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/13	\$ 228,936	27%	\$ 1,666,519
12/31/14	219,593	41	1,796,565
12/31/15	113,607	63	1,838,034

The funded status of the plans as of January 1, 2013, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	1,287,933
Actuarial value of plan assets		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u><u>1,287,933</u></u>
Funded ratio (actuarial value of plan assets/AAL)		-%
Covered payroll (active plan members)	\$	13,068,706
UAAL as a percentage of covered payroll		9.9%

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### ***E. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS*** (cont.)

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return and an annual healthcare cost trend rate of 8.0% initially, increased by decrements to an ultimate rate of 5.5% after 10 years. The plan's unfunded actuarial accrued liability is being amortized as a level dollar on a closed basis. The amortization period at December 31, 2015 was 23 years.

#### ***F. SIGNIFICANT CUSTOMERS***

##### ***Water Utility***

The water utility has one significant customer who is responsible for 13% of operating revenues in 2015.

#### ***G. SUBSEQUENT EVENTS***

On March 16, 2016, the city issued \$1,510,000 of general obligation promissory note with an interest rate of 1.95% to finance public projects.

On May 11, 2016, the city issued \$3,305,000 of general obligation refunding bonds with an interest rate of 2.00% to refund the outstanding principal of the general obligation corporate purpose bonds, series 2008B.

#### ***H. RELATED ORGANIZATION***

##### ***Housing Authority***

The city's officials are responsible for appointing board members of the Stevens Point Housing Authority, but the city's accountability for this organization does not extend beyond making the appointments.

# CITY OF STEVENS POINT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### ***I. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

**REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF STEVENS POINT

### BUDGETARY COMPARISON SCHEDULE GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>REVENUES</b>				
<b>TAXES</b>				
Property taxes	\$ 10,442,895	\$ 10,442,895	\$ 10,463,000	\$ 20,105
Mobile home taxes	65,000	65,000	61,280	(3,720)
Sales taxes retained	6,000	6,000	7,321	1,321
Fuel tax refund	100	100	120	20
Housing authority in lieu of tax	88,751	88,751	93,628	4,877
Interest on taxes	28,000	28,000	25,086	(2,914)
<b>TOTALS</b>	<u>10,630,746</u>	<u>10,630,746</u>	<u>10,650,435</u>	<u>19,689</u>
<b>SPECIAL ASSESSMENTS</b>	<u>94,600</u>	<u>94,600</u>	<u>94,188</u>	<u>(412)</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State shared revenue	3,350,866	3,350,866	3,348,509	(2,357)
State exempt computer aid	685,000	685,000	695,102	10,102
Fire insurance	56,000	56,000	67,407	11,407
State transportation aid	1,322,781	1,322,781	1,320,222	(2,559)
State connecting street aid	102,852	102,852	102,852	-
State expenditure restraint aid	478,529	478,529	474,309	(4,220)
State payment for municipal services	507,546	507,546	505,813	(1,733)
State police training	7,040	7,040	6,880	(160)
Other local payments	33,471	33,471	58,193	24,722
<b>TOTALS</b>	<u>6,544,085</u>	<u>6,544,085</u>	<u>6,579,287</u>	<u>35,202</u>
<b>LICENSES AND PERMITS</b>				
Operator licenses	18,000	18,000	17,399	(601)
Liquor licenses	39,000	39,000	51,591	12,591
Dog and cat licenses	2,500	2,500	2,145	(355)
Other nonbusiness	6,088	6,088	7,299	1,211
Business and occupational	64,527	64,527	74,530	10,003
Building and zoning permits	106,173	106,173	193,643	87,470
<b>TOTALS</b>	<u>236,288</u>	<u>236,288</u>	<u>346,607</u>	<u>110,319</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Court fees	235,593	235,593	291,464	55,871
Parking fines	141,500	141,500	131,171	(10,329)
Other	200	200	3,495	3,295
<b>TOTALS</b>	<u>377,293</u>	<u>377,293</u>	<u>426,130</u>	<u>48,837</u>

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF STEVENS POINT

### BUDGETARY COMPARISON SCHEDULE GENERAL FUND (cont.) For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>PUBLIC CHARGES FOR SERVICES</b>				
Clerk fees	\$ 5,000	\$ 5,000	\$ 8,657	\$ 3,657
Public safety	25,600	25,600	30,328	4,728
Public works	3,500	3,500	-	(3,500)
Engineering	1,500	1,500	1,454	(46)
Parking related revenues	37,000	37,000	33,479	(3,521)
Cemetery	2,000	2,000	5,500	3,500
Recreation department	335,900	335,900	313,189	(22,711)
Arena advertising	12,000	12,000	25,738	13,738
Parks	48,900	48,900	43,675	(5,225)
Swimming	42,500	42,500	42,676	176
Other charges for services	16,000	16,000	16,056	56
TOTALS	<u>529,900</u>	<u>529,900</u>	<u>520,752</u>	<u>(9,148)</u>
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>				
Cell tower rent	-	-	37,277	37,277
Public housing	61,748	61,748	59,370	(2,378)
Local utilities	-	-	3,338	3,338
Stormwater street sweeping subsidy	75,000	75,000	75,000	-
County ambulance subsidy	1,910,416	1,910,416	1,910,416	-
School district police liaison	146,000	146,000	156,526	10,526
Other public safety	2,500	2,500	3,735	1,235
TOTALS	<u>2,195,664</u>	<u>2,195,664</u>	<u>2,245,662</u>	<u>49,998</u>
<b>INVESTMENT INCOME</b>				
Investments	42,000	42,000	186,234	144,234
Special assessments	2,120	2,120	2,276	156
TOTALS	<u>44,120</u>	<u>44,120</u>	<u>188,510</u>	<u>144,390</u>
<b>MISCELLANEOUS</b>				
Equipment and property rental	40,000	40,000	46,727	6,727
Insurance recoveries	18,000	18,000	53,888	35,888
Donations	-	-	16,060	16,060
Material sales	16,000	16,000	5,781	(10,219)
Other	86,100	86,100	131,396	45,296
TOTALS	<u>160,100</u>	<u>160,100</u>	<u>253,852</u>	<u>93,752</u>
<b>OTHER FINANCING SOURCES</b>				
Equipment and vehicle sales	11,200	11,200	14,647	3,447
Transfer in	190,000	190,000	190,000	-
Transfer in - tax equivalent	870,000	870,000	792,026	(77,974)
TOTALS	<u>1,071,200</u>	<u>1,071,200</u>	<u>996,673</u>	<u>(74,527)</u>
TOTAL REVENUES AND OTHER SOURCES	<u>21,883,996</u>	<u>21,883,996</u>	<u>22,302,096</u>	<u>418,100</u>

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF STEVENS POINT

### BUDGETARY COMPARISON SCHEDULE GENERAL FUND (cont.) For the Year Ended December 31, 2015

EXPENDITURES	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>GENERAL GOVERNMENT</b>				
Common council	\$ 58,570	\$ 58,570	\$ 56,267	\$ 2,303
Legal	186,259	186,259	181,978	4,281
Mayor	100,978	100,978	98,131	2,847
Comptroller-Treasurer	370,927	370,927	367,703	3,224
Clerk	222,935	222,935	211,757	11,178
Personnel	183,466	183,466	181,615	1,851
Elections	32,800	32,800	28,640	4,160
Information technology	171,960	147,485	117,928	29,557
Audit	58,500	58,500	51,052	7,448
Assessor	222,202	222,202	220,221	1,981
City hall	310,100	310,100	253,292	56,808
Municipal memberships	7,500	7,500	7,144	356
Police and fire commission	6,477	6,477	6,125	352
Insurance	191,000	191,000	176,974	14,026
Other general government	341,867	282,546	307,664	(25,118)
TOTALS	2,465,541	2,381,745	2,266,491	115,254
<b>PUBLIC SAFETY</b>				
Police	5,100,958	5,184,754	4,927,366	257,388
Fire stations	45,471	45,471	43,295	2,176
Fire department operations	2,633,666	2,633,666	2,485,119	148,547
Fire protection administration	236,525	236,525	232,693	3,832
Fire safety and education	53,558	53,558	41,288	12,270
Ambulance	1,910,416	1,910,416	1,905,107	5,309
Municipal court	105,593	105,593	103,801	1,792
Inspection	566,818	566,818	531,960	34,858
TOTALS	10,653,005	10,736,801	10,270,629	466,172

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF STEVENS POINT

### BUDGETARY COMPARISON SCHEDULE GENERAL FUND (cont.) For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>PUBLIC WORKS</b>				
Public works administration	\$ 1,556,337	\$ 1,556,337	\$ 1,478,048	\$ 78,289
Fleet maintenance	847,850	847,850	661,514	186,336
Public works - eligible	2,065,500	2,065,500	2,392,819	(327,319)
Public works - ineligible	594,475	594,475	140,513	453,962
Special events	12,000	12,000	7,819	4,181
City owned property expenses	30,000	30,000	38,297	(8,297)
Downtown maintenance	1,500	1,500	4,696	(3,196)
Refuse and garbage collections	444,398	444,398	449,655	(5,257)
Recycling	122,925	122,925	64,232	58,693
TOTALS	<u>5,674,985</u>	<u>5,674,985</u>	<u>5,237,593</u>	<u>437,392</u>
<b>HEALTH AND HUMAN SERVICES</b>				
Humane Society	72,000	72,000	74,957	(2,957)
Cemetery	21,912	21,912	18,435	3,477
TOTALS	<u>93,912</u>	<u>93,912</u>	<u>93,392</u>	<u>520</u>
<b>CULTURE, RECREATION AND EDUCATION</b>				
Parks and recreation	806,622	806,622	762,833	43,789
Recreation programs	505,423	505,423	485,004	20,419
Celebrations	6,100	6,100	6,100	-
Historical society program	1,000	1,000	1,000	-
Winter recreation	374,665	374,665	389,742	(15,077)
Swimming pool	127,593	127,593	122,959	4,634
TOTALS	<u>1,821,403</u>	<u>1,821,403</u>	<u>1,767,638</u>	<u>53,765</u>
<b>CONSERVATION AND DEVELOPMENT</b>				
Forestry	271,920	271,920	271,569	351

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF STEVENS POINT

### BUDGETARY COMPARISON SCHEDULE GENERAL FUND (cont.) For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>CAPITAL OUTLAY</b>				
General Government				
City hall	\$ 483,271	\$ 483,271	\$ 232,513	\$ 250,758
Financial administration	19,729	19,729	57,600	(37,871)
Total General Government	<u>503,000</u>	<u>503,000</u>	<u>290,113</u>	<u>212,887</u>
Public Safety				
Police	62,500	62,500	10,509	51,991
Fire protection	48,000	48,000	14,617	33,383
Total Public Safety	<u>110,500</u>	<u>110,500</u>	<u>25,126</u>	<u>85,374</u>
Public Works				
Engineering	118,500	118,500	88,901	29,599
Other public works	-	-	9,131	(9,131)
Total Public Works	<u>118,500</u>	<u>118,500</u>	<u>98,032</u>	<u>20,468</u>
Culture, Recreation and Education				
Parks	-	-	2,975	(2,975)
Pools	11,000	11,000	9,816	1,184
Forestry	7,000	7,000	5,883	1,117
Total Culture, Recreation and Education	<u>18,000</u>	<u>18,000</u>	<u>18,674</u>	<u>(674)</u>
<b>TOTALS</b>	<u>750,000</u>	<u>750,000</u>	<u>431,945</u>	<u>318,055</u>
<b>OTHER FINANCING USES</b>				
Transfer out	<u>225,000</u>	<u>225,000</u>	<u>405,000</u>	<u>(180,000)</u>
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<u>21,955,766</u>	<u>21,955,766</u>	<u>20,744,257</u>	<u>1,211,509</u>
<b>Excess of revenues and other sources over expenditures and other uses</b>	(71,770)	(71,770)	1,557,839	1,629,609
FUND BALANCE - BEGINNING OF YEAR	<u>18,362,801</u>	<u>18,362,801</u>	<u>18,362,801</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 18,291,031</u>	<u>\$ 18,291,031</u>	<u>\$ 19,920,640</u>	<u>\$ 1,629,609</u>

See independent auditors' report and accompanying notes to required supplementary information.

**CITY OF STEVENS POINT**

OTHER POSTEMPLOYMENT BENEFITS PLAN  
 SCHEDULE OF FUNDED STATUS  
 For the Year Ended December 31, 2015

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Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/01/2011	- \$	3,750,148	\$ 3,750,148	0%	\$ 12,067,104	31.1%
1/01/2012	-	3,950,741	3,950,741	0%	11,940,741	33.1%
1/01/2013	-	2,205,471	2,205,471	0%	12,079,924	18.3%
1/01/2015	-	1,287,933	1,287,933	0%	13,068,706	9.9%

See independent auditors' report and accompanying notes to required supplementary information.

**CITY OF STEVENS POINT**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.11795330%	\$ 2,897,256	\$ 12,351,569	23.46%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 1,146,347	\$ 1,146,347	\$ -	\$ 12,684,005	9.04%

See independent auditors' report and accompanying notes to the required supplementary information.

# CITY OF STEVENS POINT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

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### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made. The city may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$2,219,342. Budgets are adopted at the functional level of expenditure in the general fund and total expenditure level for other funds.

Prior to December 31, the Comptroller/Treasurer submits to the Board a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to December 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year.

The appropriated budget is prepared by fund, function, and department. The Comptroller/Treasurer is authorized to transfer budget amounts between departments within any fund; however, the Board must approve revisions that alter the total expenditures of any fund.

### ***WISCONSIN RETIREMENT SYSTEM***

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

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

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in Assumptions.* There were no changes in assumptions.

**SUPPLEMENTARY INFORMATION**

**CITY OF STEVENS POINT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2015

	Special Revenue Funds								
	Hotel/Motel Room Tax	Industrial Park Improvements	Special Land Purchase	McDill Lake Management	CAP Loan Levy	Fuel Dispenser System Replacement	Riverfront Festival	State EMS Act 102 Grant	Blight Elimination
<b>ASSETS</b>									
Cash and investments	\$ 1,277,879	\$ 168,808	\$ 225,173	\$ 30,353	\$ 2,388	\$ 54,276	\$ 10,406	\$ 84,691	\$ 22,513
Taxes receivable									
Property taxes	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Accounts receivable									
Sundry	167,033	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	10,000	-	-	-	-	-	-	-	-
Prepaid items	66	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	47,569	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,454,978</b>	<b>\$ 168,808</b>	<b>\$ 225,173</b>	<b>\$ 30,353</b>	<b>\$ 49,957</b>	<b>\$ 54,276</b>	<b>\$ 10,406</b>	<b>\$ 84,691</b>	<b>\$ 22,513</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
Liabilities									
Accounts payable	\$ 8,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	868	-	-	-	-	-	-	-	-
Due to other governments	510	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	10,000	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>9,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources									
Unearned revenue	-	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	47,569	-	-	10,454	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,569</u>	<u>-</u>	<u>-</u>	<u>10,454</u>	<u>-</u>
Fund Balances (Deficit)									
Nonspendable	66	-	-	-	-	-	-	-	-
Restricted	1,444,996	-	-	-	-	-	-	74,237	-
Committed	-	168,808	225,173	-	2,388	54,276	406	-	22,513
Assigned	-	-	-	30,353	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	<u>1,445,062</u>	<u>168,808</u>	<u>225,173</u>	<u>30,353</u>	<u>2,388</u>	<u>54,276</u>	<u>406</u>	<u>74,237</u>	<u>22,513</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,454,978</b>	<b>\$ 168,808</b>	<b>\$ 225,173</b>	<b>\$ 30,353</b>	<b>\$ 49,957</b>	<b>\$ 54,276</b>	<b>\$ 10,406</b>	<b>\$ 84,691</b>	<b>\$ 22,513</b>

**CITY OF STEVENS POINT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (cont.)  
As of December 31, 2015

	Special Revenue Funds								
	Soil Remediation	Department of Administration	HRRP Project Grant	Federal Forfeiture	Drug Task Force	Telecom- munications	Police Grants	Fire Grants	Museum
<b>ASSETS</b>									
Cash and investments	\$ 34,165	\$ 81,100	\$ 61,579	\$ 52,078	\$ 40,821	\$ 737,201	\$ 117,841	\$ 500	\$ 19,562
Taxes receivable									
Property taxes	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Accounts receivable									
Sundry	-	-	-	-	-	-	-	-	1,040
Due from other governments	24,537	-	-	-	-	-	2,690	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	1,751	-	-	-
Notes receivable	-	2,422,907	42,810	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 58,702</b>	<b>\$ 2,504,007</b>	<b>\$ 104,389</b>	<b>\$ 52,078</b>	<b>\$ 40,821</b>	<b>\$ 738,952</b>	<b>\$ 120,531</b>	<b>\$ 500</b>	<b>\$ 20,602</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ 136	\$ -	\$ 162	\$ -	\$ -	\$ 200
Accrued liabilities	-	-	-	-	-	945	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	136	-	1,107	-	-	200
Deferred Inflows of Resources									
Unearned revenue	-	-	-	-	-	-	-	-	-
Unavailable revenue	24,537	2,422,907	42,810	-	-	-	-	-	-
Total Deferred Inflows of Resources	24,537	2,422,907	42,810	-	-	-	-	-	-
Fund Balances (Deficit)									
Nonspendable	-	-	-	-	-	1,751	-	-	-
Restricted	-	81,100	61,579	51,942	40,821	-	120,531	500	-
Committed	34,165	-	-	-	-	736,094	-	-	20,402
Assigned	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	34,165	81,100	61,579	51,942	40,821	737,845	120,531	500	20,402
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 58,702</b>	<b>\$ 2,504,007</b>	<b>\$ 104,389</b>	<b>\$ 52,078</b>	<b>\$ 40,821</b>	<b>\$ 738,952</b>	<b>\$ 120,531</b>	<b>\$ 500</b>	<b>\$ 20,602</b>

**CITY OF STEVENS POINT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (cont.)  
As of December 31, 2015

	Special Revenue Funds					Capital Projects Funds			
	Community Rehab Grant Program	Park Trust	Funds in Lieu of Parks	Section A-125	Special Assessments	Capital Projects Fund (Pre-2011)	Fire Safety Smoke House	TID No. 5	TID No. 7
<b>ASSETS</b>									
Cash and investments	\$ 122,493	\$ 11,382	\$ 39,422	\$ -	\$ 240,495	\$ 212,062	\$ 541	\$ 310,682	\$ 535,840
Taxes receivable									
Property taxes	-	-	-	-	-	-	-	401,277	567,647
Special assessments	-	-	-	-	127,106	-	-	-	-
Accounts receivable									
Sundry	-	-	-	-	-	3,268	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 122,493</b>	<b>\$ 11,382</b>	<b>\$ 39,422</b>	<b>\$ -</b>	<b>\$ 367,601</b>	<b>\$ 215,330</b>	<b>\$ 541</b>	<b>\$ 711,959</b>	<b>\$ 1,103,487</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,197
Accrued liabilities	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	16,017	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	16,017	-	-	-	-	200,197
Deferred Inflows of Resources									
Unearned revenue	-	-	-	-	-	-	-	401,277	567,647
Unavailable revenue	-	-	-	-	127,106	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	127,106	-	-	401,277	567,647
Fund Balances (Deficit)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	39,422	-	240,495	138,752	-	310,682	335,643
Committed	122,493	11,382	-	-	-	-	541	-	-
Assigned	-	-	-	-	-	76,578	-	-	-
Unassigned (deficit)	-	-	-	(16,017)	-	-	-	-	-
Total Fund Balances (Deficit)	122,493	11,382	39,422	(16,017)	240,495	215,330	541	310,682	335,643
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 122,493</b>	<b>\$ 11,382</b>	<b>\$ 39,422</b>	<b>\$ -</b>	<b>\$ 367,601</b>	<b>\$ 215,330</b>	<b>\$ 541</b>	<b>\$ 711,959</b>	<b>\$ 1,103,487</b>

**CITY OF STEVENS POINT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (cont.)  
As of December 31, 2015

	Capital Projects Funds				Permanent Funds				Total Nonmajor Funds
	TID No. 8	TID No. 9	Subdivision Development Construction	Vehicle/ Equipment	United Way	General Endowment Trust	Willett Trust Parks	Smongeski Trust	
<b>ASSETS</b>									
Cash and investments	\$ 474,900	\$ 739,259	\$ 1,766,854	\$ 46,449	\$ 15,135	\$ 60,676	\$ 5,130	\$ 135,288	\$ 7,737,942
Taxes receivable									
Property taxes	-	525,478	-	-	-	-	-	-	1,494,402
Special assessments	-	-	-	-	-	-	-	-	127,106
Accounts receivable									
Sundry	-	-	425	-	-	-	-	-	171,766
Due from other governments	-	-	-	-	-	-	-	-	27,227
Due from other funds	-	-	-	-	-	-	-	-	10,000
Prepaid items	-	-	-	-	-	-	-	-	1,817
Notes receivable	-	-	-	-	-	-	-	-	2,513,286
<b>TOTAL ASSETS</b>	<b>\$ 474,900</b>	<b>\$ 1,264,737</b>	<b>\$ 1,767,279</b>	<b>\$ 46,449</b>	<b>\$ 15,135</b>	<b>\$ 60,676</b>	<b>\$ 5,130</b>	<b>\$ 135,288</b>	<b>\$ 12,083,546</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 135	\$ 438	\$ -	\$ -	\$ 209,806
Accrued liabilities	-	-	-	-	-	-	-	-	1,813
Due to other governments	-	-	-	-	-	-	-	-	510
Due to other funds	-	-	-	-	-	-	-	-	26,017
Advances from other funds	852,936	-	-	-	-	-	-	-	852,936
Total Liabilities	852,936	-	-	-	135	438	-	-	1,091,082
Deferred Inflows of Resources									
Unearned revenue	-	525,478	-	-	-	-	-	-	1,494,402
Unavailable revenue	-	-	-	-	-	-	-	-	2,675,383
Total Deferred Inflows of Resources	-	525,478	-	-	-	-	-	-	4,169,785
Fund Balances (Deficit)									
Nonspendable	-	-	-	-	15,000	60,238	5,130	135,288	217,473
Restricted	-	739,259	-	-	-	-	-	-	3,679,959
Committed	-	-	1,767,279	46,449	-	-	-	-	3,212,369
Assigned	-	-	-	-	-	-	-	-	106,931
Unassigned (deficit)	(378,036)	-	-	-	-	-	-	-	(394,053)
Total Fund Balances (Deficit)	(378,036)	739,259	1,767,279	46,449	15,000	60,238	5,130	135,288	6,822,679
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 474,900</b>	<b>\$ 1,264,737</b>	<b>\$ 1,767,279</b>	<b>\$ 46,449</b>	<b>\$ 15,135</b>	<b>\$ 60,676</b>	<b>\$ 5,130</b>	<b>\$ 135,288</b>	<b>\$ 12,083,546</b>

**CITY OF STEVENS POINT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2015

	Special Revenue Funds							
	Hotel/Motel Room Tax	Industrial Park Improvements	Special Land Purchase	McDill Lake Management	CAP Loan Levy	Fuel Dispenser System Replacement	Riverfront Festival	State EMS Act 102 Grant
<b>REVENUES</b>								
Taxes	\$ 811,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	5,700
Public charges for services	-	-	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-	5,328	-	-
Investment income (loss)	14,348	-	-	-	5	-	7	-
Miscellaneous revenues	21,039	-	-	-	5,300	-	141,422	-
<b>Total Revenues</b>	<b>846,453</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,305</b>	<b>5,328</b>	<b>141,429</b>	<b>5,700</b>
<b>EXPENDITURES</b>								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	997	-	-
Culture, recreation and education	108,207	-	-	-	-	-	143,171	-
Conservation and development	303,468	-	-	-	14,724	-	-	-
Capital Outlay	198,308	-	-	-	-	-	-	-
Debt Service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>609,983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,724</b>	<b>997</b>	<b>143,171</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	236,470	-	-	-	(9,419)	4,331	(1,742)	5,700
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of city property	19,127	-	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-	-	-
Transfer out	(150,000)	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(130,873)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	105,597	-	-	-	(9,419)	4,331	(1,742)	5,700
FUND BALANCE (DEFICIT) - Beginning of Year	1,339,465	168,808	225,173	30,353	11,807	49,945	2,148	68,537
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<b>\$ 1,445,062</b>	<b>\$ 168,808</b>	<b>\$ 225,173</b>	<b>\$ 30,353</b>	<b>\$ 2,388</b>	<b>\$ 54,276</b>	<b>\$ 406</b>	<b>\$ 74,237</b>

**CITY OF STEVENS POINT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (cont.)  
For the Year Ended December 31, 2015

	Special Revenue Funds							
	Blight Elimination	Soil Remediation	Department of Administration	HRRP Project Grant	Federal Forfeiture	Drug Task Force	Telecom- munications	Police Grants
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	175,463	-	-	-	7,475	-	13,263
Public charges for services	-	-	-	-	-	-	245,125	-
Intergovernmental charges for services	-	-	-	-	-	-	-	-
Investment income (loss)	-	-	21	1,355	-	-	-	-
Miscellaneous revenues	-	-	164,052	3,237	22,013	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>175,463</b>	<b>164,073</b>	<b>4,592</b>	<b>22,013</b>	<b>7,475</b>	<b>245,125</b>	<b>13,263</b>
<b>EXPENDITURES</b>								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	21,290	2,180	-	11,135
Public works	-	341,039	-	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-	-	176,901	-
Conservation and development	-	-	128,121	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>341,039</b>	<b>128,121</b>	<b>-</b>	<b>21,290</b>	<b>2,180</b>	<b>176,901</b>	<b>11,135</b>
Excess (deficiency) of revenues over expenditures	-	(165,576)	35,952	4,592	723	5,295	68,224	2,128
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of city property	-	-	-	-	-	-	-	-
Transfer In	-	180,000	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	(90,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>180,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(90,000)</b>	<b>-</b>
Net Change in Fund Balance	-	14,424	35,952	4,592	723	5,295	(21,776)	2,128
FUND BALANCE (DEFICIT) - Beginning of Year	22,513	19,741	45,148	56,987	51,219	35,526	759,621	118,403
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<b>\$ 22,513</b>	<b>\$ 34,165</b>	<b>\$ 81,100</b>	<b>\$ 61,579</b>	<b>\$ 51,942</b>	<b>\$ 40,821</b>	<b>\$ 737,845</b>	<b>\$ 120,531</b>

**CITY OF STEVENS POINT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (cont.)  
For the Year Ended December 31, 2015

	Special Revenue Funds						
	Fire Grants	Museum	Community Rehab Grant Program	Park Trust	Funds in Lieu of Parks	Section A-125	Special Assessments
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	246,004
Intergovernmental revenues	-	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	-	-	12
Miscellaneous revenues	-	11,455	-	-	2,250	51,879	-
<b>Total Revenues</b>	<b>-</b>	<b>11,455</b>	<b>-</b>	<b>-</b>	<b>2,250</b>	<b>51,879</b>	<b>246,016</b>
<b>EXPENDITURES</b>							
Current							
General government	-	-	-	-	-	55,423	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	5,521
Culture, recreation and education	-	3,474	-	-	-	-	-
Conservation and development	-	-	76,959	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>3,474</b>	<b>76,959</b>	<b>-</b>	<b>-</b>	<b>55,423</b>	<b>5,521</b>
Excess (deficiency) of revenues over expenditures	-	7,981	(76,959)	-	2,250	(3,544)	240,495
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of city property	-	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	-	7,981	(76,959)	-	2,250	(3,544)	240,495
FUND BALANCE (DEFICIT) - Beginning of Year	500	12,421	199,452	11,382	37,172	(12,473)	-
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<b>\$ 500</b>	<b>\$ 20,402</b>	<b>\$ 122,493</b>	<b>\$ 11,382</b>	<b>\$ 39,422</b>	<b>\$ (16,017)</b>	<b>\$ 240,495</b>

**CITY OF STEVENS POINT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (cont.)  
For the Year Ended December 31, 2015

	Capital Projects Funds						
	General Capital Projects Fund (Pre-2011)	Highway 10 East Construction	Fire Safety Smoke House	TID No. 5	TID No. 7	TID No. 8	TID No. 9
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ 387,984	\$ 563,758	\$ -	\$ 143,700
Special assessments	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	8,778	17,806	3,661	-
Public charges for services	-	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-	-
Investment income (loss)	206	-	-	-	-	-	-
Miscellaneous revenues	20,924	-	-	-	-	-	400
<b>Total Revenues</b>	<u>21,130</u>	<u>-</u>	<u>-</u>	<u>396,762</u>	<u>581,564</u>	<u>3,661</u>	<u>144,100</u>
<b>EXPENDITURES</b>							
Current							
General government	-	-	-	13,900	9,899	1,400	1,250
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-	-	-
Conservation and development	-	-	-	163,548	200,197	-	150
Capital Outlay	-	-	-	-	-	-	29,507
Debt Service							
Principal retirement	-	-	-	-	210,000	-	180,000
Interest and fiscal charges	-	-	-	-	135,753	-	58,220
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,448</u>	<u>555,849</u>	<u>1,400</u>	<u>269,127</u>
Excess (deficiency) of revenues over expenditures	<u>21,130</u>	<u>-</u>	<u>-</u>	<u>219,314</u>	<u>25,715</u>	<u>2,261</u>	<u>(125,027)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of city property	-	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-	-
Transfer out	(9,500)	(459,282)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(9,500)</u>	<u>(459,282)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	11,630	(459,282)	-	219,314	25,715	2,261	(125,027)
FUND BALANCE (DEFICIT) - Beginning of Year	<u>203,700</u>	<u>459,282</u>	<u>541</u>	<u>91,368</u>	<u>309,928</u>	<u>(380,297)</u>	<u>864,286</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 215,330</u>	<u>\$ -</u>	<u>\$ 541</u>	<u>\$ 310,682</u>	<u>\$ 335,643</u>	<u>\$ (378,036)</u>	<u>\$ 739,259</u>

**CITY OF STEVENS POINT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (cont.)  
For the Year Ended December 31, 2015

	Capital Projects Fund		Permanent Funds				Totals
	Subdivision Development Construction	Vehicle/ Equipment	United Way	Library General Endowment Trust	Willett Trust Parks	Smongeski Trust	
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,906,508
Special assessments	-	-	-	-	-	-	246,004
Intergovernmental revenues	-	-	-	-	-	-	232,146
Public charges for services	-	-	-	-	-	-	245,125
Intergovernmental charges for services	-	-	-	-	-	-	5,328
Investment income (loss)	-	-	135	(115)	-	(1,512)	14,462
Miscellaneous revenues	32,071	-	-	-	-	-	476,042
<b>Total Revenues</b>	<b>32,071</b>	<b>-</b>	<b>135</b>	<b>(115)</b>	<b>-</b>	<b>(1,512)</b>	<b>3,125,615</b>
<b>EXPENDITURES</b>							
Current							
General government	-	-	352	-	-	-	82,224
Public safety	-	-	-	-	-	-	34,605
Public works	-	-	-	-	-	-	347,557
Culture, recreation and education	-	-	-	439	-	3,323	435,515
Conservation and development	-	-	-	-	-	-	887,167
Capital Outlay	-	60,839	-	-	-	-	288,654
Debt Service							
Principal retirement	-	-	-	-	-	-	390,000
Interest and fiscal charges	-	-	-	-	-	-	193,973
<b>Total Expenditures</b>	<b>-</b>	<b>60,839</b>	<b>352</b>	<b>439</b>	<b>-</b>	<b>3,323</b>	<b>2,659,695</b>
Excess (deficiency) of revenues over expenditures	32,071	(60,839)	(217)	(554)	-	(4,835)	465,920
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of city property	317,961	107,288	-	-	-	-	444,376
Transfer In	-	-	-	-	-	-	180,000
Transfer out	-	-	-	-	-	-	(708,782)
<b>Total Other Financing Sources (Uses)</b>	<b>317,961</b>	<b>107,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(84,406)</b>
Net Change in Fund Balance	350,032	46,449	(217)	(554)	-	(4,835)	381,514
FUND BALANCE (DEFICIT) - Beginning of Year	1,417,247	-	15,217	60,792	5,130	140,123	6,441,165
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<b>\$ 1,767,279</b>	<b>\$ 46,449</b>	<b>\$ 15,000</b>	<b>\$ 60,238</b>	<b>\$ 5,130</b>	<b>\$ 135,288</b>	<b>\$ 6,822,679</b>

**CITY OF STEVENS POINT**

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
As of December 31, 2015

<b>ASSETS</b>	Airport Fund	Edgewater Fund	Totals
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 122,767	\$ 282,718	\$ 405,485
Taxes receivable			
Property taxes	150,000	-	150,000
Accounts Receivable			
Customers	8,504	14,154	22,658
Restricted assets			
Receivables	-	38,893	38,893
Inventory and prepaid items	67,214	-	67,214
Total Current Assets	<u>348,485</u>	<u>335,765</u>	<u>684,250</u>
<b>NONCURRENT ASSETS</b>			
Restricted Assets			
Net pension asset	17,301	-	17,301
Capital Assets			
Land	307,468	87,036	394,504
Land improvements	-	2,037	2,037
Buildings	1,404,386	2,407,428	3,811,814
Equipment	646,315	9,960	656,275
Runyway infrastructure	6,998,900	-	6,998,900
Accumulated depreciation	<u>(6,295,029)</u>	<u>(2,023,603)</u>	<u>(8,318,632)</u>
Total Noncurrent Assets	<u>3,062,040</u>	<u>482,858</u>	<u>3,544,898</u>
Total Assets	<u>3,427,826</u>	<u>818,623</u>	<u>4,246,449</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	<u>16,245</u>	<u>-</u>	<u>16,245</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	7,504	18,644	26,148
Accrued liabilities	5,354	3,154	8,508
Due to municipality	6,609	34,857	41,466
Current liabilities payable from restricted assets			
Deposits	<u>-</u>	<u>38,893</u>	<u>38,893</u>
Total Current Liabilities	<u>19,467</u>	<u>95,548</u>	<u>115,015</u>
<b>NONCURRENT LIABILITIES</b>			
Advance from municipality	16,000	-	16,000
Accrued sick leave and vacation	4,806	-	4,806
Other postemployment benefits liability	16,961	-	16,961
Total Non-Current Liabilities	<u>37,767</u>	<u>-</u>	<u>37,767</u>
Total Liabilities	<u>57,234</u>	<u>95,548</u>	<u>152,782</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue	<u>150,000</u>	<u>-</u>	<u>150,000</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,062,040	482,858	3,544,898
Restricted for pension	17,301	-	17,301
Unrestricted	<u>157,496</u>	<u>240,217</u>	<u>397,713</u>
<b>TOTAL NET POSITION</b>	<u>\$ 3,236,837</u>	<u>\$ 723,075</u>	<u>\$ 3,959,912</u>

## CITY OF STEVENS POINT

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2015

	<u>Airport Fund</u>	<u>Edgewater Fund</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Public charges for services			
Airport revenues	\$ 349,595	\$ -	\$ 349,595
Total Operating Revenues	<u>349,595</u>	<u>-</u>	<u>349,595</u>
<b>OPERATING EXPENSES</b>			
Public works			
Airport	406,684	-	406,684
Depreciation	<u>409,089</u>	<u>-</u>	<u>409,089</u>
Total Operating Expenses	<u>815,773</u>	<u>-</u>	<u>815,773</u>
Operating Loss	<u>(466,178)</u>	<u>-</u>	<u>(466,178)</u>
<b>NONOPERATING REVENUES</b>			
Property taxes	150,000	-	150,000
Other items	<u>1,462</u>	<u>-</u>	<u>1,462</u>
Total Nonoperating Revenues	<u>151,462</u>	<u>-</u>	<u>151,462</u>
Loss Before Contributions and Special Item	(314,716)	-	(314,716)
<b>CAPITAL CONTRIBUTIONS</b>	89,656	-	89,656
<b>SPECIAL ITEM</b>	<u>-</u>	<u>723,075</u>	<u>723,075</u>
<b>CHANGE IN NET POSITION</b>	(225,060)	723,075	498,015
NET POSITION – Beginning of Year (as restated)	<u>3,461,897</u>	<u>-</u>	<u>3,461,897</u>
<b>NET POSITION – END OF YEAR</b>	<u>\$ 3,236,837</u>	<u>\$ 723,075</u>	<u>\$ 3,959,912</u>

**CITY OF STEVENS POINT**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2015

	<u>Airport Fund</u>	<u>Edgewater Fund</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 342,565	\$ -	\$ 342,565
Paid to suppliers for goods and services	(341,014)	-	(341,014)
Paid to employees for services	<u>(119,251)</u>	-	<u>(119,251)</u>
Net Cash Flows From Operating Activities	<u>(117,700)</u>	-	<u>(117,700)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
General property taxes	150,000	-	150,000
Cash received from RDA	-	<u>282,718</u>	<u>282,718</u>
Net Cash Flows From Noncapital Financing Activities	<u>150,000</u>	<u>282,718</u>	<u>432,718</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	<u>(26,956)</u>	-	<u>(26,956)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(26,956)</u>	-	<u>(26,956)</u>
Net Change in Cash and Cash Equivalents	5,344	282,718	288,062
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>117,423</u>	-	<u>117,423</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 122,767</u>	<u>\$ 282,718</u>	<u>\$ 405,485</u>

	Airport Fund	Edgewater Fund	Totals
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES</b>			
Operating loss	\$ (466,178)	\$ -	\$ (466,178)
Miscellaneous nonoperating revenue	1,462	-	1,462
Noncash items included in loss			
Depreciation	409,089	-	409,089
Other operating amortization expenses	954	-	954
Change in Assets and Liabilities			
Accounts receivable	(8,492)	-	(8,492)
Inventories	(32,999)	-	(32,999)
Accounts payable and accrued liabilities	(23,363)	-	(23,363)
Pension related amounts	1,827	-	1,827
	<u>1,827</u>	<u>-</u>	<u>1,827</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (117,700)</u>	<u>\$ -</u>	<u>\$ (117,700)</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS</b>			
Cash and investments	<u>\$ 122,767</u>	<u>\$ 282,718</u>	<u>\$ 405,485</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 122,767</u>	<u>\$ 282,718</u>	<u>\$ 405,485</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital contributions and transfers	<u>\$ 89,656</u>	<u>\$ -</u>	<u>\$ 89,656</u>
Net value of assets and liabilities transferred from the RDA	<u>\$ -</u>	<u>\$ 440,357</u>	<u>\$ 440,357</u>

# CITY OF STEVENS POINT

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2015

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	Employee Self Insurance	Employee Sick Leave	Totals
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 2,508,005	\$ 698,851	\$ 3,206,856
Accounts receivable	94,525	-	94,525
Prepaid items	55,952	-	55,952
Total Assets	<u>2,658,482</u>	<u>698,851</u>	<u>3,357,333</u>
<b>LIABILITIES</b>			
Current Liabilities			
Claims payable	<u>208,754</u>	<u>-</u>	<u>208,754</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue	<u>295,029</u>	<u>-</u>	<u>295,029</u>
<b>NET POSITION</b>			
Unrestricted	<u>2,154,699</u>	<u>698,851</u>	<u>2,853,550</u>
<b>TOTAL NET POSITION</b>	<u>\$ 2,154,699</u>	<u>\$ 698,851</u>	<u>\$ 2,853,550</u>

**CITY OF STEVENS POINT**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION -  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2015

	Employee Self Insurance	Employee Sick Leave	Totals
<b>OPERATING REVENUES</b>			
Local charges for services	\$ 3,330,110	\$ -	\$ 3,330,110
Total Operating Revenue	<u>3,330,110</u>	<u>-</u>	<u>3,330,110</u>
<b>OPERATING EXPENSES</b>			
General government	3,367,368	169,064	3,536,432
Total Operating Expenses	<u>3,367,368</u>	<u>169,064</u>	<u>3,536,432</u>
Operating Loss	<u>(37,258)</u>	<u>(169,064)</u>	<u>(206,322)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income (loss)	-	(10,143)	(10,143)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(10,143)</u>	<u>(10,143)</u>
Loss Before Transfers	(37,258)	(179,207)	(216,465)
Transfers in	-	225,000	225,000
Change in Net Position	(37,258)	45,793	8,535
TOTAL NET POSITION - Beginning of Year	<u>2,191,957</u>	<u>653,058</u>	<u>2,845,015</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 2,154,699</u>	<u>\$ 698,851</u>	<u>\$ 2,853,550</u>

## CITY OF STEVENS POINT

### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2015

	Employee Self Insurance	Employee Sick Leave	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 3,812,299	\$ -	\$ 3,812,299
Paid to suppliers for goods and services	<u>(3,458,220)</u>	<u>(169,064)</u>	<u>(3,627,284)</u>
Net Cash Flows From Operating Activities	<u>354,079</u>	<u>(169,064)</u>	<u>185,015</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	<u>-</u>	<u>225,000</u>	<u>225,000</u>
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>225,000</u>	<u>225,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income (loss)	<u>-</u>	<u>(10,143)</u>	<u>(10,143)</u>
Net Cash Flows From Investing Activities	<u>-</u>	<u>(10,143)</u>	<u>(10,143)</u>
Change in Cash and Cash Equivalents	354,079	45,793	399,872
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,153,926</u>	<u>653,058</u>	<u>2,806,984</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><b>\$ 2,508,005</b></u>	<u><b>\$ 698,851</b></u>	<u><b>\$ 3,206,856</b></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES</b>			
Loss from operations	\$ (37,258)	\$ (169,064)	\$ (206,322)
Adjustments to reconcile loss to net cash flows from operating activities:			
Change in assets, liabilities and deferred inflows of resources:			
Accounts receivable	469,924	-	469,924
Prepaid items	(55,952)	-	(55,952)
Claims payable	(34,900)	-	(34,900)
Unearned revenues	<u>12,265</u>	<u>-</u>	<u>12,265</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u><b>\$ 354,079</b></u>	<u><b>\$ (169,064)</b></u>	<u><b>\$ 185,015</b></u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None.			