Finance/Personnel Committee

335 South Broadway

De Pere, WI 54115
http://www.de-pere.org

Regular Meeting

Agenda

Tuesday, June 10, 2014	7:30 PM	De Pere City Hall Council Chambers

Pursuant to Wisconsin Statutes 19.84, Notice is hereby given to the public that a Regular Meeting of the **Finance/Personnel Committee** of the City of De Pere will be held on **June 10, 2014** at **7:30 PM** in the **De Pere City Hall Council Chambers, 335 S. Broadway Street, De Pere, WI 54115.**

This meeting can be viewed LIVE at www.depere.tv. This meeting is also rebroadcast on TW Cable Channel 4 and AT&T U-verse Channel 99 throughout the week and available on demand at www.depere.tv.

Call to order.

1. Roll call.
2. Approval of the minutes of the May 13, 2014 regular meeting of the Finance/Personnel Committee.
3. Consideration of Police Overtime for May 2014
4. Fire Department Overtime Report for the month of May.
5. Presentation of Preliminary Draft of 2013 Audit Management Letter.
6. Consideration of new Compensation Policy which includes pay for performance *
7. Public comment and announcements.
8. Future agenda items.
9. Adjournment.

Notice is hereby given that a majority of the members of the Common Council of the City of De Pere may attend this meeting to gather information about a subject(s) over which they have decision-making responsibility.

Any person wishing to attend this meeting who, because of disability, requires special accommodations should contact the Clerk-Treasurer's office at 339-4050 by Noon, the previous day so that arrangements can be made.

Agenda Sent To:
Alderpersons
City Administrator
Mayor
Department Heads
TV, Newspapers & Radio Stations
Kress Family Library
De Pere Chamber of Commerce

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE:	**June 10, 2014**
DEPARTMENT:	**City Attorney**
FROM:	**Jeni Dupont**
SUBJECT:	**Approval of the minutes of the May 13, 2014 regular meeting of the Finance/Personnel Committee.**

ATTACHMENTS:

- May 13, 2014 DRAFT Minutes (DOC)

Finance/Personnel Committee

335 South Broadway
De Pere, WI 54115
http://www.de-pere.org

Regular Meeting

Draft Minutes

Tuesday, May 13, 2014 7:30 PM De Pere City Hall Council Chambers

Call to order.

Mayor Michael J. Walsh called the regular meeting of the Finance/Personnel Committee to order at 7:30 PM on May 13, 2014, at De Pere City Hall Council Chambers, 335 S. Broadway Street, De Pere, WI.

Attendee Name	Title	Status	Arrived
Scott Crevier	Alderperson	Present	
Michael Donovan	Alderperson	Present	
Larry Lueck	Alderperson	Excused	
Lisa Rafferty	Alderperson	Present	
Michael J. Walsh	Mayor	Present	

Also present: City Administrator Lawrence Delo, Police Chief Derek Beiderwieden, Interim Fire Chief Jeff Roemer, Finance Director Joe Zegers, Planning Director Ken Pabich, Human Resources Director Shannon Metzler and members of the public

2. Approval of the minutes of the March 11, 2014 and April 8, 2014 regular meetings of the Finance/Personnel Committee.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Scott Crevier, Alderperson
SECONDER:	Michael Donovan, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

3. Consideration of April 2014 Overtime Report of Police Department
Discussion followed motion with Chief Beiderwieden responding to committee member questions regarding the increase in holiday, officer training, staffing level and investigations.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Lisa Rafferty, Alderperson
SECONDER:	Scott Crevier, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

4. Fire Department Overtime Report for the month of April.
Discussion followed with Interim Chief Roemer responding to committee member questions regarding the increase in fire training.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael J. Walsh, Mayor
SECONDER:	Lisa Rafferty, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

5. Recommendation for approval of donation from Rotary Club. *

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Scott Crevier, Alderperson
SECONDER:	Lisa Rafferty, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

6. Donation from BayCare Health Systems. *

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael Donovan, Alderperson
SECONDER:	Michael J. Walsh, Mayor
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

7. Consider Donation Acceptance from De Pere Christian Outreach, Delores Lemke and Jules Bader to Police Department *

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Lisa Rafferty, Alderperson
SECONDER:	Scott Crevier, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

8. Review request to extend option to purchase ED-2077-1. Applicant Karman Development.*
Discussion followed motion with Planning and Economic Development Director Pabich providing an overview and responding to committee member questions.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Scott Crevier, Alderperson
SECONDER:	Michael J. Walsh, Mayor
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

9. Consideration of Replacement of Police Department Computers*
Discussion followed motion with Chief Beiderwieden responding to committee member questions regarding budgeting for the computer upgrade/replacement.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael Donovan, Alderperson
SECONDER:	Lisa Rafferty, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

10. Consideration of replacement of Lobby/Police Camera System*

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael J. Walsh, Mayor
SECONDER:	Scott Crevier, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

11. Consider change to credit card service provider. *

Discussion followed motion with Finance Director Zegers responding to committee member questions.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Lisa Rafferty, Alderperson
SECONDER:	Scott Crevier, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

12. 2013 Budget items carried forward to 2014. *

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael J. Walsh, Mayor
SECONDER:	Michael Donovan, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

13. Request to approve RW Management Group Contract Extension for Interim Fire Chief Services *
Discussion followed motion with City Administrator Delo responding to committee member questions.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Lisa Rafferty, Alderperson
SECONDER:	Michael J. Walsh, Mayor
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

14. Consideration of 2014-2015 Insurance Liability Policy Renewals *

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Scott Crevier, Alderperson
SECONDER:	Lisa Rafferty, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

15. Update on Health Insurance Review Team Meetings
Human Resources Director Metzler provided an update on progress the team is making and responded to committee member questions. Instead of focusing on retirees only, the group prefers to look at all cost saving options before making its recommendation/presentation to the committee; i.e. network, plan design changes, fully insured, health risk assessments, etc.

16. Consideration of Holidays During Summer Hours *
Human Resources Director Metzler provided a summary of the discussion with managers regarding the handling of holidays during summer hours and responded to committee member questions. Upon discussion, Mayor Walsh moved, seconded by Alderperson Donovan to approve holiday hours as presented, including an unpaid time off option for Memorial Day. Discussion followed . Upon discussion and vote, motion was approved unanimously.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael J. Walsh, Mayor
SECONDER:	Michael Donovan, Alderperson
AYES:	Scott Crevier, Michael Donovan, Lisa Rafferty, Michael J. Walsh
EXCUSED:	Larry Lueck

17. Public comment and announcements.

None.

18. Future agenda items.
None.

19. Adjournment.

Upon motion by Mayor Walsh, seconded by Alderperson Rafferty, the Finance/Personnel Committee unanimously adjourned at 8:06 p.m.

Respectfully submitted,
Jennifer Dupont

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE: **June 10, 2014**

DEPARTMENT: **Police**

FROM: **Derek Beiderwieden**

SUBJECT: **Consideration of Police Overtime for May 2014**

The 2013 and 2012 overtime report summaries are attached for comparison. Please contact me if you have any questions about this report at 339-4075.

ATTACHMENTS:

- May 2014 PD OT Report (PDF)
- 2013 PD OT Report Summary (PDF)
- 2012 PD OT Summary (PDF)

DE PERE POLICE DEPARTMENT
OVERTIME BY REASON
2014

REASON	JAN*	FEB**	MAR***	APR+	MAY++	JUN ^	JUL #	AUG ##	SEPT^^	OCT^^^	NOV*+	DEC*+*	TOTAL
OFFICER SICK RELIEF	35.25	82.50	83.25	53.25	62.25								316.50
OFFICER WORKED ON HOLIDAY	4.00	4.00	8.00	41.25	18.50								75.75
OFFICER FOR COURT	36.00	12.00	15.00	9.00	18.50								90.50
OFFICER TRAINING		13.00	32.25	90.50	19.75								155.50
OFFICER RELIEF FOR FUNERAL													0.00
OFFICER ATTEND MEETING	40.50		6.00	9.75	11.25								67.50
STAFFING LEVEL	27.75	16.50	35.50	51.75	142.00								273.50
INVESTIGATION	34.75	22.25	8.25	37.50	64.75								167.50
HONOR GUARD FOR FUNERAL	0.00	0.00											0.00
SCHOOL LIAISON REIMBURSED	24.00	49.50	21.75	34.50	24.75								154.50
COMMUNITY RELATIONS													0.00
SPECIAL ASSIGNMENT													0.00
SPECIAL ASSIGNMENT REIMBURSED		15.00			34.00								49.00
MISCELLANEOUS	14.00	25.25	28.50	5.50	26.50								99.75
MISCELLANEOUS REIMBURSED	107.25	102.00	119.25	107.00	93.00								528.50
Gross OFFICER OVERTIME	323.50	342.00	357.75	440.00	515.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1978.50
SUBTOTAL REIMBURSED OVERTIME	(131.25)	(166.50)	(141.00)	(141.50)	(151.75)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(732.00)
NET OFFICER OVERTIME	192.25	175.50	216.75	298.50	363.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1246.50
SECRETARY OVERTIME													0.00
Community Service Officer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total Overtime Budget:	**$133,357.00**
Expenditures through 06/03/2014	**$21,334.00**
Percent of Total Budget:	**16.00%**

NOTES:

* Period 1/4/2014 - 1/31/2014
eriod 2/1/2014 - 2/28/2014
Period 03/01/2014 - 03/28/2014

+Period 3/29/2014 - 4/25/2014
++Period 4/26/2014 - 5/23/2014
^Period

#Period
##Period
^^Period

^^^Period
*+Period
*+*Period

DE PERE POLICE DEPARTMENT
OVERTIME BY REASON
2013

REASON	JAN*	FEB**	MAR***	APR+	MAY++	JUN ^	JUL #	AUG ##	SEPT^^	OCT^^^	NOV*+	DEC*+*	TOTAL
OFFICER SICK RELIEF	102.00	75.00	69.75	106.50	178.00	26.25	90.00	25.50	77.25	53.25	22.50	65.25	891.25
OFFICER WORKED ON HOLIDAY	178.00	12.00	34.25	13.50	10.50	65.00	65.00	4.00	118.50	12.00	4.00	244.00	760.75
OFFICER FOR COURT	15.00	15.00	21.00	3.00	15.00	12.00	28.50	10.50	45.50	18.00	12.00	18.00	213.50
OFFICER TRAINING	10.00	62.50	36.00	75.75	221.00	63.25	111.50	3.00	77.50	175.25	156.75	14.75	1007.25
OFFICER RELIEF FOR FUNERAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			27.75		27.75
OFFICER ATTEND MEETING	1.50	6.25	0.00	0.00	0.00	7.50	16.50	3.00	15.00	22.50	15.00	14.00	101.25
STAFFING LEVEL	166.50	57.75	157.50	118.50	210.00	186.00	400.75	375.25	215.75	136.50	106.50	195.75	2326.75
INVESTIGATION	50.25	54.00	51.75	27.75	123.50	59.75	87.00	51.75	105.25	41.75	54.25	58.00	765.00
HONOR GUARD FOR FUNERAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00
SCHOOL LIAISON REIMBURSED	26.25	74.25	40.50	22.50	47.00	25.50	0.00	18.75	58.50	48.00	18.00	33.00	412.25
COMMUNITY RELATIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00
SPECIAL ASSIGNMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00
SPECIAL ASSIGNMENT REIMBURSED	0.00	15.25	0.00	10.50	9.00	299.75	6.00	20.25	15.75	11.50		69.50	457.50
MISCELLANEOUS	41.25	23.00	87.00	21.75	16.00	29.25	31.75	39.75	30.75	25.50	25.25	36.75	408.00
MISCELLANEOUS REIMBURSED	156.00	98.25	113.25	117.25	183.75	168.00	68.25	67.50	55.50	94.50	72.75	105.75	1300.75
Gross OFFICER OVERTIME	746.75	493.25	611.00	517.00	1013.75	942.25	905.25	619.25	815.25	638.75	514.75	854.75	8672.00
SUBTOTAL REIMBURSED OVERTIME	(182.25)	(187.75)	(153.75)	(150.25)	(239.75)	(493.25)	(74.25)	(106.50)	(129.75)	(154.00)	(90.75)	(208.25)	(2170.50)
NET OFFICER OVERTIME	564.50	305.50	457.25	366.75	774.00	449.00	831.00	512.75	685.50	484.75	424.00	646.50	6501.50
Community Service Officer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total Overtime Budget: **$130,000.00**
Expenditures through 09/27/2013 **$167,529.00**
Percent of Total Budget: **128.87%**

NOTES:

* Period 12/22/2012 - 02/01/2013
**Period 2/2/2013 - 3/1/2013
***Period 3/2/2013 - 3/29/2013
+Period 3/30/2013 - 4/26/2013
++Period 4/27/2013 - 5/24/2013
^Period 5/25/2013 - 6/21/2013
#Period 6/22/2013 - 8/2/2013
##Period 8/3/2013 - 8/30/2013
^^Period 8/31/2013 - 9/27/2013
^^^Period 9/28/2013 - 10/25/2013
*+Period 10/26/2013 - 11/22/2013
*+*Period 11/23/2013 - 1/3/2014

DE PERE POLICE DEPARTMENT
OVERTIME BY REASON
2012

REASON	JAN*	FEB**	MAR***	APR+	MAY++	JUN ^	JUL #	AUG ##	SEPT^^	OCT^^^	NOV*+	DEC*+*	TOTAL
OFFICER SICK RELIEF	111.00	69.00	49.50	59.25	89.25	36.00	87.00	57.75	70.50	46.50	81.00	55.50	812.25
OFFICER WORKED ON HOLIDAY	169.75	10.00	12.00	32.50	4.00	81.00	63.75	26.50	121.00	12.00	58.00		590.50
OFFICER FOR COURT	15.00	18.00	6.00	20.25	7.50	14.00	9.00	15.00	25.50	6.00	10.50	9.50	156.25
OFFICER TRAINING	31.00	13.00	40.25	120.50	50.00	50.00	8.00	107.00	13.75	70.25	73.75	29.00	606.50
OFFICER RELIEF FOR FUNERAL							13.50						13.50
OFFICER ATTEND MEETING		8.25						15.00				1.25	24.50
STAFFING LEVEL	133.50	79.50	23.25	53.25	136.75	162.00	189.00	243.00	192.75	183.75	252.00	73.50	1722.25
INVESTIGATION	142.25	68.75	38.25	56.50	77.50	36.75	61.50	135.00	90.00	61.00	42.75	60.75	871.00
HONOR GUARD FOR FUNERAL													0.00
SCHOOL LIAISON REIMBURSED	31.50	43.00	56.25	27.00	31.25	25.50		33.00	48.75	78.00	28.50	27.00	429.75
COMMUNITY RELATIONS													0.00
SPECIAL ASSIGNMENT													0.00
SPECIAL ASSIGNMENT REIMBURSED		11.25		10.50	11.25	301.00	49.75	7.50	9.00	33.50	69.00	11.75	514.50
MISCELLANEOUS	5.75	16.50	4.00	11.50	9.50	4.25	7.50	7.00	7.00	4.50	11.25	20.75	109.50
MISCELLANEOUS REIMBURSED	72.75	95.50	63.25	127.50	77.25	143.75	93.00	110.25	113.25	58.50	60.00	108.25	1123.25
Gross OFFICER OVERTIME	712.50	432.75	292.75	518.75	494.25	854.25	582.00	757.00	691.50	554.00	686.75	397.25	6973.75
SUBTOTAL REIMBURSED OVERTIME	(104.25)	(149.75)	(119.50)	(165.00)	(119.75)	(470.25)	(142.75)	(150.75)	(171.00)	(170.00)	(157.50)	(147.00)	(2067.50)
NET OFFICER OVERTIME	608.25	283.00	173.25	353.75	374.50	384.00	439.25	606.25	520.50	384.00	529.25	250.25	4906.25
Community Service Officer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total Overtime Budget: **$130,000.00**
Expenditures through 01/03/2013 **$137,720.00**
Percent of Total Budget: **105.94%**

NOTES:

* Period 12/24/2011 - 2/3/2012
**Period 2/4/2012 - 3/2/2012
***Period 3/3/2012 - 3/30/2012
+Period 3/31/2012 - 4/27/2012
++Period 4/28/2012 - 5/25/2012
^Period 5/26/2012 - 6/22/2012
#Period 6/23/2012 - 8/3/2012
##Period 8/04/2012 - 8/31/2012
^^Period 9/1/2012 - 9/28/2012
^^^Period 9/29/2012 - 10/26/2012
*+Period 10/27/2012 - 11/23/2012
*+*Period 11/24/2012 - 12/21/2012

S:MONTHLY/Overtime by reason.xlsx

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE: **June 10, 2014**

DEPARTMENT: **Fire Department**

FROM: **Diane Yashinsky**

SUBJECT: **Fire Department Overtime Report for the month of May.**

ATTACHMENTS:

- may (PDF)

DE PERE FIRE RESCUE
OVERTIME BREAKDOWN BY REASON
FOR THE YEAR OF 2013

REASON	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	TOTA
STBYS/DUTY CREW	54	55.25	27	33	24.25	36	51	90	139.5	153	105.75	144.5	913.2
EMS TRAINING	292.25	81	93	69.75	9	9.75	10.25	8.75	131.75	79.5	67.5	64.5	917
FIRE TRAINING	20.5	42.25	78	20.25	30	4.5	9	0	22	7.5	26.5	19	279.5
RESCUE CALLS	7.5	7	5	9.5	38.5	14.75	4.75	19.5	3.5	23	6.25	14	153.2
FIRE CALLS	2.25	3.75	9.75	1	41.25	12.5	7.75	0.75	0	0.75	0	3.25	83
OFFICER MTGS.	9	9	9	21	18	8.25	18	24	18	5.5	12	4.5	156.2
STAFFING REP.	0	40.5	57	566.75	117	317	86.25	47.25	83.75	147.75	108	36	1607.2
MAINTENANCE	0	0	0	0	10.5	0	8.5	0	0	169.5	51.75	2.5	242.7
PUB. ED.	0	0	0	0	0	0	0	1.25	0	73.75	6	0	81
SPECIAL EVENTS	0	0	0	0	0	25	0	27	0	0	0	0	52
# FIRE RUNS	28	31	18	13	42	32	26	28	27	30	25	40	340
# of EMS RUNS	146	153	160	132	139	143	123	170	142	147	152	152	1759
TOTAL HRS.	385.5	238.75	278.75	721.25	288.5	402.75	195.5	191.5	398.5	660.25	383.75	288.25	4485.2

OVERTIME BREAKDOWN BY REASON
FOR THE YEAR OF 2014

REASON	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	TOTA
DUTY CREW	73.5	147	98.75	48	112.5								479.75
EMS TRAINING	70.5	83	81	53.5	35.5								323.5
FIRE TRAINING	11	5.5	6	48.75	0								71.25
RESCUE CALLS	15.5	17	3.5	8.5	15.5								60
FIRE CALLS	0	0	0	0	0								0
OFFICER MTGS.	15	16.5	18	26.25	21								96.75
STAFFING REP.	0	41.25	3	0	6.75								51
MAINTENANCE	0	3.5	0	0	31								34.5
PUB. ED.	0	0	5.25	0	0								5.25
SPECIAL EVENTS	0	20	0	21	36								77
# FIRE RUNS	30	31	22	25	30								138
# of EMS RUNS	147	145	136	139	160								727
DISPATCH ERRORS	6	1	3	3	9								22
TOTAL HRS.	185.5	333.75	215.5	206	258.25	0	0	0	398.5	0	0	0	1199

Special Events in May was the Cellcom Marathon

Total Overtime Budget $97,012 Expenditures through May 23 $22,495 23.19%

DE PERE FIRE RESCUE
STANDBY OVERTIME BREAKDOWN BY AREA
FOR THE YEAR OF 2014

AREA	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	TOTAL
LEDGEVIEW	6.5	12	16.1	6.8	14.7								56.1
LAWRENCE	11.5	18	11	6.5	13.3								60.3
ASHWAUBENON	2	8	2.2	3.1	8.4								23.7
CTY RESCUE	0.5	1	0	0	0								1.5
OTHER	0.5	1	0	0	0.7								2.2
TOTAL HRS.	21	40	29.3	16.4	37.1	0.0	0	0	0	0	0		

Incident Type Report (Summary)
From 01/01/14 To 05/31/14
Report Printed On: 06/03/2014

Incident Type	Count	% of Incidents	Est. Property Loss	Est. Content Loss	Total Est. Loss	% of Losse
1 Fire						
Fire, other (100)	1	0.17%	$0.00	$0.00	$0.00	0.00
Building fire (111)	6	1.02%	$55,000.00	$12,500.00	$67,500.00	97.12
Cooking fire, confined to container (113)	4	0.68%	$0.00	$0.00	$0.00	0.00
Passenger vehicle fire (131)	2	0.34%	$1,500.00	$300.00	$1,800.00	2.59
Outside rubbish, trash or waste fire (151)	1	0.17%	$0.00	$0.00	$0.00	0.00
Garbage dump or sanitary landfill fire (152)	1	0.17%	$0.00	$0.00	$0.00	0.00
Dumpster or other outside trash receptacle fire (154)	1	0.17%	$0.00	$0.00	$0.00	0.00
Outside equipment fire (162)	1	0.17%	$100.00	$100.00	$200.00	0.29
	17	**2.89%**	**$56,600.00**	**$12,900.00**	**$69,500.00**	**100.00**
2 Overpressure Rupture, Explosion, Overheat(no fire)						
Overpressure rupture, explosion, overheat other (200)	1	0.17%	$0.00	$0.00	$0.00	0.00
Excessive heat, scorch burns with no ignition (251)	2	0.34%	$0.00	$0.00	$0.00	0.00
	3	**0.51%**	**$0.00**	**$0.00**	**$0.00**	**0.00**
3 Rescue & Emergency Medical Service Incident						
Rescue, EMS incident, other (300)	74	12.59%	$0.00	$0.00	$0.00	0.00
Medical assist, assist EMS crew (311)	2	0.34%	$0.00	$0.00	$0.00	0.00
Emergency medical service, other (320)	36	6.12%	$0.00	$0.00	$0.00	0.00
EMS call, excluding vehicle accident with injury (321)	300	51.02%	$0.00	$0.00	$0.00	0.00
Motor vehicle accident with injuries (322)	9	1.53%	$0.00	$0.00	$0.00	0.00
Motor vehicle/pedestrian accident (MV Ped) (323)	1	0.17%	$0.00	$0.00	$0.00	0.00
Motor vehicle accident with no injuries. (324)	4	0.68%	$0.00	$0.00	$0.00	0.00
Extrication of victim(s) from vehicle (352)	1	0.17%	$0.00	$0.00	$0.00	0.00
Removal of victim(s) from stalled elevator (353)	1	0.17%	$0.00	$0.00	$0.00	0.00
High-angle rescue (356)	1	0.17%	$0.00	$0.00	$0.00	0.00
Ice rescue (362)	1	0.17%	$0.00	$0.00	$0.00	0.00
	430	**73.13%**	**$0.00**	**$0.00**	**$0.00**	**0.00**
4 Hazardous Condition (No Fire)						
Combustible/flammable gas/liquid condition, other (410)	1	0.17%	$0.00	$0.00	$0.00	0.00
Gasoline or other flammable liquid spill (411)	2	0.34%	$0.00	$0.00	$0.00	0.00
Gas leak (natural gas or LPG) (412)	1	0.17%	$0.00	$0.00	$0.00	0.00
Carbon monoxide incident (424)	10	1.70%	$0.00	$0.00	$0.00	0.00
Electrical wiring/equipment problem, other (440)	2	0.34%	$0.00	$0.00	$0.00	0.00
Overheated motor (442)	3	0.51%	$0.00	$0.00	$0.00	0.00
Power line down (444)	2	0.34%	$0.00	$0.00	$0.00	0.00
	21	**3.57%**	**$0.00**	**$0.00**	**$0.00**	**0.00**
5 Service Call						
Service Call, other (500)	3	0.51%	$0.00	$0.00	$0.00	0.00
Person in distress, other (510)	1	0.17%	$0.00	$0.00	$0.00	0.00
Lock-out (511)	3	0.51%	$0.00	$0.00	$0.00	0.00
Water problem, other (520)	5	0.85%	$0.00	$0.00	$0.00	0.00
Water or steam leak (522)	2	0.34%	$0.00	$0.00	$0.00	0.00
Smoke or odor removal (531)	1	0.17%	$0.00	$0.00	$0.00	0.00
Public service assistance, other (550)	1	0.17%	$0.00	$0.00	$0.00	0.00
Assist police or other governmental agency (551)	1	0.17%	$0.00	$0.00	$0.00	0.00
Public service (553)	1	0.17%	$0.00	$0.00	$0.00	0.00
Assist invalid (554)	12	2.04%	$0.00	$0.00	$0.00	0.00
	30	**5.10%**	**$0.00**	**$0.00**	**$0.00**	**0.00**
6 Good Intent Call						
Good intent call, other (600)	2	0.34%	$0.00	$0.00	$0.00	0.00
Dispatched and cancelled en route (611)	14	2.38%	$0.00	$0.00	$0.00	0.00
Wrong location (621)	14	2.38%	$0.00	$0.00	$0.00	0.00
No incident found on arrival at dispatch address (622)	1	0.17%	$0.00	$0.00	$0.00	0.00
Steam, other gas mistaken for smoke, other (650)	2	0.34%	$0.00	$0.00	$0.00	0.00
Smoke scare, odor of smoke (651)	1	0.17%	$0.00	$0.00	$0.00	0.00
	34	**5.78%**	**$0.00**	**$0.00**	**$0.00**	**0.00**
7 False Alarm & False Call						
False alarm or false call, other (700)	10	1.70%	$0.00	$0.00	$0.00	0.00
Malicious, mischievous false call, other (710)	1	0.17%	$0.00	$0.00	$0.00	0.00
Extinguishing system activation due to malfunction (732)	2	0.34%	$0.00	$0.00	$0.00	0.00
Smoke detector activation due to malfunction (733)	2	0.34%	$0.00	$0.00	$0.00	0.00
Heat detector activation due to malfunction (734)	1	0.17%	$0.00	$0.00	$0.00	0.00
Alarm system sounded due to malfunction (735)	5	0.85%	$0.00	$0.00	$0.00	0.00
CO detector activation due to malfunction (736)	15	2.55%	$0.00	$0.00	$0.00	0.00%
Unintentional transmission of alarm, other (740)	3	0.51%	$0.00	$0.00	[illegible]	[illegible]

Attachment: may (2268 : Fire Department May OT Report.)

Smoke detector activation, no fire - unintentional (743)	6	1.02%	$0.00	$0.00	$0.00	0.00%
Alarm system activation, no fire - unintentional (745)	7	1.19%	$0.00	$0.00	$0.00	0.00%
	52	**8.84%**	**$0.00**	**$0.00**	**$0.00**	**0.00%**
9 Special Incident Type						
Citizen complaint (911)	1	0.17%	$0.00	$0.00	$0.00	0.00%
	1	**0.17%**	**$0.00**	**$0.00**	**$0.00**	**0.00%**
Total Incident Count:	**588**			**Total Est. Loss:**	**$69,500.00**	

DE PERE FIRE RESCUE
MUTUAL AID REPORT
MAY, 2014

MUTUAL AID GIVEN

RUN #	AGENCY	TYPE OF CALL
720	ASHWAUBENON	EMS
755	ASHWAUBENON	EMS
761	ASHWAUBENON	EMS
779	GREEN BAY	EMS
788	ASHWAUBENON	EMS
791	ASHWAUBENON	EMS
819	ASHWAUBENON	EMS

MUTUAL AID RECEIVED

RUN #	AGENCY	TYPE OF CALL
697	ASHWAUBENON, WRIGHTSTOWN, LEDGEVIEW, LAWRENCE, BELLEVUE, COUNTY RESCUE	FIRE
716	ASHWAUBENON	EMS
719	ASHWAUBENON	EMS
734	LEDGEVIEW	EMS/EXTRICATION
799	ASHWAUBENON	EMS
833	GREEN BAY	EMS

MAY, 2014

*OVERTIME CAUSED BY SICK LEAVE

DATE	HOURS OF SICK LEAVE	OVERTIME PAID
30-Apr	2.5	3.75
TOTAL	**2.5**	**3.75**

*Overtime generated when staffing levels fall below minimum as a result of sick leave.

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE: **June 10, 2014**

DEPARTMENT: **Finance Department**

FROM: **Joe Zegers**

SUBJECT: **Presentation of Preliminary Draft of 2013 Audit Management Letter.**

ATTACHMENTS:

- Draft 2013 City of De Pere ML (PDF)
- Draft Annual Finance Report 12-31-13 (PDF)

DRAFT

MANAGEMENT COMMUNICATIONS

CITY OF DE PERE, WISCONSIN

DECEMBER 31, 2013

DRAFT

CITY OF DE PERE, WISCONSIN
December 31, 2013

TABLE OF CONTENTS

DRAFT

To the City Council
City of De Pere
De Pere, Wisconsin

We have completed our audit of the basic financial statements of the City of De Pere, Wisconsin (the "City") as of and for the year ended December 31, 2013. The City's financial statements, including our report thereon dated __________, 2014, are presented in a separate audit report document. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, noncompliance with the provisions of laws, regulations, contracts and grants or other illegal acts may exist and not be detected by us.

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our correspondence about planning matters.

Significant Audit Findings

Consideration of Internal Control

In planning and performing our audit of the financial statements of the City as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our

DRAFT

auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control. Our report on internal control over financial reporting and on compliance and other matters is presented on pages 56 - 57 of the annual report.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City's internal control to be significant deficiencies:

Finding 2013-001	Preparation of Annual Financial Report
Finding 2013-002	Adjustments to the City's Financial Records
Finding 2013-003	Capital Asset Additions and Disposals

These findings are described in detail in the schedule of findings and responses on pages XX - XX of the annual financial report.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no significant transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. To the best of our knowledge, all significant transactions that have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates included in the financial statements were:

> Management's estimate of the depreciable life of the capital assets is based upon analysis of the expected useful life of the capital assets. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the depreciable life in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of accumulated sick leave is based upon analysis of the employees sick leave balance. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

DRAFT

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The financial statements reflect all accounting adjustments proposed during our audit. Copies of the audit adjustments are available from management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 5, 2013. The management representation letter follows this communication.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to conducting the audit. These discussions occurred in the normal course of our professional relationship and, to the best of our knowledge, our responses were not a condition our retention.

In addition, during our audit, we noted certain other matters that are presented for your consideration. We will review the status of these comments during our next audit engagement. Our comments and recommendations are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these matters in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized in the comments and recommendations section of this report.

This communication, which does not affect our report dated June 5, 2013 on the financial statements of the City, is intended solely for the information and use of the City Council, management, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Certified Public Accountants
Green Bay, Wisconsin
________, 2014

DRAFT

SUMMARY FINANCIAL INFORMATION

GENERAL CITY

1. Governmental Fund Balances

Presented below is a summary of the City's governmental fund balances on December 31, 2013. This information is provided for assessing financial results for 2013 and for indicating financial resources available at the start of the 2014 budget year.

	12/31/13	12/31/12
General Fund		
Nonspendable for		
Inventories and prepaid items	$ 306,397	$ 284,767
Special assessments held by County	79,072	89,512
Advances to other funds	60,000	60,000
Delinquent taxes	-	44,046
Restricted for		
Recreation scholarship	17,874	14,280
Committed for		
Subsequent years' expenditures	217,038	98,626
Assigned for		
Subsequent year's budget	-	290,773
Unassigned	5,114,442	5,069,148
Total General Fund Balance	5,794,823	5,951,152
Debt Service Fund		
Restricted for debt service	667,870	402,356
Special Revenue Funds		
Restricted for		
Loans	1,060,923	921,462
Park land acquisition	66,406	51,283
Committed for		
Subsequent years' expenditures		
Cable Access	-	41,843
Dog Park	14,808	13,728
Riverwalk Pier	65,589	1,931
Unassigned		
Cable Access	(1,941)	-
Total Special Revenue Funds	1,205,785	1,030,247
Capital Projects Funds		
Restricted for		
TID No.5	187,431	452,211
TID No.6	1,922,118	1,011,703
TID No.7	1,092,107	1,349,899
TID No.8	1,512,478	2,670,955
TID No.9	204,710	649,684
TID No.10	436,042	358,715
Committed for		
Subsequent years' expenditures		
Public Improvements	2,714,985	823,335
Capital Equipment	399,415	399,416
Community Center	3,475	3,191
Police/Fire Expansion	2,932	2,932
Total Capital Projects Funds	8,475,693	7,722,041
Total Governmental Fund Balances	$ 16,144,171	$ 15,105,796

Comments on specific accounts and funds included in the above governmental funds are presented below and in the Tax Incremental Districts (TID) section of this management letter.

1. **Governmental Fund Balances (Continued)**

General Fund
In total, the City's general fund decreased $156,329 in 2013. This compares favorably to the budgeted decrease of $290,771. Overall, the City's general fund balance continues to remain in stable financial condition entering the 2014 budget year. Additional information on various components of the City's general fund balance follows:

General Fund Minimum Fund Balance Policy
The City Council adopted a minimum unassigned general fund balance policy of 25% of the subsequent year General Fund budgeted expenditures. The purpose of the minimum fund balance amount is to ensure there are available cash funds for operating purposes and to segregate that portion of the general fund that is not available for current transfer or appropriation. On December 31, 2013, the City's unassigned general fund balance totaled $5,114,442 and was higher than 25% of the 2014 budgeted expenditures which totaled $3,981,524. Furthermore, the Council approved a policy whereby the unassigned reserve account should maintain a balance between 25% and 35% of the subsequent year General Fund budgeted expenditures; 35% of 2014 budgeted expenditures amounted to $5,574,132.

Debt Service Fund
At December 31, 2013, the City has available resources of $667,870 in its debt service fund of which the entire balance is restricted to retire debt.

2. **Employees Medical Self-Insurance Funds**

The City utilizes two separate self-insurance internal service funds to account for health and dental claims of City employees. The funds are financed from monthly insurance premiums charged to City employees. During 2013 and in prior years the monthly health insurance premiums were generally financed at 85% by the City with City employees contributing the remaining 15%.

Presented below is a summary of each fund's financial transactions for 2013 including comparative totals of the health and dental funds for 2012.

	Health Self-Insurance		Dental Self-Insurance	
	2013	2012	2013	2012
Revenues				
Charges for employees medical and dental insurance premiums	$ 2,811,704	$ 2,830,896	$ 122,668	$ 127,219
Expenses				
Employees health and dental claims	2,532,554	2,181,311	110,917	102,178
Administrative fees	492,893	404,291	8,163	7,531
Total Expenses	3,025,447	2,585,602	119,080	109,709
Operating Income (Loss)	(213,743)	245,294	3,588	17,510
Nonoperating Revenues				
Interest revenue	132	189	-	-
Change in Net Position	(213,611)	245,483	3,588	17,510
Net Position - January 1	778,768	533,285	43,492	25,982
Net Position - December 31	$ 565,157	$ 778,768	$ 47,080	$ 43,492

Specific comments applicable to the above self-insurance funds follow:

The "key" component of an internal service fund is operating income since operating revenues should approximate operating expenses on an annual basis. For 2013, the health fund showed operating loss of $213,743 compared to an operating income of $245,294 in 2012. The dental insurance fund showed an operating income of $3,588 in 2013 compared to an operating income of $17,510 in 2012.

DRAFT

TAX INCREMENTAL DISTRICTS

The City maintains separate accounting funds for each Tax Incremental Districts (TID) created in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements.

Information on the City's six tax incremental districts on December 31, 2013 is presented below:

	TID 5	TID 6	TID 7	TID 8	TID 9	TID 10
Date created	8/26/1996	3/18/1998	1/1/2007	1/1/2007	8/13/2012	8/13/2012
Latest termination year	2023	2021	2033	2027	2039	2032
Location	West Side Downtown	West Side Industrial Park	East Downtown Business District	West Side Commercial Development	West Downtown Business District	East Side Industrial Park
Status	Recipient	Donor	-	-	-	-
Fund balance at year end	$ 187,431	$ 1,922,118	$ 1,092,107	$ 1,512,178	$ 204,710	$ 436,042
Net unreimbursed cost	$ 6,260,307	$ 178,829	$ 1,769,977	$ 1,687,129	$ 611,481	$ 179,294
2013 Tax increment	$ 902,580	$ 1,443,260	$ -	$ -	$ -	$ -
2014 Tax increment	$ 910,290	$ 1,595,397	$ -	$ -	$ 1,495	$ 42,607
Outstanding debt due	$ 2,885,895	$ 7,566,936	$ 2,571,375	$ 3,547,773	$ 795,000	$ 600,000
Advances from (to) City	$ 3,561,843	$ (4,393,214)	$ 747,833	$ 389,762	$ 21,191	$ 15,336

DRAFT

WATER UTILITY

In accordance with generally accepted accounting principles, the Water Utility's financial transactions are recorded in an enterprise fund on the City's financial statements. Enterprise fund accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Financial analyses and comments pertaining to the operations of the Water Utility follow:

Income Account

The Water Utility reported an increase in net position of $794,904 for the year ended December 31, 2013 compared to an increase of $889,263 for the year ended December 31, 2012.

	2013	2012
Operating Revenues		
Metered sales	$ 4,516,189	$ 4,678,189
Fire protection	1,358,438	1,320,043
Other	381,859	353,745
Total Operating Revenues	6,256,486	6,351,977
Operating Expenses		
Operation and maintenance	4,447,311	4,588,844
Depreciation	527,749	429,529
Taxes	44,358	41,587
Total Operating Expenses	5,019,418	5,059,960
Operating Income	1,237,068	1,292,017
Nonoperating Revenues (Expenses)		
Interest revenue	-	9,105
Interest and fiscal charges	(109,816)	(119,746)
Total Nonoperating Revenues (Expenses)	(109,816)	(110,641)
Income before Contributions and Transfers	1,127,252	1,181,376
Capital contributions	117,170	140,490
Transfers out	(449,518)	(432,603)
Change in Net Position	$ 794,904	$ 889,263

The last water rate increase implemented in 2011 established a rate of return of 6.5%. In 2013, the City's rate of return calculated to 6.82%. Although the Water Utility was able to generate an adequate rate of return, it has not been able to accumulate sufficient available cash for capital additions and replacement projects. At year end, the cash balance was $791,279.

DRAFT

WASTEWATER UTILITY

In accordance with generally accepted accounting principles, the Wastewater Utility's financial transactions are recorded in an enterprise fund on the City's financial statements. Enterprise fund accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Financial analyses and comments pertaining to the operations of the Wastewater Utility follow:

Income Account

The Wastewater Utility reported an increase in net position of $202,024 for the year ended December 31, 2013 compared to an increase of $539,411 for the year ended December 31, 2012.

	2013	2012
Operating Revenues		
Measured sales	$ 3,688,533	$ 3,310,526
Other	4,375,606	3,706,529
Total Operating Revenues	8,064,139	7,017,055
Operating Expenses		
Operation and maintenance	7,094,625	6,160,434
Depreciation	497,353	485,718
Total Operating Expenses	7,591,978	6,646,152
Income before Contributions and Transfers	472,161	370,903
Capital contributions	-	437,683
Transfers out	(270,137)	(269,175)
Change in Net Position	$ 202,024	$ 539,411

As of December 31, 2013 the Wastewater Utility owed the general fund $843,251 for operating purposes, which was an increase of $46,459 from the amount owed a year earlier. For the past three years, rates for services have not been sufficient to finance operating expenses and other uses. The City has increased rates each year with the last rate increase implemented in 2014.

DRAFT

STORMWATER UTILITY

Financial analyses and comments pertaining to the operations of the Stormwater Utility follow:

Income Account

The Stormwater Utility reported an increase in net position of $121,591 for the year ended December 31, 2013 compared to an increase of $185,217 for the year ended December 31, 2012.

	2013	2012
Operating Revenues		
Charges for services	$ 1,117,421	$ 1,017,471
Operating Expenses		
Operation and maintenance	698,197	522,918
Depreciation	297,633	309,336
Total Operating Expenses	995,830	832,254
Change in Net Position	$ 121,591	$ 185,217

At year end, available cash of the Stormwater Utility totaled $877,750.

DRAFT

STATUS OF PRIOR YEAR COMMENTS AND RECOMMENDATIONS

The following comments and observations have been discussed in prior year management letters. Although progress has been made, the recommendations have not yet been fully implemented. Since complete implementation of the recommendations have not been made, we recommend the City develop a specific timetable for implementation, including identifying persons responsible for implementation, for each recommendation. Presented below is a summary of prior year comments along with any current status.

1. Capital Assets Records

Under current governmental accounting principles, the City records capital assets purchased for use by the City as expenditures in their governmental funds. The purchases are recorded in outlay accounts and are commingled with other City operating expenses. At year end, the City reviews their outlay accounts to determine additions and disposals to its capital assets and record the activity, as well as the annual depreciation expense on each asset. At December 31, 2013, the City's capital assets for governmental activities totaled approximately $104 million. Currently, the City information regarding capital assets consist of spreadsheet listings of the individual assets and accumulated depreciation, which in part, are maintained by the City's auditor. The annual addition, removal and depreciation information is used to prepare the City's government-wide financial information. In our opinion, the use of spreadsheets to accumulate the financial information of capital assets is more time-consuming and susceptible to error than automated records. In addition, maintaining prior year information is more difficult since normally only the current year detail balance is carried over to the subsequent year.

Accordingly, we recommend the City review the feasibility of installing capital asset software to account for City-owned capital assets. We are informed that the City is considering purchasing a module of current software for their capital assets. Furthermore, we believe the City should consider assigning the maintenance of capital asset records to a specific employee.

MANAGEMENT'S RESPONSE: The Finance Department is presently reviewing two alternatives for capital assets recordkeeping and related depreciation. The first solution would be to purchase the capital assets recordkeeping INCODE module from Tyler Technologies which is the company we currently use for our financial software recordkeeping and reporting. The estimated cost of purchasing this module is $6,500 plus annual support. A second solution would be to purchase the Thomson Reuters Fixed Assets CS Recordkeeping software estimated at $2,500 plus annual support which the auditors have found to work well for similar-sized governmental entities. In any event, the Finance Department would be responsible for initial input of City Capital Assets and subsequent additions and retirements on an annual basis. The Clerk's Office would gather this activity in conjunction with assistance from both the Finance and Human Resources departments to make sure the capital asset information is complete which would be additionally helpful for property insurance purposes. The City will implement this pending Finance Committee and Council approval of the recommended software in late 2014 or early 2015 to insure this is available for audit review for the 2014 audit.

DRAFT

2. **Status of Internal Service Fund for City Garage and Equipment**

In order to accumulate funds for the replacement of public works equipment, many governments have established internal service funds to charge out equipment use to various maintenance and other activities or services provided by the government. The establishment of such a fund eventually has the effect of reducing or eliminating the need for financing equipment replacement through long-term debt proceeds. Instead, budgets for maintenance activities are increased for an equipment charge that includes a depreciation or replacement component. This replacement component is recorded as revenue of the internal service fund and is available to replace equipment when its useful life is depleted.

In the 2008 budget, the City created a Capital Equipment fund and started including annual tax levy amounts to build up a balance. Current plans at that time were to increase the annual tax levy to this fund until it reaches a self-sustaining amount. The 2013 budget contained an appropriation of $500,000. Although the City appropriated tax levy for equipment purchases in the Capital Equipment fund the current practice is to transfer some of the funds back to the general fund where the expenditures are accounted for.

While the fund is currently not functioning as an internal service fund, the City has accomplished the goal of reducing the need for issuing debt for equipment purchases. Accordingly we recommend that the City begin budgeting and tracking expenses for Capital Equipment in the Capital Equipment fund, with the goal of further reducing the need for issuing debt for capital purchases.

MANAGEMENT'S RESPONSE: The City has budgeted $600,000 for capital equipment in the 2014 budget through the capital projects fund levy. The City has increased the levy for this by $100,000 since its inception in 2009 at an initial amount of $100,000. The capital equipment levy amount is transferred every year to the general fund to finance capital purchases made through various departmental outlay accounts in that fund. We believe the current practice is working to lessen the need for issuing debt as mentioned in the recommendation and if the incremental funding practice is continued will eventually get to an amount sufficient to eliminate the need for additional recordkeeping involved in maintaining an additional internal service fund.

DRAFT

3. Evaluating Any Potential Liability for Post-employment Benefits

Post-employment benefits are defined as an obligation to provide benefits or compensation for employee services that are earned or accumulated during their employment with the actual payment for the benefits occurring after employment. The City currently provides other post-employment benefits (OPEB) in the form of health insurance benefits to eligible retired employees after their employment, which consists of a potential implicit rate subsidy that is provided to retirees by permitting them to continue participating in the healthcare plan.

Based on generally accepted accounting principles for governments, the City was required to calculate a liability for post-employment benefits beginning for the year ended December 31, 2007; however, after consultation with its third party insurers, the City determined that any implicit rate subsidy would be immaterial to its financial statements. We concurred with the City's assessment based on the loss ratios at that time. The City has informally monitored the potential liability over the past three years and has also experienced fluctuating loss ratios for its retiree population. At the present time no OPEB liability has been recorded on the financial statements.

In the prior year we recommended the City have an actuarial study completed for the year ended December 31, 2012 to substantiate the implicit rate for the retirees is immaterial to the City's Government Wide Financial Statements. The City did not complete an actuarial study for the year ended December 31, 2012, accordingly we recommend the City complete an actuarial study for the year ended December 31, 2013 to determine the implicit rate for retirees is immaterial to the City's financial statements.

MANAGEMENT'S RESPONSE: The Human Resource's Department has been reviewing the health insurance plan with its insurance consultant. In April of 2014, the City Council approved a rate increase for Medicare eligible retirees effective October 1, 2014 from approximately 50% to 90%. Also effective October 1, 2014 employees that retire after that date are no longer eligible to stay on the City's health insurance plan once they are eligible for Medicare. The City Council delayed making any changes to the general retiree health insurance rates. They asked that the health insurance review team provide a recommendation regarding the retiree health insurance. That team is actively looking at a number of changes to the health insurance plan before coming back with a recommendation. Human Resources is actively seeking proposals for a new benefit consultant. Human Resources has also gone out for an RFP for a post-employment benefit liability evaluation and only received one respondent. They have not yet sought permission from the Finance Committee for a study yet but are expecting to do so in 2014.

DRAFT

4. Journal Entries for Allocation of Project Expenditures

The City incurs expenditures for various infrastructure projects each year. The infrastructure projects are generally funded with long-term debt proceeds and often include street construction and reconstruction, water main installation, sanitary sewer installation and storm sewer installation costs. Also, some of the projects or part of the projects may be eligible project expenditures in one of City's tax incremental districts. For many of the projects, the City allocates a portion of the engineering department's cost to arrive at a total project cost for accounting purposes.

Present procedures are for the City Finance Director to generally record lump-sum progress payments to one account on the City records. At a subsequent date, the projects are allocated, as appropriate, to the streets, water utility, sanitary sewer utility, storm sewer utility and/or tax incremental district, if applicable. During our audit, we noted that journal entries for the allocation of these expenditures are not always completed on a timely basis. In many cases, entries are made after year end to properly record the final project costs. Also, we noted that proceeds of long-term debt are not initially recorded in the fund where the debt will ultimately be recorded. But instead they are recorded in a temporary fund and reallocated at a later date. With this process, interim financial reports and account balances produced during the year do not always contain the most up-to-date financial information.

Accordingly, we recommend the City review the current procedures for recording costs of infrastructure projects and long-term proceeds and determine the feasibility of revising the procedures to provide for more timely allocation of costs and debt proceeds to the proper accounting fund. In our opinion, the City could consider allocating costs with the receipt of the final contractor invoice and, also, including any reimbursement of City-related costs at the same time. At the same time addition and removals to the infrastructure capital assets records could also be determined and retained for recording on the government-wide financial statements and inclusion in the annual report for the water utility as required by the Public Service Commission of Wisconsin.

During the current year little progress was made with the allocation of project expenditures prior to the audit. Final 2013 infrastructure costs were not determined until May of 2014 We recommend that the finance director and public works personnel complete this once a project has been completed and final payment is made to the contractor therefore all of the expenditures will be allocated, recorded, and scheduled out on worksheets before the audit begins. Furthermore, retirements of assets replaced should be removed from the City's general ledger soon after the project is completed.

MANAGEMENT'S RESPONSE: The Finance Department will allocate the debt proceeds and related costs for capital projects contracts to the various funds as the information is given to them by the Engineering Department. In order to accomplish this on a more timely basis and prior to the audit, the Finance department will ask for a March 1st deadline for this information. The information has typically been received in April and in fact it was received April 22nd this year. The earlier deadline will allow for the proper allocation to the various funds especially in the case of contracts that have not yet been fully completed. We will also ask for any completed contract information throughout the course of the year so the allocation is recorded within 30 days after the completion of the contract.

DRAFT

CURRENT YEAR COMMENTS AND RECOMMENDATIONS

1. **Reconciliation of Special Assessment Records**

The City maintains their Special Assessment receivables on excel spreadsheets in the finance department. All principal and interest collections are recorded as well as any approved adjustments. While these records are maintained properly they are not completely reconciled to the City's general ledger. Specific information included in the records is compared to the general ledger, but a comparison of the ending balance is not completed.

We recommend the City to review the current procedures for maintaining special assessment records and begin comparing and reconciling the receivable balances to the general ledger on a monthly basis.

MANAGEMENT'S RESPONSE: The Finance Department will make the revenue recognition and deferred revenue decrease journal entry to the City's general ledger accounts on to insure the special assessment receivable and deferred revenue accounts are in balance throughout the year.

2. **GASB Statement No. 67 *Financial Reporting for Pension Plans* and No. 68, *Accounting and Financial Reporting for Pensions***

In June, 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, *Financial Reporting for Pension Plans,* revising the reporting requirements of pension plans that are administered through trusts or similar arrangements meeting certain criteria. The provisions of Statement 67 are effective for fiscal years beginning after June 15, 2013.

Also in June, 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, revising and establishing new financial reporting requirements for governments that provide their employees with pension benefits. The new standard recognizes pension costs as employment services are provided, rather than when the pensions are funded. This change in the pension liability calculation could have a material impact on net position for many governments. Statement No. 68 is effective for fiscal years beginning after June 15, 2014.

Other significant changes from previous reporting requirements (GASB 27) include:

- Coordination of the actuarial valuation date and the measurement date;
- Stricter guidance on the selection and calculation of the discount rate;
- Required use of the entry age normal actuarial cost method;
- Some changes in pension liabilities will be reported as deferred outflows/inflows of resources;
- Required supplementary information, with ten years of trend information developed over time;
- Expanded note disclosures

These new standards are also applicable to the Wisconsin Retirement System ("WRS"). It is our understanding that the WRS is well aware of the impact of these new standards and is planning to provide participants with detailed supplementary information that will be needed to complete the footnote disclosures in City's audited financial statements. At this time, we are not aware of any action that is required by the City.

This comment is for informational purposes.

CITY OF DE PERE, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2013

CITY OF DE PERE, WISCONSIN
December 31, 2013

Table of Contents

CITY OF DE PERE, WISCONSIN
December 31, 2013

Table of Contents (Continued)

INDEPENDENT AUDITORS' REPORT

To the City Council
City of De Pere, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of De Pere, Wisconsin ("the City") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Report on Summarized Financial Information

We have previously audited the City of De Pere's 2012 financial statements, and our report dated June 5, 2013, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated ________, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Certified Public Accountants
Green Bay, Wisconsin
_________, 2014

DRAFT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

BASIC FINANCIAL STATEMENTS

DRAFT

CITY OF DE PERE, WISCONSIN
Statement of Net Position
December 31, 2013
(With summarized financial information as of December 31, 2012)

	Governmental Activities	Business-type Activities	Totals 2013	Totals 2012
ASSETS				
Cash and investments	$ 16,731,044	$ 1,669,029	$ 18,400,073	$ 15,054,681
Receivables				
Taxes	13,466,598	-	13,466,598	12,864,749
Accounts	471,128	3,282,009	3,753,137	4,600,362
Special assessments	943,233	-	943,233	1,151,169
Loans	626,386	-	626,386	885,781
Other	-	206,251	206,251	298,949
Internal balances	1,072,773	(1,072,773)	-	-
Due from other governments	-	2,246,790	2,246,790	2,407,275
Inventories and prepaid items	306,397	209,546	515,943	309,857
Restricted assets				
Cash and investments	667,870	150,000	817,870	554,507
Capital assets, nondepreciable				
Land	8,268,479	53,207	8,321,686	8,321,686
Construction in progress	-	-	-	3,222,635
Capital assets, depreciable				
Land improvements	5,804,348	-	5,804,348	2,457,540
Buildings and improvements	11,307,507	555,781	11,863,288	11,846,978
Machinery and equipment	9,930,992	4,540,036	14,471,028	14,199,350
Infrastructure	69,133,785	57,212,720	126,346,505	123,337,084
Less: Accumulated depreciation	(42,293,715)	(20,609,926)	(62,903,641)	(59,241,372)
TOTAL ASSETS	96,436,825	48,442,670	144,879,495	142,271,231
LIABILITIES				
Accounts and claims payable	1,972,555	1,536,818	3,509,373	2,010,396
Accrued and other current liabilities	671,975	328,641	1,000,616	1,039,649
Due to other governments	2,890	-	2,890	1,650
Accrued interest payable	168,272	8,334	176,606	173,366
Unearned revenue	5,210	-	5,210	10,080
Long-term obligations				
Due within one year	3,710,000	285,000	3,995,000	3,454,430
Due in more than one year	32,707,064	2,524,420	35,231,484	33,196,004
TOTAL LIABILITIES	39,237,966	4,683,213	43,921,179	39,885,575
DEFERRED INFLOWS OF RESOURCES				
Property taxes	13,393,454	-	13,393,454	12,831,815
NET POSITION				
Net investment in capital assets	27,671,396	39,126,818	66,798,214	69,304,471
Restricted for				
Loans	1,687,309	-	1,687,309	1,807,243
Park land acquisition	66,406	-	66,406	51,283
Recreation scholarship	17,874	-	17,874	14,280
Debt service	667,870	-	667,870	402,356
Capital projects	-	-	-	528
Unrestricted	13,694,550	4,632,639	18,327,189	17,973,680
TOTAL NET POSITION	$ 43,805,405	$ 43,759,457	$ 87,564,862	$ 89,553,841

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

DRAFT

CITY OF DE PERE, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2013
(With summarized financial information as of December 31, 2012)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General government	$ 1,650,413	$ 305,940	$ -	$ -
Public safety	8,334,786	1,304,887	94,509	-
Public works	6,606,213	683,034	1,259,519	89,309
Sanitation	632,047	-	97,909	-
Health and human services	247,847	5,741	65,111	-
Culture and recreation	2,504,742	514,188	2,716	262,492
Conservation and development	3,019,002	46,370	-	900
Interest on debt	1,244,375	-	-	-
Total Governmental Activities	24,239,425	2,860,160	1,519,764	352,701
Business-type Activities				
Water utility	5,159,326	5,992,982	-	117,170
Wastewater treatment	32,736	-	-	-
Wastewater collection	7,636,518	8,064,139	-	-
Stormwater utility	1,001,672	1,117,421	-	-
Total Business-type Activities	13,830,252	15,174,542	-	117,170
Total	$ 38,069,677	$ 18,034,702	$ 1,519,764	$ 469,871

General revenues
Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Property taxes, levied for capital projects
Property tax increments
Other taxes and franchise fees
Federal and state grants and other contributions
not restricted to specific functions
Interest and investment earnings
Miscellaneous
Transfers
Total general revenues and transfers

Change in net position

Cumulative effect of change in accounting principle

Net position - January 1

Net position - December 31

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

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals 2013	Totals 2012
$ (1,344,473)	$ -	$ (1,344,473)	$ (1,262,631)
(6,935,390)	-	(6,935,390)	(6,504,186)
(4,574,351)	-	(4,574,351)	(3,700,282)
(534,138)	-	(534,138)	(451,489)
(176,995)	-	(176,995)	(258,092)
(1,725,346)	-	(1,725,346)	29,913
(2,971,732)	-	(2,971,732)	(1,659,498)
(1,244,375)	-	(1,244,375)	(1,139,916)
(19,506,800)	-	(19,506,800)	(14,946,181)
-	950,826	950,826	1,110,742
-	(32,736)	(32,736)	(835,429)
-	427,621	427,621	857,907
-	115,749	115,749	192,280
-	1,461,460	1,461,460	1,325,500
(19,506,800)	1,461,460	(18,045,340)	(13,620,681)
7,694,170	-	7,694,170	7,703,147
1,353,278	-	1,353,278	1,238,022
1,441,276	-	1,441,276	1,341,276
2,504,649	-	2,504,649	2,576,382
347,443	-	347,443	376,831
2,046,135	-	2,046,135	2,103,835
70,803	-	70,803	151,035
335,103	263,504	598,607	894,546
719,655	(719,655)	-	-
16,512,512	(456,151)	16,056,361	16,385,074
(2,994,288)	1,005,309	(1,988,979)	2,764,393
-	-	-	(233,218)
46,799,693	42,754,148	89,553,841	87,022,666
$ 43,805,405	$ 43,759,457	$ 87,564,862	$ 89,553,841

DRAFT

CITY OF DE PERE, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2013
(With summarized financial information as of December 31, 2012)

	General	Debt Service	Special Revenue - Riverwalk Pier	Capital Projects - Public Improvements	Other Governmental	Total Governmental Funds 2013	Total Governmental Funds 2012
ASSETS							
Cash and investments	$ 5,052,715	$ -	$ 65,589	$ 3,922,920	$ 6,840,208	$ 15,881,432	$ 13,176,568
Receivables							
Taxes	7,801,045	1,500,164	-	1,015,600	3,149,789	13,466,598	12,864,749
Accounts	369,693	-	-	-	102,362	472,055	1,307,880
Special assessments	78,677	-	-	864,556	-	943,233	1,151,169
Loans	-	-	-	-	626,386	626,386	885,781
Due from other funds	1,107,634	-	-	-	-	1,107,634	1,434,192
Advance to other funds	60,000	-	-	-	-	60,000	60,000
Inventories and prepaid items	306,397	-	-	-	-	306,397	284,767
Restricted assets							
Cash and investments	-	667,870	-	-	-	667,870	404,507
TOTAL ASSETS	$ 14,776,161	$ 2,168,034	$ 65,589	$ 5,803,076	$ 10,718,745	$ 33,531,605	$ 31,569,613
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 549,124	$ -	$ -	$ 1,231,599	$ 14,456	$ 1,795,179	$ 945,726
Accrued and other current liabilities	671,622	-	-	-	353	671,975	453,169
Due to other funds	-	-	-	-	26,858	26,858	271,935
Due to other governments	3,817	-	-	-	-	3,817	3,654
Unearned revenues	5,210	-	-	-	-	5,210	10,080
Total Liabilities	1,229,773	-	-	1,231,599	41,667	2,503,039	1,684,564
Deferred Inflows of Resources							
Property taxes	7,751,565	1,500,164	-	991,936	3,149,789	13,393,454	12,831,815
Special assessments	-	-	-	864,556	-	864,556	1,061,657
Loans receivable	-	-	-	-	626,385	626,385	885,781
Total Deferred Inflows of Resources	7,751,565	1,500,164	-	1,856,492	3,776,174	14,884,395	14,779,253
Fund Balances							
Nonspendable for							
Inventories and prepaid items	306,397	-	-	-	-	306,397	284,767
Special assessments	79,072	-	-	-	-	79,072	89,512
Advances to other funds	60,000	-	-	-	-	60,000	60,000
Delinquent property taxes	-	-	-	-	-	-	44,046
Restricted for							
Debt service	-	667,870	-	-	-	667,870	402,356
Loans	-	-	-	-	1,060,923	1,060,923	921,462
Recreation scholarship	17,874	-	-	-	-	17,874	14,280
Park land acquisition	-	-	-	-	66,406	66,406	51,283
Capital outlay	-	-	-	-	5,354,886	5,354,886	6,493,167
Committed for							
Subsequent years' expenditures	217,038	-	65,589	-	14,808	297,435	156,128
Capital outlay	-	-	-	2,714,985	405,822	3,120,807	1,228,874
Assigned for							
Subsequent year's budget	-	-	-	-	-	-	290,773
Unassigned	5,114,442	-	-	-	-	5,114,442	5,069,148
Special revenue funds	-	-	-	-	(1,941)	(1,941)	-
Total Fund Balances	5,794,823	667,870	65,589	2,714,985	6,900,904	16,144,171	15,105,796
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 14,776,161	$ 2,168,034	$ 65,589	$ 5,803,076	$ 10,718,745	$ 33,531,605	$ 31,569,613

(Continued)

DRAFT

CITY OF DE PERE, WISCONSIN
Balance Sheet (Continued)
Governmental Funds
December 31, 2013
(With summarized financial information as of December 31, 2012)

		2013	2012
Reconciliation to the Statement of Net Position			
Total Fund Balances as shown on previous page		$ 16,144,171	$ 15,105,796
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		62,151,396	62,745,043
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		1,490,941	1,947,438
Internal service funds are used by management to charge the costs of health and dental insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		604,233	733,592
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds and notes payable	$ (34,480,000)		
Compensated absences	(1,574,867)		
Bond Premium	(362,197)		
Accrued interest on long-term obligations	(168,272)	(36,585,336)	(33,732,176)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 10)		$ 43,805,405	$ 46,799,693

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

DRAFT

CITY OF DE PERE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013
(With summarized financial information as of December 31, 2012)

	General	Debt Service	Special Revenue - Riverwalk Pier	Capital Projects - Public Improvements	Other Governmental	Total Governmental Funds 2013	Total Governmental Funds 2012
Revenues							
Taxes	$ 7,766,285	$ 1,353,278	$ -	$ 941,276	$ 3,004,649	$ 13,065,488	$ 12,953,996
Special assessments	-	-	-	83,160	-	83,160	963,046
Intergovernmental	3,039,156	36,643	300	314,606	225,004	3,615,709	5,109,525
Licenses and permits	505,020	-	-	-	109,641	614,661	664,067
Fines and forfeits	237,257	-	-	-	-	237,257	233,638
Public charges for services	1,314,646	-	-	-	35,980	1,350,626	1,419,666
Intergovernmental charges for services	977,037	-	-	-	-	977,037	856,468
Miscellaneous	174,927	373,277	262,192	20,188	288,137	1,118,721	1,762,599
Total Revenues	14,014,328	1,763,198	262,492	1,359,230	3,663,411	21,062,659	23,963,005
Expenditures							
Current							
General government	1,608,368	-	-	-	-	1,608,368	1,630,772
Public safety	8,123,459	-	-	-	-	8,123,459	8,052,660
Public works	2,491,875	-	-	-	-	2,491,875	2,409,455
Sanitation	628,360	-	-	-	-	628,360	553,373
Health and human services	243,939	-	-	-	-	243,939	334,337
Culture and recreation	2,091,003	-	-	-	129,795	2,220,798	2,069,053
Conservation and development	221,808	-	-	-	2,666,871	2,888,679	2,050,282
Debt service							
Principal	-	5,600,474	-	-	-	5,600,474	3,040,048
Interest and fiscal charges	-	1,180,505	-	23,160	47,676	1,251,341	1,146,098
Capital outlay	-	-	198,834	1,284,420	2,383,392	3,866,646	6,864,653
Total Expenditures	15,408,812	6,780,979	198,834	1,307,580	5,227,734	28,923,939	28,150,731
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,394,484)	(5,017,781)	63,658	51,650	(1,564,323)	(7,861,280)	(4,187,726)
Other Financing Sources (Uses)							
Long-term debt issued	-	2,410,000	-	1,990,000	3,780,000	8,180,000	5,830,000
Transfers in	1,238,155	2,873,295	-	-	100,000	4,211,450	4,761,806
Transfers out	-	-	-	(150,000)	(3,341,795)	(3,491,795)	(4,060,028)
Total Other Financing Sources (Uses)	1,238,155	5,283,295	-	1,840,000	538,205	8,899,655	6,531,778
Net Change in Fund Balances	(156,329)	265,514	63,658	1,891,650	(1,026,118)	1,038,375	2,344,052
Fund Balances - January 1	5,951,152	402,356	1,931	823,335	7,927,022	15,105,796	12,761,744
Fund Balances - December 31	$ 5,794,823	$ 667,870	$ 65,589	$ 2,714,985	$ 6,900,904	$ 16,144,171	$ 15,105,796

(Continued)

CITY OF DE PERE, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2013
(With summarized financial information as of December 31, 2012)

		2013	2012
Reconciliation to the Statement of Activities			
Net Change in Fund Balances as shown on previous page		$ 1,038,375	$ 2,344,052
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital assets reported as capital outlay in governmental fund statements	$ 2,056,218		
Depreciation expense reported in the statement of activities	(2,649,865)		
Amount by which capital additions are greater than depreciation in current period		(593,647)	2,707,125
In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.			
Cost of assets disposed of		-	(31,179)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits decreased by:		53,721	148,075
Internal service funds are used by management to charge the costs of health and dental insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		(129,359)	168,882
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		(456,497)	(696,976)
The issuance of long-term debt provides current financial resources to governmental funds, but is reported as an increase in long-term debt in the statement of net position and does not affect the statement of activities. amount of debt issued in the current year is:		(8,180,000)	(5,830,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year, including $38,956 of capital lease payments in current expenditures, is:		5,639,430	3,081,712
Bond issue costs are reported in the governmental funds as an expenditure. In the statement of activities, these costs are capitalized and amortized over the life of the bonds.		(362,197)	-
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.		(4,114)	6,182
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 11 - 12)		$ (2,994,288)	$ 1,897,873

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

DRAFT

CITY OF DE PERE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2013

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance Final Budget - Positive (Negative)
Revenues				
Taxes	$ 7,785,643	$ 7,785,643	$ 7,766,285	$ (19,358)
Intergovernmental	3,053,093	3,053,093	3,039,156	(13,937)
Licenses and permits	474,300	474,300	505,020	30,720
Fines and forfeits	269,000	269,000	237,257	(31,743)
Public charges for services	1,281,805	1,281,805	1,314,646	32,841
Intergovernmental charges for services	942,440	942,440	977,037	34,597
Miscellaneous	393,565	393,565	174,927	(218,638)
Total Revenues	14,199,846	14,199,846	14,014,328	(185,518)
Expenditures				
Current				
General government	1,666,063	1,666,063	1,608,368	57,695
Public safety	8,102,362	8,102,362	8,123,459	(21,097)
Public works	2,589,867	2,589,867	2,491,875	97,992
Sanitation	554,652	554,652	628,360	(73,708)
Health and human services	424,203	424,203	243,939	180,264
Culture and recreation	2,143,631	2,143,631	2,091,003	52,628
Conservation and development	228,339	228,339	221,808	6,531
Total Expenditures	15,709,117	15,709,117	15,408,812	300,305
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,509,271)	(1,509,271)	(1,394,484)	114,787
Other Financing Sources				
Transfers in	1,218,500	1,218,500	1,238,155	19,655
Net Change in Fund Balance	(290,771)	(290,771)	(156,329)	134,442
Fund Balance - January 1	5,951,152	5,951,152	5,951,152	-
Fund Balance - December 31	$ 5,660,381	$ 5,660,381	$ 5,794,823	$ 134,442

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

DRAFT

CITY OF DE PERE, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2013
(With summarized financial information as of December 31, 2012)

	Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals 2013	Totals 2012	
ASSETS							
Cash and investments	$ 791,279	$ -	$ -	$ 877,750	$ 1,669,029	$ 854,344	$ 849,613
Receivables							
Accounts	1,602,832	-	1,679,177	-	3,282,009	3,293,077	-
Other	206,251	-	-	-	206,251	298,949	-
Due from other governments	-	2,246,790	-	-	2,246,790	2,407,275	-
Inventories and prepaid expenses	209,546	-	-	-	209,546	25,090	-
Restricted assets							
Cash and investments	-	-	150,000	-	150,000	150,000	-
Capital assets, nondepreciable							
Land	53,207	-	-	-	53,207	53,207	-
Capital assets, depreciable							
Buildings and improvements	555,781	-	-	-	555,781	539,471	-
Machinery and equipment	3,845,343	-	694,693	-	4,540,036	4,317,859	-
Infrastructure	22,318,829	-	19,341,722	15,552,169	57,212,720	56,012,232	-
Less: Accumulated depreciation	(5,781,750)	-	(8,783,117)	(6,045,059)	(20,609,926)	(19,523,911)	-
TOTAL ASSETS	23,801,318	2,246,790	13,082,475	10,384,860	49,515,443	48,427,593	849,613
LIABILITIES							
Accounts and claims payable	739,157	-	1,112,202	4,070	1,855,429	1,499,245	177,376
Accrued and other current liabilities	5,592	-	2,838	1,600	10,030	8,987	-
Accrued interest payable	8,334	-	-	-	8,334	9,208	-
Due to other funds	-	237,525	843,251	-	1,080,776	1,162,257	60,000
Long-term obligations							
Due within one year	285,000	-	-	-	285,000	275,000	-
Due in more than one year	2,451,936	-	54,538	17,946	2,524,420	2,807,416	-
TOTAL LIABILITIES	3,490,019	237,525	2,012,829	23,616	5,763,989	5,762,113	237,376
NET POSITION							
Net investment in capital assets	18,366,410	-	11,253,298	9,507,110	39,126,818	38,498,858	-
Restricted for							
Capital projects	-	-		-	-	528	-
Unrestricted	1,944,889	2,009,265	(183,652)	854,134	4,624,636	4,166,094	612,237
TOTAL NET POSITION	$ 20,311,299	$ 2,009,265	$ 11,069,646	$ 10,361,244	43,751,454	42,665,480	$ 612,237
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds					8,003	88,668	
Net position of business-type activities as reported on the Statement of Net Position (page 10)					$ 43,759,457	$ 42,754,148	

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

DRAFT

CITY OF DE PERE, WISCONSIN
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2013
(With summarized financial information as of December 31, 2012)

	Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals 2013	Totals 2012	
Operating Revenues							
Charges for services	$ 5,874,627	$ -	$ 3,688,533	$ 1,117,421	$ 10,680,581	$ 10,326,229	$ 2,934,372
Other	381,859	-	4,375,606	-	4,757,465	4,060,274	-
Total Operating Revenues	6,256,486	-	8,064,139	1,117,421	15,438,046	14,386,503	2,934,372
Operating Expenses							
Claims and administrative fees	-	-	-	-	-	-	3,144,527
Operation and maintenance	4,447,311	-	7,094,625	698,197	12,240,133	12,113,701	-
Depreciation	527,749	-	497,353	297,633	1,322,735	1,224,583	-
Taxes	44,358	-	-	-	44,358	41,587	-
Total Operating Expenses	5,019,418	-	7,591,978	995,830	13,607,226	13,379,871	3,144,527
Operating Income (Loss)	1,237,068	-	472,161	121,591	1,830,820	1,006,632	(210,155)
Nonoperating Revenues (Expenses)							
Interest income	-	-	-	-	-	9,128	132
Interest and fiscal charges	(109,816)	(32,545)	-	-	(142,361)	(119,746)	-
Total Nonoperating Revenues (Expenses)	(109,816)	(32,545)	-	-	(142,361)	(110,618)	132
Income (Loss) Before Contributions and Transfers	1,127,252	(32,545)	472,161	121,591	1,688,459	896,014	(210,023)
Capital contributions	117,170	-	-	-	117,170	578,173	-
Transfers out	(449,518)	-	(270,137)	-	(719,655)	(701,778)	-
Change in Net Position	794,904	(32,545)	202,024	121,591	1,085,974	772,409	(210,023)
Net Position - January 1	19,516,395	2,041,810	10,867,622	10,239,653	42,665,480	41,893,071	822,260
Net Position - December 31	$ 20,311,299	$ 2,009,265	$ 11,069,646	$ 10,361,244	$ 43,751,454	$ 42,665,480	$ 612,237
Change in Net Position per above					$ 1,085,974	$ 772,409	
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds					(80,665)	94,111	
Change in Net Position of business-type activities as reported on the Statement of Activities (pages 11-12)					$ 1,005,309	$ 866,520	

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

DRAFT

CITY OF DE PERE, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013
(With summarized financial information as of December 31, 2012)

	Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility	Totals 2013	Totals 2012	
Cash Flows from Operating Activities							
Cash received from user charges	$ 6,438,920	$ -	7,985,472	$ 1,117,421	$ 15,541,813	$ 14,416,860	$ -
Cash received from interfund services provided	56,545	-	(56,545)	-	-	-	2,934,372
Cash payments to suppliers	(3,843,638)	-	(6,452,972)	(214,409)	(10,511,019)	(10,707,477)	(3,108,660)
Cash payments to employees	(675,039)	-	(425,265)	(498,392)	(1,598,696)	(1,425,435)	-
Net Cash Provided (Used) by Operating Activities	1,976,788	-	1,050,690	404,620	3,432,098	2,283,948	(174,288)
Cash Flows from Noncapital Financing Activities							
Changes in assets and liabilities:							
Due to other funds	-	(127,940)	46,459	-	(81,481)	304,778	-
Transfers out	(449,518)	-	(270,137)	-	(719,655)	(701,778)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(449,518)	(127,940)	(223,678)	-	(801,136)	(397,000)	-
Cash Flows from Capital and Related Financing Activities							
Acquisition of capital assets	(618,167)	-	(827,012)	(113,348)	(1,558,527)	(1,714,021)	-
Proceeds from sale of treatment plant	-	160,485	-	-	160,485	160,483	-
Principal payments on long-term debt	(275,000)	-	-	-	(275,000)	(265,000)	-
Interest payments on long-term debt	(110,690)	(32,545)	-	-	(143,235)	(120,587)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,003,857)	127,940	(827,012)	(113,348)	(1,816,277)	(1,939,125)	-
Cash Flows from Investing Activities							
Investment income	-	-	-	-	-	9,128	132
Change in Cash and Cash Equivalents	523,413	-	-	291,272	814,685	(43,049)	(174,156)
Cash and Cash Equivalents - January 1	267,866	-	150,000	586,478	1,004,344	1,047,393	1,023,769
Cash and Cash Equivalents - December 31	$ 791,279	$ -	150,000	$ 877,750	$ 1,819,029	$ 1,004,344	$ 849,613
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	$ 1,237,068	$ -	472,161	$ 121,591	$ 1,830,820	$ 1,006,632	$ (210,155)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	527,749	-	497,353	297,633	1,322,735	1,224,583	-
Depreciation charged to sewer	56,545	-	(56,545)	-	-	-	-
Changes in assets and liabilities							
Accounts receivable	89,736	-	(78,667)	-	11,069	(185,828)	-
Other accounts receivable	92,698	-	-	-	92,698	216,185	-
Inventories and prepaid expenses	(184,456)	-	-	-	(184,456)	(391)	-
Accounts and claims payable	148,694	-	219,024	(11,533)	356,185	41,688	35,867
Accrued liabilities	1,451	-	(300)	(108)	1,043	4,315	-
Compensated absences	7,303	-	(2,336)	(2,963)	2,004	(23,236)	-
Net Cash Provided (Used) by Operating Activities	$ 1,976,788	$ -	1,050,690	$ 404,620	$ 3,432,098	$ 2,283,948	$ (174,288)
Noncash Investing, Capital and Financing Activities							
Capital contributions	$ 117,170	$ -	-	$ -	$ 117,170	$ 578,173	$ -

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

DRAFT

CITY OF DE PERE, WISCONSIN
Statement of Net Position
Agency Funds
December 31, 2013
(With summarized financial information as of December 31, 2012)

	Tax Collection	Trust Deposits	Totals 2013	Totals 2012
ASSETS				
Cash and cash equivalents	$ 7,063,064	$ 25,473	$ 7,088,537	$ 7,937,364
Accounts receivable				
Taxes receivable	22,384,811	-	22,384,811	21,454,716
TOTAL ASSETS	$ 29,447,875	$ 25,473	$ 29,473,348	$ 29,392,080
LIABILITIES				
Due to other governments				
State of Wisconsin	$ 298,395	$ -	$ 298,395	$ 294,194
Brown County	7,773,445	-	7,773,445	7,871,980
Northeast Wisconsin Technical College	2,746,000	-	2,746,000	2,713,125
School District of De Pere	8,990,423	-	8,990,423	8,918,254
West De Pere School District	9,639,612	-	9,639,612	9,569,397
Deposits held in trust	-	25,473	25,473	25,130
TOTAL LIABILITIES	$ 29,447,875	$ 25,473	$ 29,473,348	$ 29,392,080

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

2. Related Organization
The Mayor and City Council are responsible for appointing the board members of the De Pere Housing Authority, but the City's involvement with this organization does not extend beyond making the appointments. The City is not financially accountable for the Housing Authority as defined by standards in GASB Statements No. 16. Therefore this organization is not included in the City's reporting entity.

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

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

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

   The City reports the following major governmental funds:

   GENERAL FUND

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEBT SERVICE FUND

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

RIVERWALK PIER

This fund is used to account for financial resources to be used for the construction of the De Pere Riverwalk Pier. The significant revenue source is donations and grants.

PUBLIC IMPROVEMENTS FUND

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

The City reports the following major enterprise funds:

WATER UTILITY FUND

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

WASTEWATER TREATMENT PLANT UTILITY FUND

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

WASTEWATER UTILITY FUND

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

STORMWATER UTILITY FUND

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

Additionally, the government reports the following fund types:

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. Cash and Investments

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

b. Accounts Receivable

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

c. Interfund Receivables and Payables

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

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

d. Inventories

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

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

e. Prepaid Items

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

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

f. Capital Assets

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

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

DRAFT

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

h. Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently does not have any items that qualify for reporting in this category.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Long-term Obligations

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

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

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

- Committed fund balance - Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.

- Assigned fund balance - Amounts that are constrained for specific purposes by action of City management. The City Council has not authorized any City official or committee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned, unless committed by City Council action.

- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

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

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

NOTE B - STEWARDSHIP AND COMPLIANCE

Budgets and Budgetary Accounting
The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.

2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue, debt service, capital project, and enterprise funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

3. During the year, formal budgetary integration is employed as a management control device for the general, debt service and certain capital project funds. Management control of special revenue funds and other capital projects funds are achieved through grant contracts, bond issuance resolutions, Tax Incremental District project plans and available balances.

4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.

5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2013.

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

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

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

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

The carrying amount of the City's cash and investments totaled $26,306,480 on December 31, 2013 as summarized below:

Petty cash funds	$ 3,246
Deposits with financial institutions	799,378
Investments	25,503,856
	$ 26,306,480

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	$ 18,400,073
Restricted cash and investments	817,870
Fiduciary funds statement of net position	
Agency fund	7,088,537
	$ 26,306,480

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

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2013

DRAFT

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk

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

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

As of December 31, 2013, $511,582 of the City's deposits with financial institutions were in excess of federal depository insurance limits.

Credit Risk

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

Investment Type	Amount	Exempt From Disclosure	AAA	Not Rated
U.S. Treasury notes	$ 4,947,015	$ 4,947,015	$ -	$ -
Money market funds	576,014	576,014	-	-
Federal agency securities	5,191,201	-	5,191,201	-
Repurchase agreements	451,331	-	-	451,331
Wisconsin local government investment pool	14,338,295	-	-	14,338,295
Totals	$ 25,503,856	$ 5,523,029	$ 5,191,201	$ 14,789,626

DRAFT

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2013

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

Issuer	Reported Amount	Percent of Total
Federal National Mortgage Association	$ 3,015,866	11.8%

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

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

		Remaining Maturity (in Months)			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	$ 4,947,015	$ 1,541,829	$ 2,171,174	$ 1,234,012	$ -
Money market funds	576,014	576,014	-	-	-
Federal agency securities	5,191,201	370,206	537,379	965,240	3,318,377
Repurchase agreements	451,331	451,331	-	-	-
Wisconsin local government investment pool	14,338,295	14,338,295	-	-	-
Totals	$ 25,503,856	$ 17,277,675	$ 2,708,553	$ 2,199,252	$ 3,318,377

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations
The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	$ 5,191,201

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Investment in Wisconsin Local Government Investment Pool
The City has investments in the Wisconsin local government investment pool of $14,338,295 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

Restricted Cash & Investments
Restricted cash and investments of the Wastewater Utility totaled $150,000 on December 31, 2013, and is held for capital asset replacement. Restricted cash and investments of the Debt Service fund totaled $667,870 on December 31, 2013, and is held for debt retirement.

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

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

3. Due From Other Governments
On December 31, 2007, the City of De Pere sold its wastewater treatment facility to the Green Bay Metropolitan Sewerage District (GBMSD). As part of the sale, the City received a 20 year non-interest bearing note from the GBMSD in the amount of $3,209,700 payable to the City in annual installments of $160,485. The balance of the note receivable at December 31, 2013 was $2,246,790.

DRAFT

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2013

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 8,268,479	$ -	$ -	$ 8,268,479
Construction in progress	3,222,635	-	3,222,635	-
Total capital assets, not being depreciated	11,491,114	-	3,222,635	8,268,479
Capital assets, being depreciated:				
Land improvements	2,457,540	3,346,808	-	5,804,348
Buildings and improvements	11,307,507	-	-	11,307,507
Machinery and equipment	2,643,318	22,315	-	2,665,633
Vehicles	7,238,173	27,186	-	7,265,359
Infrastructure	67,324,852	1,882,544	73,611	69,133,785
Subtotals	90,971,390	5,278,853	73,611	96,176,632
Less accumulated depreciation for:				
Land improvements	1,999,982	100,237	-	2,100,219
Buildings and improvements	6,007,497	287,827	-	6,295,324
Machinery and equipment	1,797,513	164,241	-	1,961,754
Vehicles	5,317,988	501,468	-	5,819,456
Infrastructure	24,594,481	1,596,092	73,611	26,116,962
Subtotals	39,717,461	2,649,865	73,611	42,293,715
Total capital assets, being depreciated, net	51,253,929	2,628,988	-	53,882,917
Governmental activities capital assets, net	$ 62,745,043	$ 2,628,988	$ 3,222,635	62,151,396
Less related long-term debt outstanding				34,480,000
Net investment in capital assets				$ 27,671,396
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 53,207	$ -	$ -	$ 53,207
Capital assets, being depreciated:				
Buildings	539,471	16,310	-	555,781
Machinery and equipment	4,317,859	223,863	1,686	4,540,036
Infrastructure	56,012,232	1,435,407	234,919	57,212,720
Subtotals	60,869,562	1,675,580	236,605	62,308,537
Less accumulated depreciation:	19,523,911	1,322,735	236,720	20,609,926
Total capital assets, being depreciated, net	41,345,651	352,845	(115)	41,698,611
Business-type activities capital assets, net	$ 41,398,858	$ 352,845	$ (115)	41,751,818
Less related long-term debt outstanding				2,625,000
Net investment in capital assets				$ 39,126,818

DRAFT

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2013

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities	
General government	$ 40,910
Public safety	212,536
Public works	2,077,092
Culture and recreation	319,327
Total depreciation expense - governmental activities	$ 2,649,865
Business-type activities	
Water utility	$ 527,749
Wastewater utility	497,353
Stormwater utility	297,633
Total depreciation expense - business-type activities	$ 1,322,735

5. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2013 are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Advance		
General Fund	$ 60,000	$ -
Internal Service Funds		
Health Self Insurance	-	50,000
Dental Self Insurance	-	10,000
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General Fund	1,107,634	-
Special Revenue Fund		
Cable Access	-	26,858
Enterprise funds		
Wastewater Treatment Plant Utility	-	237,525
Wastewater Utility	-	843,251
Totals	$ 1,167,634	$ 1,167,634

DRAFT

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2013

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers for the year ended December 31, 2013 were as follows:

	Transfer to:			
	General Fund	Debt Service	TID No. 5	Total
Transfers from:				
Public Improvements	$ -	$ 150,000	$ -	$ 150,000
Cable Access	18,500	-	-	18,500
Capital Equipment	500,000	-	-	500,000
TID No. 5	-	1,187,380	-	1,187,380
TID No. 6	-	1,352,915	100,000	1,452,915
TID No. 7	-	183,000	-	183,000
Water utility	449,518	-	-	449,518
Wastewater Utility	270,137	-	-	270,137
	$ 1,238,155	$ 2,873,295	$ 100,000	$ 4,211,450

Transfers are made in accordance with annual budgets.

6. Long-term Obligations
The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2013:

	Outstanding 1/1/13	Issued	Retired	Outstanding 12/31/13	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	$ 21,315,000	$ 5,650,000	$ 4,275,000	$ 22,690,000	$ 2,285,000
Taxable Bonds	4,590,000	2,530,000	25,000	7,095,000	375,000
Notes	5,350,000	-	1,255,000	4,095,000	940,000
Taxable Notes	630,000	-	30,000	600,000	110,000
Total General Obligation Debt	31,885,000	8,180,000	5,585,000	34,480,000	3,710,000
Capital lease payable	54,430	-	54,430	-	-
Compensated absences	1,628,588	28,022	81,743	1,574,867	-
Governmental activities Long-term obligations	$ 33,568,018	$ 8,208,022	$ 5,721,173	$ 36,054,867	$ 3,710,000
Business-type activities:					
Water utility revenue bonds	$ 2,900,000	$ -	$ 275,000	$ 2,625,000	$ 285,000
Compensated absences	182,416	2,004	-	184,420	-
Business-type activities Long-term obligations	$ 3,082,416	$ 2,004	$ 275,000	$ 2,809,420	$ 285,000

Total interest paid during the year on long-term debt totaled $1,144,560.

DRAFT

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2013

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds	
$4,815,000 issued 3/25/04; $205,000 to $220,000 due annually through 2016; interest 2.0% to 4.0%	$ 635,000
$3,605,000 issued 3/25/04; $310,000 to $400,000 due annually through 2019; interest 3.25% to 4%	2,135,000
$2,650,000 issued 8/1/05; $175,000 to $265,000 due annually through 2024; interest 3.5% to 4.15%	2,380,000
$4,050,000 issued 6/15/06; $195,000 to $315,000 due annually through 2025; interest 4.03%	2,980,000
$2,020,000 issued 11/7/07; $90,000 to $155,000 due annually through 2026; interest 4.05%	1,550,000
$1,000,000 issued 8/1/08; $45,000 to $75,000 due annually through 2027; interest 4.25%	815,000
$2,270,000 issued 8/1/08; $70,000 to $255,000 due annually through 2027; interest 4.55%	2,110,000
$2,245,000 issued 8/15/11; $140,000 to $180,000 due annually through 2025; interest 0.50% to 3.45%	1,855,000
$2,980,000 issued 9/20/2012; $150,000 to $365,000 due annually through 2027; interest 0.50% to 2.40%	2,580,000
$5,650,000 issued 8/13/2013; $150,000 to $690,000 due annually through 2028; interest 3.00% to 3.625%	5,650,000
Total Bonds	22,690,000
Taxable Bonds	
$1,875,000 issued 5/12/09; $85,000 to $155,000 due annually through 2028; interest 2.0% to 5.625%	1,715,000
$2,850,000 issued 9/20/2012; $50,000 to $235,000 due annually through 2031; interest 0.85% to 3.90%	2,850,000
$2,530,000 issued 8/13/2013; $140,000 to $340,000 due annually through 2023; interest 2.00% to 3.50%	2,530,000
Total Taxable Bonds	7,095,000
Notes	
$2,375,000 issued 8/1/05; $205,000 to $260,000 due annually through 2015; interest 3.80% to 5.0%	465,000
$1,220,000 issued 8/1/08; $135,000 to $155,000 due annually through 2017; interest 3.43%	590,000
$2,985,000 issued 10/28/10; $205,000 to $360,000 due annually through 2020; interest 1.50% to 3.0%	2,120,000
$1,565,000 issued 8/15/11; $80,000 to $215,000 due annually through 2020; interest 2.0% to 2.70%	920,000
Total Notes	4,095,000
Taxable Notes	
$800,000 issued 5/12/09; $110,000 to $130,000 due annually through 2018; interest 2.0% to 4.75%	600,000
Total General Obligation Debt	$ 34,480,000

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of $34,480,000 on December 31, 2013 are detailed below:

Year Ended	Governmental Activities		
December 31	Principal	Interest	Total
2014	$ 3,710,000	$ 1,219,326	$ 4,929,326
2015	3,635,000	1,042,721	4,677,721
2016	3,420,000	941,151	4,361,151
2017	3,185,000	838,336	4,023,336
2018	3,145,000	740,954	3,885,954
2019-2023	10,870,000	2,390,956	13,260,956
2024-2028	6,145,000	702,685	6,847,685
2029-2031	370,000	21,293	391,293
	$ 34,480,000	$ 7,897,422	$ 42,377,422

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

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

Legal Margin for New Debt
The City's legal margin for creation of additional general obligation debt on December 31, 2013 was $54,103,010 as follows:

Equalized valuation of the City		$ 1,758,302,800
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		87,915,140
Total outstanding general obligation debt applicable to debt limitation	$ 34,480,000	
Less: Funds held in debt service fund for retirement of general obligation debt	667,870	33,812,130
Legal Margin for New Debt		$ 54,103,010

DRAFT

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2013

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Water Utility Revenue Bonds
Water Utility Revenue Bonds outstanding on December 31, 2013 totaled $2,625,000 and is composed of the following issue:

$4,395,000 issued 3/7/07; $285,000 to $370,000 due annually through 2021; interest 3.810%	$ 2,625,000

Annual principal and interest maturities of the outstanding water utility revenue bonds of $2,625,000 on December 31, 2013 are detailed below:

	Business-type Activities		
Due	Principal	Interest	Total
2014	$ 285,000	$ 100,013	$ 385,013
2015	300,000	89,154	389,154
2016	310,000	77,724	387,724
2017	320,000	65,913	385,913
2018	335,000	53,721	388,721
2019-2021	1,075,000	82,867	1,157,867
	$ 2,625,000	$ 469,392	$ 3,094,392

Water Utility Revenues Pledged
The City has pledged future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the utility. The bonds are payable through 2021. The total principal and interest remaining to be paid on the bonds is $3,094,392. Principal and interest paid for the current year and total customer net revenues were $275,000 and $110,490, respectively.

7. Fund Equity
In the fund financial statements, portions of governmental fund balances are committed by City Council action. At December 31, 2013, fund balance was committed as follows:

General Fund	
Committed for subsequent years' expenditures	
Police - radio outlay	$ 10,778
Police - community policing	1,867
Police - training	10,578
Fire/Ambulance	159,000
Fire/Rescue - ACT 102	2,153
Community center - outdoor light fixtures	2,500
Historic preservation	4,773
Economic development - consulting - Main St. baseline	10,500
GIS - consulting for DIME consortium project	10,905
GIS - Training	1,725
GIS - backup/ LIDAR software	2,259
Total	$ 217,038

DRAFT

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Special Revenue Funds	
Committed for subsequent years' expenditures	
Dog park	$ 14,808
Riverwalk Pier	65,589
Total	$ 80,397

Capital Projects Funds	
Committed for capital outlay	
Public improvements	$ 2,714,985
Capital equipment	399,415
Community center	3,475
Police/Fire expansion	2,932
Total	$ 3,120,807

8. Minimum Fund Balance Policy

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

Budgeted 2013 General Fund Expenditures	$ 15,709,119
Minimum Fund Balance %	(x) 25%
Minimum Fund Balance Amount	$ 3,927,280

The City's unassigned general fund balance of $5,111,722 is above the range of the minimum fund balance amount.

NOTE D - OTHER INFORMATION

1. Retirement Commitments

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

	2013	
	Employee	Employer
General (including Teachers)	6.65%	6.65%
Executives & Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

DRAFT

NOTE D - OTHER INFORMATION (Continued)

The payroll for City employees covered by the WRS for the year ended December 31, 2013 was $8,870,824; the employer's total payroll was $8,860,836. The total required contribution for the year ended December 31, 2013 was $1,371,637, which consisted of $781,727 or 8.8% of covered payroll from the employer, and $589,910, or 6.6% of covered payroll from employees. Total contributions for the years ended December 31, 2012 and 2011 were $1,189,405 and $1,198,812, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

2. Risk Management

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

In addition to the above, the City has established two separate internal service funds for risk management programs to finance employees' health and employees' dental claims. The risk management programs are funded by charges to City departments and employees. For 2013, the health insurance program had stop loss health insurance coverage commencing at $75,000 per individual claim and $2,297,823 for the aggregate of claims. Fund expenses consist of payments to a third-party administrator for medical and dental claims, stop loss insurance premiums and administrative fees. Settlements have not exceeded insurance coverage for each of the past three years. On December 31, 2013, the health self-insurance fund had a net position balance of $565,157, while the dental self-insurance fund had unrestricted net position balance of $47,080. Claim liabilities at year-end are recorded based on actual claim payments reported at year-end and paid after the balance sheet date of December 31 up to the date of preparing the financial statements. The City does not report an estimated liability for claims incurred but not reported. Changes in each fund's claims liability amount for 2012 and 2013 follow:

	2012			
	Liability January 1	Current Year Claims	Claim Payments	Liability December 31
Health	$ 332,278	$ 2,792,998	$ 2,884,367	$ 240,909
Dental	3,256	125,024	126,463	1,817
Total	$ 335,534	$ 2,918,022	$ 3,010,830	$ 242,726

DRAFT

CITY OF DE PERE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2013

NOTE D - OTHER INFORMATION (Continued)

	2013			
	Liability January 1	Current Year Claims	Claim Payments	Liability December 31
Health	$ 240,909	$ 2,181,311	$ 2,290,258	$ 131,962
Dental	1,817	102,178	94,448	9,547
Total	$ 242,726	$ 2,283,489	$ 2,384,706	$ 141,509

3. Conduit Debt
The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately $2.7 million, made up of three series.

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

A summary of pertinent financial information for the City's TID Districts on December 31, 2013 follows:

	TID No. 5	TID No. 6	TID No. 7	TID No. 8	TID No. 9	TID No. 10
Creation date	1/1/1996	1/1/1998	1/1/2007	1/1/2007	1/1/2012	1/1/2012
Termination date	12/31/2023	12/31/2021	12/33/2033	12/31/2027	12/31/2039	12/31/2032
Tax increment property tax revenues for 2013	$ 902,580	$ 1,443,260	$ -	$ -	$ -	$ -
Net unreimbursed project costs due City	6,260,307	178,829	1,769,977	1,687,129	611,481	179,294

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

NOTE D - OTHER INFORMATION (Continued)

4. Water Purchase Contract with Central Brown County Water Authority
The City of De Pere is a Charter Member of the Central Brown County Water Authority with five other Brown County communities. The Authority was formed under Wisconsin Statutes in 1998 to provide a long-term solution to water quantity and quality concerns. In 2004, the Authority entered into a contract to purchase Lake Michigan water from the City of Manitowoc. In 2007, the Authority completed construction of a 30 mile water transmission main from the City of Manitowoc and a 35 mile long spoke transmission system to distribute the water to its individual members. To provide funds to complete construction projects, the Authority issued $136,625,000 of revenue bonds in June of 205.

Each Charter Member has entered into a water purchase contract under which they agree to purchase wholesale water from the Authority. Rates charged to each member are billed monthly and are based on (1) operation and maintenance costs, (2) fixed costs, including debt service on the revenue bonds and (3) required Security Fund deposits. During 2013 the City paid the Authority $3,387,158 in accordance with the water purchase contract.

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

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

6. Property Tax Levy Limit
Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, towns and counties. For the 2013 and 2014 budget years, the increase in the maximum allowable tax levy is limited to the greater of the percentage change in the City's January 1 equalized value as a result of net new construction or 3.0% per year. The actual limit for the City for the 2013 budget was 1.12%. The actual limit for the City for the 2014 budget was 1.21%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

SUPPLEMENTARY INFORMATION

CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Revenues
For the Year Ended December 31, 2013

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
Taxes				
General property	$ 7,691,423	$ 7,691,423	$ 7,694,170	$ 2,747
Mobile home	7,100	7,100	8,444	1,344
Sales tax	120	120	-	(120)
Room tax	5,400	5,400	6,667	1,267
Payments in lieu of taxes	2,500	2,500	-	(2,500)
Housing authority	28,000	28,000	27,296	(704)
Interest and penalties	1,100	1,100	1,232	132
Interest and penalties on special assessments	50,000	50,000	28,476	(21,524)
Total Taxes	7,785,643	7,785,643	7,766,285	(19,358)
Intergovernmental				
Law enforcement training	5,400	5,400	13,677	8,277
State shared taxes	1,424,817	1,424,817	1,415,286	(9,531)
Exempt computer aid	140,193	140,193	105,597	(34,596)
Fire insurance	66,000	66,000	65,020	(980)
Rescue squad	9,100	9,100	6,713	(2,387)
Transportation	965,293	965,293	964,729	(564)
Mass transit	294,790	294,790	294,790	-
Public health	53,000	53,000	65,111	12,111
Recycling	91,000	91,000	97,909	6,909
Other	3,500	3,500	9,099	5,599
Total Intergovernmental	3,053,093	3,053,093	3,039,156	(13,937)
Licenses and Permits				
Licenses				
Liquor and malt beverages	35,000	35,000	33,367	(1,633)
Operators	12,000	12,000	13,736	1,736
Cigarette	2,000	2,000	2,200	200
Food and beverage	50,000	50,000	-	(50,000)
DATCP licensing	12,000	12,000	324	(11,676)
Cable television	170,000	170,000	164,462	(5,538)
Electrical contractors	-	-	75	75
Trailer park	100	100	100	-
Dog	3,500	3,500	4,859	1,359
Other licenses/permits	4,500	4,500	5,555	1,055
Permits				
Construction	-	-	835	835
Electrical and plumbing	61,000	61,000	112,188	51,188
Sanitary sewer	6,000	6,000	5,430	(570)
Zoning and inspection	118,200	118,200	161,889	43,689
Total Licenses and Permits	474,300	474,300	505,020	30,720

(Continued)

DRAFT

CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Revenues (Continued)
For the Year Ended December 31, 2013

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
Fines and Forfeits				
Court forfeitures and costs	242,000	242,000	203,752	(38,248)
Parking violations	27,000	27,000	33,505	6,505
Total Fines and Forfeits	269,000	269,000	237,257	(31,743)
Public Charges for Services				
General government	27,200	27,200	29,314	2,114
Police	7,120	7,120	5,121	(1,999)
Alarm monitoring fees	20,000	20,000	4,450	(15,550)
Ambulance	725,000	725,000	678,007	(46,993)
Streets	35,000	35,000	61,418	26,418
Snow removal	5,000	5,000	6,044	1,044
Recycling	1,000	1,000	2,519	1,519
Public health	12,100	12,100	5,748	(6,352)
Community center	226,485	226,485	252,210	25,725
Swimming pools	123,000	123,000	102,081	(20,919)
Parks	8,200	8,200	9,420	1,220
Recreation	91,700	91,700	138,852	47,152
Concession sales	-	-	19,462	19,462
Total Public Charges for Services	1,281,805	1,281,805	1,314,646	32,841
Intergovernmental Charges for Services				
General government	103,300	103,300	110,481	7,181
Public safety	306,140	306,140	306,330	190
Public works	533,000	533,000	560,226	27,226
Total Intergovernmental Charges for Services	942,440	942,440	977,037	34,597
Miscellaneous				
Investment income	150,000	150,000	30,092	(119,908)
Donations	-	-	4,111	4,111
Sale of assets				
Sale of City property	116,500	116,500	49,724	(66,776)
Salvage products	-	-	5,361	5,361
Rental income	125,915	125,915	85,173	(40,742)
Department revenue	650	650	-	(650)
Other	500	500	466	(34)
Total Miscellaneous	393,565	393,565	174,927	(218,638)
Total Revenues	$ 14,199,846	$ 14,199,846	$ 14,014,328	$ (185,518)

DRAFT

CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Expenditures
For the Year Ended December 31, 2013

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
General Government				
Council	$ 81,819	$ 81,819	$ 91,157	$ (9,338)
Council outlay	13,000	13,000	9,900	3,100
Municipal court	94,500	94,500	92,609	1,891
Mayor	37,059	37,059	35,247	1,812
Administrator	125,620	125,620	121,347	4,273
Clerk/treasurer	239,915	239,915	231,305	8,610
Elections	23,213	23,213	18,869	4,344
Assessment of property	59,883	59,883	41,185	18,698
Accounting and finance	107,020	107,020	107,776	(756)
Data processing	109,590	109,590	117,428	(7,838)
Personnel and insurance	204,779	204,779	224,020	(19,241)
Legal	174,515	174,515	201,279	(26,764)
City hall	103,135	103,135	103,545	(410)
City hall outlay	10,000	10,000	6,322	3,678
Other general government	255,665	255,665	205,929	49,736
Total General Government	1,666,063	1,666,063	1,608,368	57,695
Public Safety				
Police department	4,265,611	4,265,611	4,219,025	46,586
Police department outlay	58,000	58,000	68,433	(10,433)
Traffic control	90,939	90,939	77,450	13,489
Fire/ambulance department	3,255,109	3,255,109	3,499,236	(244,127)
Fire/ambulance department outlay	166,500	166,500	7,415	159,085
Building and electrical	254,143	254,143	244,213	9,930
Jail	12,060	12,060	7,687	4,373
Total Public Safety	8,102,362	8,102,362	8,123,459	(21,097)
Public Works				
Street machinery repair	129,240	129,240	125,806	3,434
Street machinery repair outlay	-	-	13,962	(13,962)
Municipal service center	107,842	107,842	111,427	(3,585)
Municipal service center outlay	10,000	10,000	12,138	(2,138)
Mechanics	212,647	212,647	140,569	72,078
Mechanics outlay	1,500	1,500	1,449	51
Administration	154,499	154,499	142,699	11,800
Engineer	370,711	370,711	359,714	10,997
Engineer outlay	3,500	3,500	1,180	2,320
Street maintenance	142,647	142,647	135,150	7,497
Brush pickup	97,980	97,980	77,382	20,598
Weed cutting	4,849	4,849	1,013	3,836
Snow and ice control	239,516	239,516	303,861	(64,345)

(Continued)

CITY OF DE PERE, WISCONSIN
General Fund
Detailed Comparison of Budgeted and Actual Expenditures (Continued)
For the Year Ended December 31, 2013

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
Public Works (Continued)				
Traffic signs and markings	148,924	148,924	125,191	23,733
Traffic lights	44,600	44,600	42,161	2,439
Street lighting	443,372	443,372	457,575	(14,203)
Transit system	478,040	478,040	440,598	37,442
Total Public Works	2,589,867	2,589,867	2,491,875	97,992
Sanitation				
Garbage and refuse collection	277,781	277,781	318,801	(41,020)
Landfill waste disposal	160,000	160,000	204,603	(44,603)
Recycling	116,871	116,871	104,956	11,915
Total Sanitation	554,652	554,652	628,360	(73,708)
Health and Human Services				
Nurse	422,283	422,283	242,419	179,864
Board of health	1,920	1,920	1,520	400
Total Health and Human Services	424,203	424,203	243,939	180,264
Culture and Recreation				
Community center	526,399	526,399	516,762	9,637
Special events and celebrations	11,472	11,472	65	11,407
Park and recreation administration	202,605	202,605	214,634	(12,029)
Recreation	274,999	274,999	217,502	57,497
Swimming pools	267,507	267,507	238,635	28,872
Swimming pools outlay	10,900	10,900	29,045	(18,145)
Parks	385,103	385,103	447,564	(62,461)
Parks outlay	156,550	156,550	131,550	25,000
Parks equipment maintenance	65,083	65,083	79,865	(14,782)
Boat ramps	22,271	22,271	26,646	(4,375)
Forestry	210,297	210,297	181,998	28,299
Historical society	10,445	10,445	6,737	3,708
Total Culture and Recreation	2,143,631	2,143,631	2,091,003	52,628
Conservation and Development				
Economic development	228,339	228,339	221,808	6,531
Total Expenditures	$ 15,709,117	$ 15,709,117	$ 15,408,812	$ 300,305

CITY OF DE PERE, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013
(With summarized financial information as of December 31, 2012)

	Special Revenue Funds						
	Development Loan Program	Public Land Acquisition	Cable Access	Dog Park	Total Special Revenue Funds	Capital Equipment	Community Center
ASSETS							
Cash and investments	$ 1,060,922	$ 3,528	$ -	$ 14,808	$ 1,079,258	$ 399,415	$ 3,475
Receivables							
Taxes	-	-	-	-	-	600,000	-
Accounts	-	75,535	26,827	-	102,362	-	-
Loans	626,386	-	-	-	626,386	-	-
TOTAL ASSETS	$ 1,687,308	$ 79,063	$ 26,827	$ 14,808	$ 1,808,006	$ 999,415	$ 3,475
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	$ -	$ 12,657	$ 1,557	$ -	$ 14,214	$ -	$ -
Accrued and other current liabilities	-	-	353	-	353	-	-
Due to other funds	-	-	26,858	-	26,858	-	-
Total Liabilities	-	12,657	28,768	-	41,425	-	-
Deferred Inflows of Resources							
Property taxes	-	-	-	-	-	600,000	-
Loans receivable	626,385	-	-	-	626,385	-	-
Total Deferred Inflows of Resources	626,385	-	-	-	626,385	600,000	-
Fund Balances							
Restricted for							
Loans	1,060,923	-	-	-	1,060,923	-	-
Park land acquisition	-	66,406	-	-	66,406	-	-
Capital outlay	-	-	-	-	-	-	-
Committed for							
Subsequent years' expenditures	-	-	-	14,808	14,808	-	-
Capital outlay	-	-	-	-	-	399,415	3,475
Unassigned, reported in							
Special revenue funds	-	-	(1,941)	-	(1,941)	-	-
Total Fund Balances	1,060,923	66,406	(1,941)	14,808	1,140,196	399,415	3,475
TOTAL LIABLITIES, DEFFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,687,308	$ 79,063	$ 26,827	$ 14,808	$ 1,808,006	$ 999,415	$ 3,475

DRAFT

Capital Project Funds								Total Governmental Funds	
Police/Fire Expansion	TID No.5	TID No.6	TID No.7	TID No.8	TID No.9	TID No. 10	Total Capital Projects Funds	2013	2012
$ 2,932	$ 187,521	$ 1,922,148	$ 1,092,137	$ 1,512,478	$ 204,710	$ 436,134	$ 5,760,950	$ 6,840,208	$ 7,871,303
-	910,290	1,595,397	-	-	1,495	42,607	3,149,789	3,149,789	2,845,840
-	-	-	-	-	-	-	-	102,362	103,811
-	-	-	-	-	-	-	-	626,386	885,781
$ 2,932	$ 1,097,811	$ 3,517,545	$ 1,092,137	$ 1,512,478	$ 206,205	$ 478,741	$ 8,910,739	$ 10,718,745	$ 11,706,735
$ -	$ 90	$ 30	$ 30	$ -	$ -	$ 92	$ 242	$ 14,456	$ 23,870
-	-	-	-	-	-	-	-	353	226
-	-	-	-	-	-	-	-	26,858	23,996
-	90	30	30	-	-	92	242	41,667	48,092
-	910,290	1,595,397	-	-	1,495	42,607	3,149,789	3,149,789	2,845,840
-	-	-	-	-	-	-	-	626,385	885,781
-	910,290	1,595,397	-	-	1,495	42,607	3,149,789	3,776,174	3,731,621
-	-	-	-	-	-	-	-	1,060,923	921,462
-	-	-	-	-	-	-	-	66,406	51,283
-	187,431	1,922,118	1,092,107	1,512,478	204,710	436,042	5,354,886	5,354,886	6,493,167
-	-	-	-	-	-	-	-	14,808	55,571
2,932	-	-	-	-	-	-	405,822	405,822	405,539
-	-	-	-	-	-	-	-	(1,941)	-
2,932	187,431	1,922,118	1,092,107	1,512,478	204,710	436,042	5,760,708	6,900,904	7,927,022
$ 2,932	$ 1,097,811	$ 3,517,545	$ 1,092,137	$ 1,512,478	$ 206,205	$ 478,741	$ 8,910,739	$ 10,718,745	$ 11,706,735

CITY OF DE PERE, WISCONSIN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013
(With summarized financial information as of December 31, 2012)

	Special Revenue Funds						
	Development Loan Program	Public Land Acquisition	Cable Access	Dog Park	Total Special Revenue Funds	Capital Equipment	Community Center
Revenues							
Taxes	$ -	$ -	$ -	$ -	$ -	$ 500,000	$ -
Intergovernmental	-	-	-	-	-	-	-
Licenses and permits	-	-	109,641	-	109,641	-	-
Public charges for services	-	35,980	-	-	35,980	-	-
Miscellaneous	139,571	900	-	2,432	142,903	-	284
Total Revenues	139,571	36,880	109,641	2,432	288,524	500,000	284
Expenditures							
Current							
Culture and recreation	-	-	128,443	1,352	129,795	-	-
Conservation and development	110	-	6,482	-	6,592	-	-
Debt service							
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	21,757	-	-	21,757	1	-
Total Expenditures	110	21,757	134,925	1,352	158,144	1	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	139,461	15,123	(25,284)	1,080	130,380	499,999	284
Other Financing Sources (Uses)							
Long-term debt issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(18,500)	-	(18,500)	(500,000)	-
Total Other Financing Sources (Uses)	-	-	(18,500)	-	(18,500)	(500,000)	-
Net Change in Fund Balances	139,461	15,123	(43,784)	1,080	111,880	(1)	284
Fund Balances - January 1	921,462	51,283	41,843	13,728	1,028,316	399,416	3,191
Fund Balances (Deficit) - December 31	$ 1,060,923	$ 66,406	$ (1,941)	$ 14,808	$ 1,140,196	$ 399,415	$ 3,475

DRAFT

Capital Projects Funds								Total Governmental Funds	
Police/Fire Expansion	TID No.5	TID No.6	TID No.7	TID No.8	TID No.9	TID No. 10	Total Capital Projects Funds	2013	2012
$ -	$ 902,580	$ 1,443,260	$ 158,809	$ -	$ -	$ -	$ 3,004,649	$ 3,004,649	$ 2,976,382
-	5,764	5,498	1,162	212,580	-	-	225,004	225,004	287,410
-	-	-	-	-	-	-	-	109,641	118,852
-	-	-	-	-	-	-	-	35,980	10,000
-	-	8,050	36,000	-	-	100,900	145,234	288,137	1,039,525
-	908,344	1,456,808	195,971	212,580	-	100,900	3,374,887	3,663,411	4,432,169
-	-	-	-	-	-	-	-	129,795	83,387
-	75,000	816,914	20,804	1,047,000	573,210	127,351	2,660,279	2,666,871	1,839,062
-	-	35,476	4,384	4,830	1,764	1,222	47,676	47,676	29,150
-	10,744	1,076,088	540,575	734,227	-	-	2,361,635	2,383,392	728,901
-	85,744	1,928,478	565,763	1,786,057	574,974	128,573	5,069,590	5,227,734	2,680,500
-	822,600	(471,670)	(369,792)	(1,573,477)	(574,974)	(27,673)	(1,694,703)	(1,564,323)	1,751,669
-	-	2,835,000	295,000	415,000	130,000	105,000	3,780,000	3,780,000	4,055,000
-	100,000	-	-	-	-	-	100,000	100,000	500,000
-	(1,187,380)	(1,452,915)	(183,000)	-	-	-	(3,323,295)	(3,341,795)	(3,760,028)
-	(1,087,380)	1,382,085	112,000	415,000	130,000	105,000	556,705	538,205	794,972
-	(264,780)	910,415	(257,792)	(1,158,477)	(444,974)	77,327	(1,137,998)	(1,026,118)	2,546,641
2,932	452,211	1,011,703	1,349,899	2,670,955	649,684	358,715	6,898,706	7,927,022	5,380,381
$ 2,932	$ 187,431	$ 1,922,118	$ 1,092,107	$ 1,512,478	$ 204,710	$ 436,042	$ 5,760,708	$ 6,900,904	$ 7,927,022

CITY OF DE PERE, WISCONSIN
Combining Statement of Net Position
Internal Service Funds
December 31, 2013
(With summarized financial information as of December 31, 2012)

	Health Self Insurance	Dental Self Insurance	Totals 2013	Totals 2012
ASSETS				
Cash and investments	$ 790,243	$ 59,370	$ 849,613	$ 1,023,769
LIABILITIES				
Accounts and claims payable	175,086	2,290	177,376	141,509
Due to other funds	50,000	10,000	60,000	60,000
TOTAL LIABILITIES	225,086	12,290	237,376	201,509
NET POSITION				
Unrestricted	$ 565,157	$ 47,080	$ 612,237	$ 822,260

CITY OF DE PERE, WISCONSIN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2013
(With summarized financial information as of December 31, 2012)

	Health Self Insurance	Dental Self Insurance	Totals 2013	Totals 2012
Operating Revenues				
Charges for services	$ 2,811,704	$ 122,668	$ 2,934,372	$ 2,958,115
Operating Expenses				
Claims and administrative fees	3,025,447	119,080	3,144,527	2,695,311
Total Operating Expenses	3,025,447	119,080	3,144,527	2,695,311
Operating Income	(213,743)	3,588	(210,155)	262,804
Nonoperating Revenues				
Interest income	132	-	132	189
Change in Net Position	(213,611)	3,588	(210,023)	262,993
Net Position - January 1	778,768	43,492	822,260	559,267
Net Position - December 31	$ 565,157	$ 47,080	$ 612,237	$ 822,260

DRAFT

CITY OF DE PERE, WISCONSIN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2013
(With summarized financial information as of December 31, 2012)

	Health Self Insurance	Dental Self Insurance	Totals 2013	Totals 2012
Cash Flows from Operating Activities				
Cash received from interfund services provided	$ 2,811,704	$ 122,668	$ 2,934,372	$ 2,958,115
Cash payments to suppliers	(2,982,323)	(126,337)	(3,108,660)	(2,796,528)
Net Cash Provided by Operating Activities	(170,619)	(3,669)	(174,288)	161,587
Investment income	132	-	132	189
Change in Cash and Cash Equivalents	(170,487)	(3,669)	(174,156)	161,776
Cash and Cash Equivalents - January 1	960,730	63,039	1,023,769	861,993
Cash and Cash Equivalents - December 31	$ 790,243	$ 59,370	$ 849,613	$ 1,023,769
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	$ (213,743)	$ 3,588	$ (210,155)	$ 262,804
Adjustments to reconcile operating income to net cash provided by operating activities:				
Changes in current liabilities				
Accounts and claims payable	43,124	(7,257)	35,867	(101,217)
Net Cash Provided by Operating Activities	$ (170,619)	$ (3,669)	$ (174,288)	$ 161,587

DRAFT

CITY OF DE PERE, WISCONSIN
Water Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2013 and 2012

	2013	2012
Operating Revenues		
Charges for Services		
Residential	$ 2,867,072	$ 2,962,830
Commercial	928,214	935,450
Industrial	582,096	588,839
Public authorities	138,807	191,070
Public fire protection	1,358,438	1,320,043
Total Charges for Services	5,874,627	5,998,232
Other Operating Revenues		
Forfeited discounts	64,400	67,542
Other water revenues	317,459	286,203
Total Other Operating Revenues	381,859	353,745
Total Operating Revenues	6,256,486	6,351,977
Operating Expenses		
Operation and Maintenance		
Source of supply	51,339	29,066
Pumping	66,228	75,738
Water treatment	42,980	42,002
Transmission and distribution	507,234	396,540
Customer accounts	148,325	144,321
Administrative and general	3,631,205	3,901,177
Total Operation and Maintenance	4,447,311	4,588,844
Depreciation	527,749	429,529
Taxes	44,358	41,587
Total Operating Expenses	5,019,418	5,059,960
Operating Income	1,237,068	1,292,017
Nonoperating Revenues (Expenses)		
Interest income	-	9,105
Interest and amortization expense	(109,816)	(119,746)
Total Nonoperating Revenues (Expenses)	(109,816)	(110,641)
Income Before Contributions and Transfers	1,127,252	1,181,376
Capital Contributions	117,170	140,490
Transfers out	(449,518)	(432,603)
Changes in Net Position	794,904	889,263
Net Position - January 1	19,516,395	18,627,132
Net Position - December 31	$ 20,311,299	$ 19,516,395

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

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

To the City Council
City of De Pere, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of De Pere, Wisconsin, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of De Pere's basic financial statements, and have issued our report which included an emphasis of matter paragraph as indicated on page 2 dated ________, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2013-001, 2013-002 and 2013-003 that we consider to be significant deficiencies.

Compliance and Other Matters

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

City of De Pere, Wisconsin's Response to Findings

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

Purpose of this Report

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

Certified Public Accountants
Green Bay, Wisconsin
_________, 2014

DRAFT

CITY OF DE PERE, WISCONSIN
Schedule of Findings and Responses
For the Year Ended December 31, 2013

Section I - Internal Control Over Financial Reporting

Finding No.	Control Deficiencies

2013-001 Preparation of Annual Financial Report

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

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

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

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

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

Management Response: Management agrees it may not be cost beneficial to train additional staff to completely prepare the report, but will more thoroughly review the information to gain an increased understanding in hopes of assisting with the annual report preparation in 2013.

2013-002 Adjustments to the City's Financial Records

Condition: As part of our 2013 audit, we proposed adjusting journal entries that were material to the City's financial statement.

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

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

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

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

Management Response: The Finance Department recognizes that the adjustments reflected capital additions and disposals which are discussed in further detail in Finding 2012-03 and hope to have this ready for audit review in 2013.

DRAFT

CITY OF DE PERE, WISCONSIN
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2013

Section I - Internal Control Over Financial Reporting (Continued)

Finding No.	Control Deficiencies
2012-003	**Capital Asset Additions and Disposals**
Condition:	City staff provides us with the current year asset additions and disposals, the method and rate of depreciation and the salvage value of the assets. From this information, we assist the City in recording the capital asset additions and disposals and calculating the annual depreciation expense. During our 2013 audit, we identified material capital asset additions and disposals that were not reported to us by City staff.
Criteria:	A material adjustment to the underlying accounting records is considered to be an internal control deficiency.
Cause:	The City does not have a system in place to identify capital asset transactions throughout the year.
Effect:	The City could have capital assets transactions which are not reflected in the detailed capital records and the annual financial report.
Recommendation:	We recommend the City develop a system to identify capital asset additions and disposals throughout the year.
Management Response:	Management will review the costs to acquire software to assist the City in recording capital asset additions and deletions and related depreciation. If the software is approved for purchase by the City Council, the Finance Department will have the records revised for all 2013 activities by the time the 2013 accounting records are closed and ready for audit review.

Section II - Compliance and Other Matters

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2013.

City of De Pere, Wisconsin

Request For Finance/Personnel Committee Action

MEETING DATE: **June 10, 2014**

DEPARTMENT: **Human Resources**

FROM: **Shannon Metzler**

SUBJECT: **Consideration of new Compensation Policy which includes pay for performance ***

As you probably recall, the City Council approved the compensation model which included pay for performance.

To do that we put together a performance management team comprised of a cross section of employees from the various departments. The team members consisted of Allen Luberda, Street Superintendent; John Kleuskens, Water Maintenance Worker; Chrystal Woller, Health Officer/Director; John Hallam, Parks Maintenance Worker; Paula Rahn, Community Service Manager; Lea Taylor, Police Office Assistant; Daryl Carter, DPW Equipment Operator; Bob Krzewina, Engineer Senior Technician; Larry Delo, City Administrator; Carey Danen, Building Inspection/Planning Administrative Assistant and myself. We met on nine different occasions from February to May and developed the attached Compensation Policy which includes a pay for performance component.

After each of these meetings, we encouraged the team members to obtain input and suggestions from their co-workers. The proposed policy has changed considerably over the course of our meetings; however, the team members are pleased with the end product. (This does not apply to represented public safety officers as their labor contract outlines their pay increases. The policy applies to approximately 80 employees.)

The changes that have been made to the compensation policy have to do specifically with pay for performance. The proposed plan offers pay for performance two ways:

1. Merit Pay (flat dollar bonus)

2. Pay for Performance Pay/Award (% bonus or flat $ bonus, or % increase or paid time off)

Merit Pay
The last three years we have been awarding merit pay for our non-represented employees. If employees exceed expectations on their performance evaluation, the maximum amount of increase they are eligible to receive is $600 per year. Looking back over the last three years, the average merit pay an employee received is approximately $300 per year.

Pay for Performance Pay/Award
The Pay for Performance Pay and/or Award will be awarded to those employees that have exemplary performance. A pay for performance review team comprised of the City Administrator and two outside managers from other organizations will decide which employees should receive this type of reward. Generally, this would only be given to your shining stars; those employees with exemplary performance. This usually applies to 10-20% of employees.

After numerous discussions, the feedback we were receiving from the team was they wanted to award all employees that were performing above expectations with some type of performance increase. They felt increases would only be given to a very small number of employees the other way.

Either way, the amount of money funded for pay for performance would remain the same. The money essentially would be spread out into two pots of money, versus one. Because the group wanted to continue the merit pay, we decreased the amount of money that could be used for pay for performance pay.

The Compensation Policy defines how we are recommending funding the pay for performance program.

> The Performance Pay will be determined each year by taking 1% of the prior year's payroll. Merit pay disbursements will be first determined and the remaining funds may be used for performance pay. 5% of the remaining funds will be put aside for departments to provide immediate recognition to employees throughout the year for exemplary performance. (i.e. bringing in lunch for staff after working together cohesively on a big project, working very long hours to complete a task, etc.)

For example, this year 1% of the prior year's payroll equates to $46,000. We would first issue merit pay, which based on prior years, has been an average of $300 per person. For 80 employees this would cost $24,000. We would then put aside 5% for departments to provide periodic recognition. The total amount for that is $1,200 or $15.00 per person. (We would manage the program to ensure the recognition funds weren't just being spent by the supervisors because they had funds available. It would only be available if they had an employee, or group of employees, that deserved recognition.) The remaining amount may be used for performance management pay and/or award. Based on this example, there would be $22,800 available for this.

This team also worked together to develop a standard performance evaluation and determine in what areas employees should have their performance evaluated. The team felt it was important that the City consider an online performance management system. Therefore, we had a number of demos from online performance management companies. I intend to bring a recommendation for an online performance evaluation system in the near future, but am currently working on negotiating pricing with a vendor. Rather than delay the process another month from moving forward, I am asking for your approval to take the recommendation directly to the City Council.

I've also attached the 2014 grade order list which shows how our pay plan is structured.

If you have any questions prior to the meeting, please feel free to contact me at 339-4045.

Thank you.

ATTACHMENTS:

- Comp Policy 5 2014 (DOCX)
- 2014 PAY GRADES (XLSX)

6.9 Compensation Policy

The City of De Pere believes in providing fair and equitable compensation for its employees, such that it will be highly competitive with comparable municipal organizations in the State of Wisconsin.

a. Objectives. The City has adopted this compensation policy to:

i. attract and retain well-qualified employees;
ii. provide incentives and motivate employees toward higher performance to achieve the City's short and long-term goals;
iii. communicate the organization's expectations regarding different rates of pay;
iv. maintain competitive pay levels within the City's limited resources and state-imposed expenditure caps; and
v. ensure the consistent administration and application of its compensation policy.

b. Program. Newly hired employees may be placed administratively anywhere in the assigned range. In determining an appropriate starting rate, consideration shall be given to the experience, education, previous earnings of the candidate and other job-related factors. Hiring above the range minimum requires the approval of the Human Resources Director and City Administrator.

c. Review of Pay Plan. Pay grade ranges, classifications, and internal pay compensation issues will be reviewed on an as needed basis, but at least every 5 years, in order to properly reflect both the external municipal job market and internal pay equity. A yearly summary of the plan's performance shall be completed by City Administration and report given to the Council.

d. Changes in Pay Grade. Considerations for change in pay grade can be initiated by the employee, department head or Finance/Personnel Committee. If initiated by an employee, the department head will be requested to submit documentation for presentation to the Finance/Personnel Committee as to whether the request of the employee for change in pay grade is warranted. A change in pay grade will only be considered if the employee's duties have changed sufficiently to warrant a reevaluation.

e. Pay Increases.

i. Step Movement. Employees below the range Control Point shall advance the equivalent of one step a year until they reach the Control Point. These increments shall be based upon measured performance that at least meets expectations and shall be in addition to any other approved general yearly cost of living wage adjustments.

ii. Yearly Adjustments. Yearly cost of living wage adjustments (based on Midwest consumer price index) may be provided as approved by the Common Council during the budget process unless not warranted based on individual performance as determined by the City Administrator with supervisory input. All employees, except those red-circled (above 120% of market) are eligible for a COLA increase.

iii. Pay for Performance. An incentive program to reward employees for exceptional work exceeding expectations. The City rewards exceptional performance two ways: (1) merit pay and (2) performance pay/award.

1. Merit Pay
   a. Merit Pay Award.
      The employee must meet or exceed expectations in all areas of the performance evaluation for the year on which the merit pay is based.

      Employees are reviewed utilizing determined competencies. See performance evaluation policy for identified competencies. The maximum amount of merit pay an employee is eligible for is $600 per year. The dollar value per competency identified below is based on the performance evaluation having 4 competencies. If a performance evaluation has more or less than 4 competencies, the amounts will be pro-rated, with the max remaining at $600.

      $150 for each competency in which the employee receives a rating of "outstanding".

      $100 for each performance competency in which the employee receives a rating of "exceeds expectations".

2. Pay for Performance Pay/Award. Employees may be nominated for a performance pay/award by themselves, anonymously by a co-worker, or by a supervisor. All self and co-worker nominations must be approved by the employee's supervisor to be considered. See addendum __ for procedures on how to submit a nomination.

   a. Performance Pay/Award Options.

      - Salary increase - percentage increase added to annual salary (applicable to those not red-circled)

      - Bonus - paid out as a set dollar amount or a percentage of salary (applicable to all employees including those red-circled)

- Paid time off (applicable to all employees including those red-circled)

Combination of two of the above (ex. salary increase, bonus or paid time off)

b. Review Team. A Performance Pay/Award Review Team will review all employees recommended for a performance pay/award.

The PFP Review Team will consist of the City Administrator along with 2 supervisors from an outside organization. After reviewing all nominations, the PFP review team will decide which employees warrant a performance pay/award when rated against all City employees.

The PFP Review Team will decide how pay for performance awards will be distributed.

Funding of Pay for Performance Program. The total funds to be used for employees will be recommended by the Mayor annually as part of the proposed executive budget. Total funds to be used for the pay for the pay for performance program will be determined by the Common Council annually as part of the annual budget approval process.

Total pay disbursement to employees cannot exceed the total funding available for pay for performance pay in the adopted budget. If total pay expenditures are below available funds, excess funds are returned to the general fund balance at the end of the calendar year.

The Performance Pay will be determined each year by taking 1% of the prior year's payroll. Merit pay disbursements will be first determined and the remaining funds may be used for performance pay. 5% of the remaining funds will be put aside for departments to provide immediate recognition to employees throughout the year for exemplary performance. (i.e. bringing in lunch for staff after working together cohesively on a big project, working very long hours to complete a task, etc.)

Employee Eligibility. Regular full-time non-represented employees and part-time employees.

Employees must be employed with the City a minimum of 12 consecutive months and for the full year to receive pay for performance. Pay will be prorated as a percentage of a 2,080-hour annual work schedule for part-time employees.

An annual performance evaluation must be completed for the year in which the merit pay is based.

Employees who do not meet expectations in any area of the performance evaluation for the year are not eligible for pay for performance.

Employees must be actively employed at the time of the performance disbursement. Employees who are on paid or unpaid leave due to disciplinary action by the City are not considered actively employed for purposes of eligibility.

Disbursement of Merit Pay and Performance Pay/Awards. All payments (merit pay, performance pay/award) will be disbursed to eligible employees in the second payroll in May of each year or the first payroll following the completion and tabulation of all evaluations of eligible employees.

2014 GRADE ORDER LIST

GRADE	JOB TITLE	DEPARTMENT	FLSA	Minimum 87.5% Step 1	90.0% Step 2	92.5% Step 3	95.0% Step 4	97.5% Step 5	Control Point 100.0% Step 6	Pay for Performance	120.0% Maximum
T	CITY ATTORNEY/ASSISTANT CITY ADMINISTRATOR	CITY ATTORNEY	E	$43.91	$45.16	$46.42	$47.67	$48.93	$50.18	è	$60.22
S	DIRECTOR OF PLANNING/ECONOMIC DEV.	PLANNING	E	$40.35	$41.50	$42.65	$43.80	$44.96	$46.11	è	$55.33
	FINANCE DIRECTOR	FINANCE	E								
	FIRE CHIEF	FIRE	E								
	POLICE CHIEF	POLICE	E								
	PUBLIC WORKS DIRECTOR	PUBLIC WORKS	E								
R	CITY ENGINEER	ENGINEERING	E	$37.67	$38.75	$39.82	$40.90	$41.97	$43.05	è	$51.66
	DIRECTOR PARKS, REC & FORESTRY	PARK	E								
	H-R DIRECTOR	HUMAN RESOURCES	E								
Q	vacant			$35.88	$36.91	$37.93	$38.96	$39.98	$41.01	è	$49.21
P	CHIEF INSPECTOR/ASSISTANT ASSESSOR	BUILDING INSPECTION	E	$34.10	$35.07	$36.05	$37.02	$38.00	$38.97	è	$46.76
	HEALTH OFFICER/DIRECTOR	HEALTH	E								
	INFORMATION TECHNOLOGY ADMIN.	IT	E								
	POLICE-CAPTAIN	POLICE	E								
O	ASS'T FIRE CHIEF & INSPECTION	FIRE	E	$32.31	$33.24	$34.16	$35.08	$36.01	$36.93	è	$44.32
N	ASS'T CITY ENGINEER	ENGINEERING	E	$30.54	$31.41	$32.28	$33.16	$34.03	$34.90	è	$41.88
	STREET SUPERINTENDENT	STREET	E								
M	CLERK-TREASURER	CLERK-TREASURER	E	$28.75	$29.57	$30.40	$31.22	$32.04	$32.86	è	$39.43
	PARK SUPERINTENDENT/CITY FORESTER		E								
L	COMMUNITY CENTER MANAGER	PARK	E	$26.97	$27.74	$28.51	$29.28	$30.05	$30.82	è	$36.98
	PARK/REC SUPERVISOR	PARK	E								
K	GIS COORDINATOR	GIS	E	$25.18	$25.90	$26.62	$27.34	$28.06	$28.78	è	$34.54
	PUBLIC HEALTH NURSE	HEALTH	E								
J	BUSINESS MANAGER	POLICE	E	$23.40	$24.07	$24.73	$25.40	$26.07	$26.74	è	$32.09
	SANITARIAN	HEALTH	E								
	ASST. BUILDING INSPECTOR	BUILDING INSPECTION	NE								
I	ENGINEER SENIOR TECHNICIAN	ENGINEERING	NE	$21.61	$22.23	$22.85	$23.47	$24.08	$24.70	è	$29.64
	MECHANIC LEADPERSON	MECHANICS	NE								
	DPW FOREPERSON	STREET	NE								
	WATER DEPARTMENT FOREPERSON	WATER	NE								
H	HUMAN RESOURCE GENERALIST	HUMAN RESOURCES	NE	$19.84	$20.40	$20.97	$21.54	$22.10	$22.67	è	$27.20
	PARALEGAL	CITY ATTORNEY	NE								
	MECHANIC	MECHANICS	NE								
	PAYROLL SPECIALIST	FINANCE	NE								
	MAINTENANCE SPECIALIST	PARK	NE								
G	ACCOUNTS PAYBLE CLERK	FINANCE	NE	$18.05	$18.57	$19.08	$19.60	$20.11	$20.63	è	$24.76
	ADMINISTRATIVE ASSISTANT (Fire, Admin/Mayor, Build./Plan, Park, PW)	VARIOUS	NE								
	MAINTENANCE TECHNICIAN	PARK	NE								
	COMMUNITY CENTER ACTIVITY COORD	PARK	NE								
	COMMUNITY CENTER-SR PROGRAMS COORD	PARK	NE								
	DEPUTY CITY CLERK	CLERK-TREASURER	NE								

	LEAD ARBORIST	PARK	NE								
	DPW EQUIPMENT OPERATOR	DPW AND WATER	NE								
	WATER DEPT BILLING CLERK	WATER	NE								
	WATER DEPARTMENT MAINTENANCE WORKER	WATER	NE								
	MUNICIPAL COURT CLERK	MUNICIPAL COURT	NE								
F	DPW MAINTENANCE WORKER	DPW	NE	$16.27	$16.73	$17.20	$17.66	$18.13	$18.59	è	$22.31
	OFFICE ASSISTANT (Parks, Police, Health, Engineering/PW)	VARIOUS	NE								
	PARKS MAINTENANCE WORKER	PARKS	NE								
	ARBORIST	PARKS	NE								
	VIDEO PRODUCTION & MARKETING COORD	IT	NE								
E	vacant			$14.93	$15.35	$15.78	$16.21	$16.63	$17.06	è	$20.47
D	vacant			$13.83	$14.22	$14.62	$15.01	$15.41	$15.80	è	$18.96
C	vacant			$12.80	$13.17	$13.53	$13.90	$14.26	$14.63	è	$17.56
B	vacant			$11.86	$12.20	$12.53	$12.87	$13.21	$13.55	è	$16.26