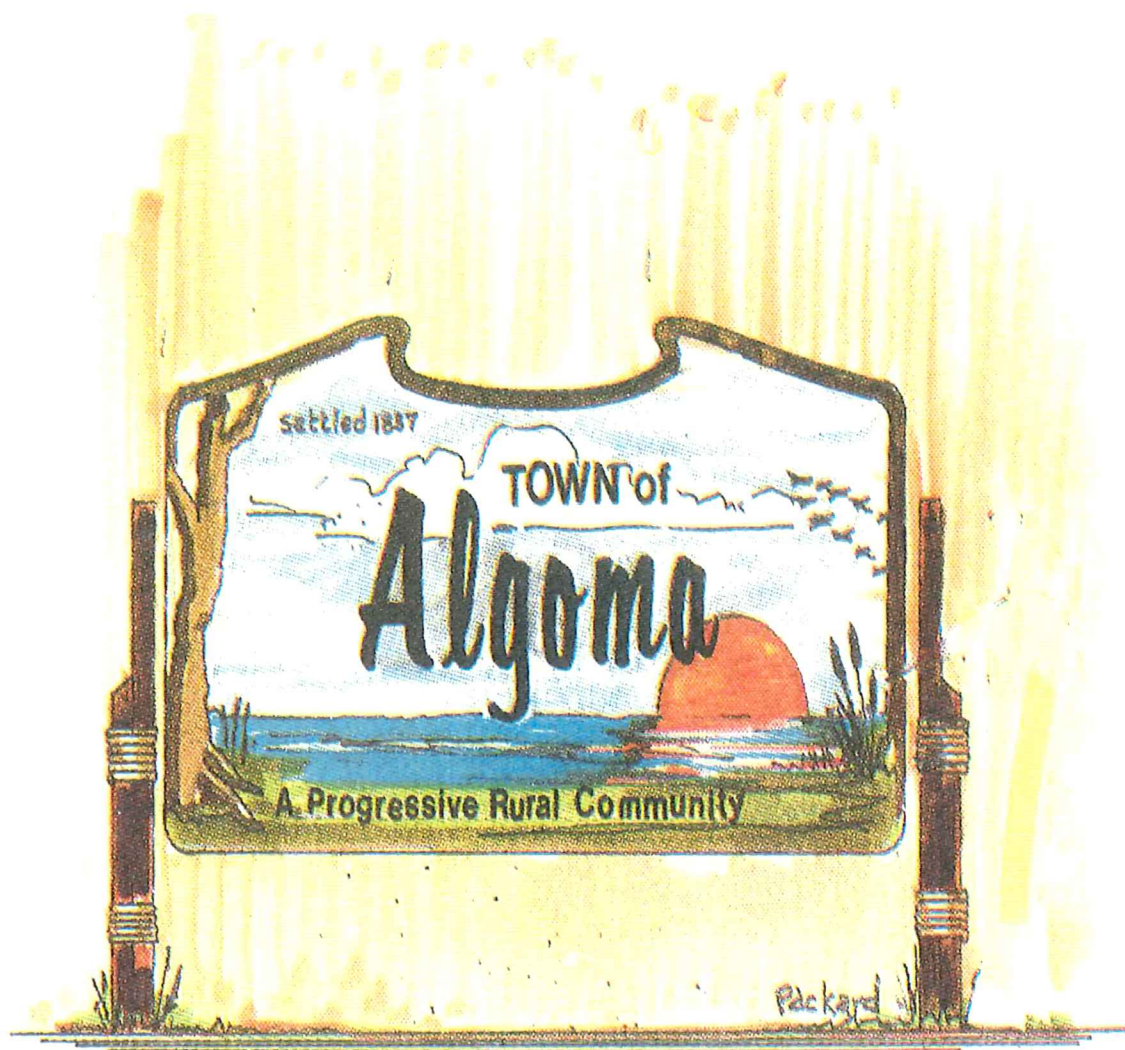




2016 Annual Report

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ANNUAL REPORT
FOR THE TOWN OF ALGOMA

FOR THE YEAR ENDING
DECEMBER 31, 2016

IMPORTANT PHONE NUMBERS:	
TOWN OF ALGOMA	(920) 235-3789
BUILDING INSPECTOR	(920) 233-1999
ALGOMA SANITARY DISTRICT NO. 1 - SEWER & WATER	(920) 426-0335
ADVANCED DISPOSAL SERVICES	(920) 685-6666
FIRE -EMERGENCY	911
NON-EMERGENCY	(920) 233-5905

TOWN MEETING SCHEDULE

MEETING	LOCATION	DAYS/TIMES
Annual Meeting	Algoma Town Hall 15 N. Oakwood Road Oshkosh, WI 54904	Third Wednesday in April at 5:45 PM unless changed for the following year at the Annual Meeting
Planning Commission Meeting	Algoma Town Hall 15 N. Oakwood Road Oshkosh, WI 54904	Every Second Wednesday at 6:00 PM
Town Board Meeting	Algoma Town Hall 15 N. Oakwood Road Oshkosh, WI 54904	Every Third Wednesday at 6:00 PM
Parks Committee Meeting	Algoma Town Hall 15 N. Oakwood Road Oshkosh, WI 54904	Every Last Wednesday at 6:00 PM

All meetings are open to the public

Agendas are posted at:

Town Hall – 15 N. Oakwood Road

Service Oil – 2531 Omro Road

www.townofalgoma.org

E-mail list—please send an e-mail request to

townoffice@townofalgoma.org

(E-mail addresses become public information)

TOWN OFFICIALS

CHAIRPERSON	Joel Rasmussen 3297 Creek Side Drive	(920) 410-2311
SUPERVISORS	Patricia Frohrib 1862 Sunkist Road	(920) 233-7667
	Patricia Clark (Petey) 1680 Rasmussen Road	(920) 379-8359
	Chris Wright 1425 Russett Lane	(920) 642-0280
	Jim Marvin 1414 Lakebreeze Road	(920) 642-3769
ADMINISTRATOR	Benjamin Krumenauer 15 N. Oakwood Road	(920) 235-3789
TREASURER	Sue Drexler 15 N. Oakwood Road	(920) 235-3789
CLERK	Deborah Stark 15 N. Oakwood Road	(920) 235-3789
ADMINISTRATIVE ASST.	Heather Sedo 15 N. Oakwood Road	(920) 235-3789
FIRE CHIEF	Scott Groth 2622 Omro Road	(920) 233-5905
ASST. FIRE CHIEF	John Kolb 2622 Omro Road	(920) 233-5905

TOWN OFFICIALS

FIRE INSPECTORS	Scott Groth 2622 Omro Road	(920) 233-5905
	Kevin Sawicki 2622 Omro Road	(920) 233-5905
1ST RESPONDER CHAIR	Michelle Fitzpatrick 2622 Omro Road	(920) 233-5905
ROAD/DRAINAGE COORDINATOR	Bill Tollard 15 N. Oakwood Road	(920) 379-3429
ASSESSOR	Action Appraisers P.O. Box 557 Kaukauna, WI 54130	(920) 766-7323
BUILDING INSPECTOR	Dave Frank 15. N Oakwood Road	(920) 233-1999

**Building Inspector and Road/Drainage Coordinator are available by
appointment only.**

**Town Hall Office Hours
Monday-Thursday 9:00 AM—5:00 PM
Friday 9:00 AM—1:00 PM**

PLANNING COMMISSION

The Town Planning Commission members are appointed by the Town Chair and approved by the Town Board in staggering years. This is a volunteer position. They meet the second Wednesday of each month at 6:00 PM at the Town Hall.

MEMBER— CHAIR	Piersen Bowman 38 Maryden Road	(920) 216-6163
MEMBER	Patricia Frohrib 1862 Sunkist Road	(920) 233-7667
MEMBER	Patricia Clark (Petey) 1680 Rasmussen Road	(920) 379-8359
MEMBER	Dewey Nelson 2946 Oakwood Lane	(920) 231-4555
MEMBER	Mark Thompson 3375 Sheppard Drive	(920)420-9341
MEMBER	Jeff Rasmussen 1914 Green Briar Trail	(920) 231-1289

PARKS COMMITTEE

The Town Chair with the approval of the Town Board appointed the following people to serve on a Parks Committee which meets the last Wednesday of each month at 6:00 PM. Their primary focus is the future needs and plans for Parks in the Town of Algoma following the East Central Regional Planning Commission Comprehensive Plan. They are also a volunteer group.

Chairperson	Curt Clark	(920) 420-8295
	1680 Rasmussen Road	

Committee Member	Jim Marvin	(920) 642-3769
	1414 Lakebreeze Road	

Committee Member	Chris Wright	(920) 642-0280
	1414 Lake Breeze Road	

Committee Member	Tom McInnis	
	3103 Rosewood Lane	

Committee Member	Mike Dudzinski	(920) 642-3769
	1414 Lakebreeze Road	

POLLING LOCATIONS

Town of Algoma Polling Places	Hours
Algoma Municipal Building 15 N. Oakwood Road Oshkosh, WI 54904	7:00 AM—8:00 PM
All Saints Lutheran Church 1072 Honey Creek Road Oshkosh, WI 54904	7:00 AM—8:00 PM

REGISTERING TO VOTE

If you haven't voted in the Town of Algoma, you must register to vote. This can be done in the clerk's office during regular business hours, on Election Day at the polls or on myvote.wi.gov. Be sure to bring your photo identification and proof of residency when registering to vote.

To register to vote you must meet the following criteria:

1. You must be 18 years of age on or before Election Day.
2. You must have been a resident of the town a minimum of 10 consecutive days prior to Election Day with no present intent to move.
3. You must be a United States Citizen.
4. You cannot be a convicted felon still required to report to a probation or parole officer.

ADDITIONAL VOTING INFORMATION

There are **ten** wards and **three** County Supervisory Districts in the Town of Algoma. For the voters and for reporting purposes to the County, our wards are combined, except when voting on information pertaining to County Board Supervisory Districts and schools. Most of the town is in the Oshkosh Area School District, but there are a few voters that fall within the Omro School District.

24th County Supervisory District

Michael Brooks 2829 Westmoor Road, Oshkosh, WI 54904
Wards 1,7,& 9 (920) 379-5267

31st County Supervisory District

Joel Rasmussen 3297 Creek Side Drive, Oshkosh, WI 54904
Wards 2,3,4,5,6 & 8 (920) 410-2311

32nd County Supervisory District

Robert Keller 975 E. County Road Z, Oshkosh, WI 54902
Ward 10 (920)379-0717

53rd Assembly District

Mike Schraa (R) 220 Wyldeberry Lane Oshkosh, WI 54904
P.O. Box 8953
Room 320 East, State Capital
Madison, WI 53708-8953
(608) 267-7990 or 1-888-534-0053
Rep.Schraa@legis.wisconsin.gov

18th Senate District

Ryan Goyke (D) P.O. Box 8952
Room 303 West, State Capital
Madison, WI 53708
(608) 266-0645 or 1-888-534-0018
Rep.Goyke@legis.wisconsin.gov

ADDITIONAL VOTING INFORMATION

6th Congressional District

Glenn Grothman (R) 1217 Longworth H.O.B.
Washington, DC 20515
(202) 225-2476

24 West Pioneer Road
Fond Du Lac, WI 54935
(920) 907-0624

Senators of the 113th Congress

Tammy Baldwin, (D) 717 Hart Senate Office Building
Washington DC 20510
(202) 224-5653
www.baldwin.senate.gov/contact

Ron Johnson (R) 328 Hart Senate Office Building
Washington, DC 20510
(202) 224-5323
www.ronjhonston.senate.gov/public/index.cfm/contact

SANITARY DISTRICT OFFICIALS

COMMISSION PRESIDENT	Jim Savinski 2768 Oakwood Circle	(920) 426-3755
COMMISSIONER	Peter Cernohous 1556 Hayden Drive	(920) 651-0636
SECRETARY	Chad Hayes 4385 Harbor Village Drive Omro, WI 54963	(920) 966-0236
UTILITY DIRECTOR	Kevin Mraz 3477 Miller Drive	(920) 426-0335
TREASURER	Peter Cernohous 3477 Miller Drive	(920) 426-0335
WATER/ WASTEWATER OPERATORS	Daniel Benson 3477 Miller Drive	(920) 426-0335
	Michael Humbert 3477 Miller Drive	(920) 426-0335
	Ethan Firgens 3477 Miller Drive	(920) 426-0335
UTILITY CLERK	Sara Gonzales 3477 Miller Drive	(920) 426-0335
ACCOUNTING MANAGER	Michael Claffey 3477 Miller Drive	(920) 426-0335

SANITARY DISTRICT INFORMATION

Sanitary District Meetings are held at

Algoma Sanitary District #1

3477 Miller Drive

Oshkosh, WI 54904

Second Thursday of each month at 6:00 PM

All meetings are open to the public

District Office Hours

The office is open Monday through Friday

8:00 AM –12:00 PM & 12:30 PM - 4:30 PM

Office Number	(920) 426-0335
Emergency Pager	(920) 258-1030
Fax	(920) 426-1181
E mail:	district.office@algomasd.org
Website Address	http://www.algomasd.org

FINANCIAL STATEMENT

TOWN OF ALGOMA

Winnebago County, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2016

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2016

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
December 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Town Board
Town of Algoma
Winnebago County, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Algoma, Wisconsin ("the Town") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Town as of December 31, 2016, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note C.1 to the financial statements, in 2016 the Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions on page 26 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2017, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Certified Public Accountants
Green Bay, Wisconsin
April 19, 2017

BASIC FINANCIAL STATEMENTS

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Statement of Net Position
December 31, 2016

	Governmental Activities
ASSETS	
Cash and investments	\$ 2,171,601
Receivables	
Taxes	168,387
Accounts	1,019
Special assessments	101,821
Prepaid items	12,949
Restricted assets	
Cash and investments	177,989
Capital assets, nondepreciable	
Land	341,740
Construction in progress	26,350
Capital assets, depreciable	
Land improvements	303,622
Buildings	399,779
Equipment	60,000
Vehicles	931,179
Street infrastructure	5,049,468
Stormwater infrastructure	591,786
Less accumulated depreciation	(3,081,188)
TOTAL ASSETS	<u>7,256,502</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	<u>45,127</u>
LIABILITIES	
Accounts payable	39,278
Accrued liabilities	22,197
Special deposits	30,871
Net pension liability	<u>7,374</u>
TOTAL LIABILITIES	<u>99,720</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for subsequent year	1,061,760
Deferred inflows related to pension	<u>15,518</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,077,278</u>
NET POSITION	
Investment in capital assets	4,622,736
Restricted for	
Fire	20,112
First responders	6,786
Dedication fees	46,100
Park bench	300
Jones Park improvements	81,073
Unrestricted	<u>1,347,524</u>
TOTAL NET POSITION	<u>\$ 6,124,631</u>

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

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General government	\$ 367,012	\$ 91,264	\$ -	\$ -	\$ (275,748)
Public safety	399,253	24,581	10,714	-	(363,958)
Public works	1,147,639	446,681	107,066	134,379	(459,513)
Health and human services	3,068	-	24,984	-	21,916
Culture, recreation and education	12,551	2,764	-	56,385	46,598
Conservation and development	11,197	400	-	-	(10,797)
Total Governmental Activities	<u>\$ 1,940,720</u>	<u>\$ 565,690</u>	<u>\$ 142,764</u>	<u>\$ 190,764</u>	<u>(1,041,502)</u>
General revenues					
Property taxes, levied for general purposes					1,042,597
functions					61,640
Interest and investment earnings					10,108
Miscellaneous					2,366
Gain on sale of asset					2,000
Total general revenues					<u>1,118,711</u>
Change in net position					77,209
Net position - January 1					<u>6,047,422</u>
Net position - December 31					<u>\$ 6,124,631</u>

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

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2016

	General Fund	Nonmajor Governmental Funds	Totals
ASSETS			
Cash and investments	\$ 2,171,601	\$ -	\$ 2,171,601
Receivables			
Taxes	168,387	-	168,387
Accounts	663	356	1,019
Special assessments	101,821	-	101,821
Due from other funds	6,234	-	6,234
Prepaid items	12,949	-	12,949
Restricted assets			
Cash and investments	81,373	96,616	177,989
TOTAL ASSETS	\$ 2,543,028	\$ 96,972	\$ 2,640,000
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 37,909	\$ 1,369	\$ 39,278
Accrued liabilities	22,197	-	22,197
Special deposits	14,500	16,371	30,871
Due to other funds	-	6,234	6,234
Total Liabilities	74,606	23,974	98,580
Deferred Inflows of Resources			
Property taxes levied for subsequent year	1,061,760	-	1,061,760
Special assessments	57,624	-	57,624
Total Deferred Inflows of Resources	1,119,384	-	1,119,384
Fund Balances			
Nonspendable			
Prepaid items	12,949	-	12,949
Restricted			
Fire	-	20,112	20,112
First responders	-	6,786	6,786
Dedication fees	-	46,100	46,100
Park bench	300	-	300
Jones Park improvements	81,073	-	81,073
Committed			
Fire truck	58,511	-	58,511
Jones Park	100,000	-	100,000
Town hall parking lot	50,000	-	50,000
Town hall improvements	40,000	-	40,000
Comprehensive plan update	20,000	-	20,000
Town and economic brand	20,000	-	20,000
Oakwood road resurfacing	180,000	-	180,000
Assigned			
Revaluation	10,000	-	10,000
Unassigned	776,205	-	776,205
Total Fund Balances	1,349,038	72,998	1,422,036
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,543,028	\$ 96,972	\$ 2,640,000

(Continued)

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Balance Sheet (Continued)
Governmental Funds
December 31, 2016

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on previous page	\$ 1,422,036
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,622,736
The Town's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:	
Deferred outflows of resources	45,127
Net pension liability	(7,374)
Deferred inflows of resources	(15,518)
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds	<u>57,624</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 4)	<u><u>\$ 6,124,631</u></u>

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

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2016

	General Fund	Nonmajor Governmental Funds	Totals
Revenues			
Taxes	\$ 1,042,597	\$ -	\$ 1,042,597
Special assessments	184,103	-	184,103
Intergovernmental	193,690	-	193,690
Licenses and permits	107,347	-	107,347
Fines and forfeits	123	-	123
Public charges for services	449,466	2,445	451,911
Miscellaneous	74,969	13,057	88,026
Total Revenues	<u>2,052,295</u>	<u>15,502</u>	<u>2,067,797</u>
Expenditures			
Current			
General government	361,012	-	361,012
Public safety	337,153	13,558	350,711
Public works	896,999	-	896,999
Health and human services	3,068	-	3,068
Culture, recreation and education	23,664	11,904	35,568
Conservation and development	11,197	-	11,197
Total Expenditures	<u>1,633,093</u>	<u>25,462</u>	<u>1,658,555</u>
Net Change in Fund Balance	419,202	(9,960)	409,242
Fund Balance - January 1	<u>929,836</u>	<u>82,958</u>	<u>1,012,794</u>
Fund Balance - December 31	<u>\$ 1,349,038</u>	<u>\$ 72,998</u>	<u>\$ 1,422,036</u>

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

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Governmental Funds
For the Year Ended December 31, 2016

Reconciliation to the Statement of Activities

Net Change in Fund Balance as shown on previous page \$ 409,242

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 public works expenditures in governmental
fund statements

\$ 125,509

Capital assets reported as culture and recreation expenditures in
governmental fund statements

26,350

Depreciation expense reported in the statement of activities

(431,393) (279,534)

Change in the net pension liability (asset) and related deferred inflows
and outflows of resources as a result of employer contributions,
changes in assumptions and proportionate share and the difference
between the expected and actual experience of the pension plan

(2,631)

Revenues reported in the fund statement that were earned in a prior year
are not recognized as revenues in the statement of activities

(49,868)

Change in Net Position of Governmental Activities as Reported in the
Statement of Activities (see page 5)

\$ 77,209

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

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,042,597	\$ 1,042,597	\$ 1,042,597	\$ -
Special Assessments	222,205	222,205	184,103	(38,102)
Intergovernmental	200,180	200,180	193,690	(6,490)
Licenses and permits	102,355	102,355	107,347	4,992
Fines and forfeits	-	-	123	123
Public charges for services	445,258	445,258	449,466	4,208
Miscellaneous	10,590	10,590	74,969	64,379
Total Revenues	2,023,185	2,023,185	2,052,295	29,110
Expenditures				
Current				
General government	421,571	413,171	361,012	52,159
Public safety	355,589	355,589	337,153	18,436
Public works	1,250,720	1,250,720	896,999	353,721
Health and human services	3,400	3,400	3,068	332
Culture, recreation and education	15,300	23,700	23,664	36
Conservation and development	12,187	12,187	11,197	990
Total Expenditures	2,058,767	2,058,767	1,633,093	425,674
Net Change in Fund Balance	(35,582)	(35,582)	419,202	454,784
Fund Balance - January 1	929,836	929,836	929,836	-
Fund Balance - December 31	\$ 894,254	\$ 894,254	\$ 1,349,038	\$ 454,784

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

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Statement of Net Position
Fiduciary Funds
December 31, 2016

ASSETS

Cash and investments
Property taxes receivable

TOTAL ASSETS

LIABILITIES

Due to other governments

Agency Fund
Tax
Collection Fund

\$ 6,418,980
5,429,809

\$ 11,848,789

\$ 11,848,789

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The Town of Algoma is a municipal corporation governed by an elected five member board. In accordance with GAAP, the basic financial statements are required to include the Town (the primary government) and any separate component units that have a significant operational or financial relationship with the Town. The Town 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. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are primarily supported by taxes and intergovernmental revenues. The Town reports no business-type activities.

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. Governmental funds include the general fund. The Town has no proprietary funds. The major governmental fund is reported as a separate column in the fund financial statements.

The Town reports the following major governmental fund:

GENERAL FUND

This is the Town's main operating fund. It accounts for all financial resources of the general government.

The Town reports the following nonmajor governmental funds:

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specific purposes.

The Town reports the following special revenue funds:

Fire
First Responder
Dedication Fees

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AGENCY FUND

The Town accounts for property taxes collected on behalf of other governments in an *agency fund*.

3. 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*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other revenues such as licenses and permits, fines and forfeits, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available.

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.

4. 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 statement. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

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.

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

d. 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.

e. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$10,000 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 acquisition value at the date of donation. General infrastructure assets acquired prior to January 1, 2004 are not reported in the basic financial statements.

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

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

	Governmental Activities Years
<u>Assets</u>	
Land Improvements	40
Buildings	40
Equipment and vehicles	5-15
Infrastructure	15-30

f. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category in the government-wide statement of net position. The first is property taxes which will be recognized as an inflow of resources in the subsequent year for which it was levied. The second is related to the Town's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. The Town also has an additional type of item, which arises only under a modified accrual basis of accounting, which 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 one source, special assessments. This amount is deferred and recognized as an inflow of resources in the period the amounts become available.

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category in the government-wide statement of net position. The first item is property taxes which will be recognized as an inflow of resources in the subsequent year for which it was levied. The second is related to the Town's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

g. Pensions

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

h. 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 Board. These constraints can only be removed or changed by the Board using the same action that was used to create them.
- **Assigned fund balance** - Amounts that are constrained for specific purposes by action of Town management. The Town Board has not authorized an employee to assign fund balance.
- **Unassigned fund balance** - Amounts that are available for any purpose.

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

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE STATEMENTS

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

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

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

1. Prior to November 15, the Town Board reviews 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. A public hearing is held to obtain taxpayer comments. Following the public hearing, the proposed budget, including authorized additions and deletions, is legally enacted by Town Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. 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 fund.
4. Expenditures may not exceed appropriations by major departmental classifications. Amendments to the budget during the year can only be made by the Town Board.
5. Encumbrance accounting is not used by the Town to record commitments related to unperformed contracts for goods or services.

The Town did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2016.

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

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

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

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

The carrying amount of the Town's cash and investments totaled \$8,768,570 on December 31, 2016 as summarized below:

Petty cash funds	\$ 201
Deposits with financial institutions	8,687,296
Beneficial interest in investments held by Community Foundation	81,073
	<u>\$ 8,768,570</u>
Basic financial statements	
Cash and investments	\$ 2,171,601
Restricted cash and investments	177,989
Fiduciary funds	
Agency fund	6,418,980
	<u>\$ 8,768,570</u>

Fair Value Measurements

The Town implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ending December 31, 2016. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Town has the following fair value measurements as of December 31, 2016:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Beneficial Interest in investments held by			
Community Foundation	\$ -	\$ -	\$ 81,073

Deposits of the Town are subject to custodial credit risk. Presented below is a discussion of the Town's deposits and the related risk.

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 Town does not have an additional custodial credit risk policy.

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

As of December 31, 2016, \$7,505,956 of the Town's deposits with financial institutions were in excess of federal and state depository insurance limits. The entire amount was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Town's name.

Beneficial Interest in Investments Held by Community Foundation

Beneficial interest in investments held by Community Foundation represents amounts held at the Oshkosh Area Community Foundation, Inc. for Jones Park 2016 Fund. The purpose of the Fund is primarily to pay expenses of the Town of Algoma Jones Park project. These investments are the legal assets of the Foundation, and the Foundation has explicit authority to redirect the assets of the Fund.

2. Property Taxes

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

The Town bills and collects its own property taxes and also levies and collects taxes for the School District of Omro, School District of Oshkosh Area Schools, Winnebago County, Fox Valley Technical College and the State of Wisconsin.

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 341,740	\$ -	\$ -	\$ 341,740
Construction in progress	-	26,350	-	26,350
Total capital assets, not being depreciated	341,740	26,350	-	368,090
Capital assets, being depreciated:				
Land improvements	303,622	-	-	303,622
Buildings	399,779	-	-	399,779
Equipment	60,000	-	-	60,000
Vehicles	931,179	-	-	931,179
Street Infrastructure	4,923,959	125,509	-	5,049,468
Stormwater Infrastructure	591,786	-	-	591,786
Subtotals	7,210,325	125,509	-	7,335,834
Less accumulated depreciation for:				
Land improvements	53,696	9,674	-	63,370
Buildings	266,109	9,994	-	276,103
Equipment	40,333	4,000	-	44,333
Vehicles	662,936	37,917	-	700,853
Street Infrastructure	1,567,563	330,356	-	1,897,919
Stormwater Infrastructure	59,158	39,452	-	98,610
Subtotals	2,649,795	431,393	-	3,081,188
Total capital assets, being depreciated, net	4,560,530	(305,884)	-	4,254,646
Governmental activities capital assets, net	\$ 4,902,270	\$ (279,534)	\$ -	\$ 4,622,736

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

Governmental activities	
General government	\$ 3,369
Culture, recreation and education	3,333
Public safety	48,542
Public works	376,149
Total depreciation expense - governmental activities	<u>\$ 431,393</u>

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. Interfund Receivables and Payables

Interfund receivables and payables between individual funds of the Town as of December 31, 2016 are detailed below:

	Interfund Receivables	Interfund Payables
Operating Accounts Between Funds		
General Fund	\$ 6,234	\$ -
Dedication Fees		6,234
Totals	<u>\$ 6,234</u>	<u>\$ 6,234</u>

5. Legal Margin for New Debt

The Town's legal margin for creation of additional general obligation debt on December 31, 2016 was \$30,640,940 as follows:

Equalized valuation of the Town	\$ 612,818,800
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	30,640,940
Total outstanding general obligation debt applicable to debt limitation	-
Legal Margin for New Debt	<u>\$ 30,640,940</u>

6. Pension Plan

a. Plan Description

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

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

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

**TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN**
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

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

The WRS also provides death and disability benefits for employees.

b. Post-Retirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2006	0.8%	3%
2007	3.0%	10%
2008	6.6%	0%
2009	(2.1)%	(42)%
2010	(1.3)%	22%
2011	(1.2)%	11%
2012	(7.0)%	(7)%
2013	(9.6)%	9%
2014	4.7%	25%
2015	2.9%	2%

c. Contributions

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

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

During the reporting period, the WRS recognized \$5,265 in contributions from the Town.

Contribution rates as of December 31, 2016 are:

Employee Category	Employee	Employer
General (including teachers)	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

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

At December 31, 2016, the Town reported a liability of \$7,374 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net pension liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the Town's proportion was 0.00045378%, which was a decrease of 0.00000278% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Town recognized pension expense of \$9,386.

At December 31, 2016, the Town reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,247	\$ 15,518
Net differences between projected and actual earnings on pension plan investments	30,191	-
Changes in assumptions	5,159	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,821	-
Employer contributions subsequent to the measurement date	6,709	-
Total	\$ 45,127	\$ 15,518

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

\$6,709 reported as deferred outflows related to pension resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflow of Resources	Deferred Inflows of Resources
2016	\$ 9,997	\$ 3,755
2017	9,997	3,755
2018	9,997	3,755
2019	8,235	3,755
2020	192	498
Total	<u>\$ 38,418</u>	<u>\$ 15,518</u>

e. Actuarial Assumption

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability:	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 - 2011. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>				
U.S. Equities	27%	23%	7.6%	4.7%
International Equities	24.5%	22%	8.5%	5.6%
Fixed Income	27.5%	37%	4.4%	1.6%
Inflation Sensitive Assets	10%	20%	4.2%	1.4%
Real Estate	7%	7%	6.5%	3.6%
Private Equity/Debt	7%	7%	9.4%	6.5%
Multi-Asset	4%	4%	6.7%	3.8%
Total Core Fund	107%	120%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. Equities	70%	70%	7.6%	4.7%
International Equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5.0%

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.57%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2016

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
Town's proportionate share of the net pension liability (asset)	\$ 51,720	\$ 7,374	\$ (27,261)

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

f. Payable to WRS

At December 31, 2016, the Town did not report a payable for the outstanding amount of contributions to the pension plan for the year ended December 31, 2016.

NOTE D - OTHER INFORMATION

1. Risk Management

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

2. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2016 and 2017 budget years, Wisconsin statutes limit the increase in the maximum allowable tax levy to the percentage change in the Town's January 1 equalized value as a result of net new construction. The actual limit for the Town for the 2016 budget was 1.23%. The actual limit for the Town for the 2017 budget was 1.01%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

3. Contingencies

From time to time, the Town 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 legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Town's financial position or results of operations.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Schedule of Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System
Last 10 Fiscal Years

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/15	0.00045656%	\$ (11,214)	\$ 42,318	26.50%	102.74%
12/31/16	0.00045378%	7,374	77,420	9.52%	98.20%

Schedule of Contributions
Wisconsin Retirement System
Last 10 Fiscal Years

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 2,962	\$ 2,962	\$ -	\$ 42,318	7.00%
12/31/16	5,265	5,265	-	77,420	6.80%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The District is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Fire	First Responders	Dedication Fees	
ASSETS				
Accounts receivable	\$ 356	\$ -	\$ -	\$ 356
Restricted assets				
Cash and investments	21,125	6,786	68,705	96,616
TOTAL ASSETS	\$ 21,481	\$ 6,786	\$ 68,705	\$ 96,972
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,369	\$ -	\$ -	\$ 1,369
Special deposits	-	-	16,371	16,371
Due to other funds	-	-	6,234	6,234
Total Liabilities	1,369	-	22,605	23,974
Fund Balances				
Restricted				
Fire	20,112	-	-	20,112
First responders	-	6,786	-	6,786
Dedication fees	-	-	46,100	46,100
Total Fund Balances	20,112	6,786	46,100	72,998
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,481	\$ 6,786	\$ 68,705	\$ 96,972

TOWN OF ALGOMA
WINNEBAGO COUNTY, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Fire	First Responders	Dedication Fees	
Revenues				
Public charges for services	\$ -	\$ -	\$ 2,445	\$ 2,445
Miscellaneous	7,555	5,183	319	13,057
Total Revenues	7,555	5,183	2,764	15,502
Expenditures				
Current				
Public safety	13,182	376	-	13,558
Culture, recreation and education	-	-	11,904	11,904
Total Expenditures	13,182	376	11,904	25,462
Net Change in Fund Balance	(5,627)	4,807	(9,140)	(9,960)
Fund Balance - January 1	25,739	1,979	55,240	82,958
Fund Balance - December 31	\$ 20,112	\$ 6,786	\$ 46,100	\$ 72,998

