



JOHNSON BLOCK

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VILLAGE OF CROSS PLAINS
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2017

VILLAGE OF CROSS PLAINS

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INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Cross Plains
Cross Plains, Wisconsin

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 Village of Cross Plains, Wisconsin, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village'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.

Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 entity'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 entity'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 Village of Cross Plains, Wisconsin as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As noted in Note 8 to the financials, beginning net position of the governmental activities was reduced by \$562,845. The decrease was a result of the Village recognizing a long-term developer incentive obligation that was not previously recognized on the Government Wide Financial Statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Wisconsin Retirement System schedules on pages iii through x and 35-37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

Johnson Block and Company, Inc.

Johnson Block & Company, Inc.
Certified Public Accountants
Madison, WI
May 7, 2018

VILLAGE OF CROSS PLAINS
Management's Discussion and Analysis
December 31, 2017

As management of the Village of Cross Plains, we offer readers of the Village's basic financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2017.

Financial Highlights

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources as of December 31, 2017 by \$8,550,377 (net position).
- The Village's total net position increased by \$2,200,615. The following factors contributed to the overall increase:
 - The Utility net position increased by \$760,330.
 - The Governmental net position increased by \$1,420,285. The increase was primarily due to contributed capital revenue recognized by the Village from developer infrastructure contributions.
- The local property tax levy (including the TIF increment) for 2017 (2018 revenue) was \$3,183,395, an increase 13.62% from the \$2,801,747 levy for 2016 (2017 revenue). The 2017 tax levy limit was adjusted for debt service on general obligation debt authorized after July 1, 2005. The assessed value of the Village for the 2017 roll was \$347,042,900 an increase of 11.9% over 2016.

Overview of the Basic Financial Statements

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

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

The *statement of net position* presents information on all of the Village's assets, deferred outflows, liabilities and deferred inflows, with the residual between the those elements reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Cross Plains is improving or deteriorating.

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

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Management's Discussion and Analysis
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Both of the government-wide financial statements distinguish functions of the Village of Cross Plains that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include general government; public safety; public works; health and social services; education and recreation; and conservation and development. The business-type activities of the Village include the water and sewer utilities.

The government-wide financial statements include only the Village of Cross Plains itself (known as the *primary government*). No component units were identified that should be included in the reporting entity. The statements do not include the legally separate fire and EMS districts.

The government-wide financial statements can be found on pages 1 and 2 of this report.

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

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered to be major funds. The non-major governmental funds are reported together.

The Village adopts an annual appropriated budget for all of its governmental funds. Supplementary budgetary comparison statements have been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 3 to 6 of this report.

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Proprietary funds There are two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprise funds to account for its utilities. Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The Village of Cross Plains does not have any internal service funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities, each of which are considered to be major funds of the Village.

The basic proprietary fund financial statements can be found on pages 7 to 9 of this report.

Notes to the basic financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 11 to 33 of this report.

Government-wide Financial Analysis

Net Position Net position may serve over time as a useful indicator of a government's financial position. The Village's net position was \$8,550,377 at the close of 2017.

Village of Cross Plains Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 4,255,239	\$ 6,586,854	\$ 2,986,397	\$ 2,443,183	\$ 7,241,636	\$ 9,030,037
Capital assets	11,630,489	9,982,629	12,241,578	12,213,712	23,872,067	22,196,341
Total Assets	\$ 15,885,728	\$ 16,569,483	\$ 15,227,975	\$ 14,656,895	\$ 31,113,703	\$ 31,226,378
Deferred charge on refunding	\$ 70,539	\$ 79,356	\$ -	\$ -	\$ 70,539	\$ 79,356
Deferred pension outflows	433,377	603,906	68,942	95,420	502,319	699,326
Other deferred debits	-	-	8,160	12,966	8,160	12,966
Total Deferred Outflows of Resources	\$ 503,916	\$ 683,262	\$ 77,102	\$ 108,386	\$ 581,018	\$ 791,648
Long-term liabilities outstanding	\$ 12,164,040	\$ 14,295,193	\$ 6,847,023	\$ 7,096,706	\$ 19,011,063	\$ 21,391,899
Other liabilities	423,212	358,960	220,913	183,445	644,125	542,405
Total Liabilities	\$ 12,587,252	\$ 14,654,153	\$ 7,067,936	\$ 7,280,151	\$ 19,655,188	\$ 21,934,304
Deferred tax levy	\$ 3,183,395	\$ 2,801,747	\$ -	\$ -	\$ 3,183,395	\$ 2,801,747
Deferred special assessments	102,292	102,292	-	-	102,292	102,292
Deferred pension inflows	174,376	227,957	26,085	34,404	200,461	262,361
Other deferred inflows	3,008	4,715	-	-	3,008	4,715
Total Deferred Inflows of Resources	\$ 3,463,071	\$ 3,136,711	\$ 26,085	\$ 34,404	\$ 3,489,156	\$ 3,171,115
Net Position:						
Net investment in capital assets	\$ 4,757,918	\$ 3,184,629	\$ 5,427,517	\$ 5,160,370	\$ 10,185,435	\$ 8,344,999
Restricted	564,304	681,787	1,462,043	1,315,398	2,026,347	1,997,185
Unrestricted (deficit)	(4,982,901)	(4,404,535)	1,321,496	974,958	(3,661,405)	(3,429,577)
Total Net Position	\$ 339,321	\$ (538,119)	\$ 8,211,056	\$ 7,450,726	\$ 8,550,377	\$ 6,912,607

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The largest portion of the Village's net position (\$10,185,435) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (\$2,026,347) represents resources that are subject to external restrictions on how they may be used. The remaining *unrestricted deficit net position* is (\$3,118,545). This deficit is a result of economic development incentives associated with the Village's TID #3.

At the end of the current fiscal year, the Village of Cross Plains is able to report positive balances for the business-type activities. The governmental-type activities had an unrestricted deficit of (\$4,982,901).

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Village of Cross Plains Change in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services and fees, fines and costs	\$ 370,630	\$ 373,650	\$1,919,115	\$1,829,068	\$ 2,289,745	\$ 2,202,718
Operating grants and contributions	455,667	460,070	-	-	455,667	460,070
Capital grants and contributions	1,196,554	-	362,276	-	1,558,830	-
General Revenues:						
Property taxes	2,801,747	2,705,572	-	-	2,801,747	2,705,572
Grants and contributions not restricted to specific programs	157,141	155,773	-	-	157,141	155,773
Unrestricted Interest and Investment	34,623	21,997	2,393	4,337	37,016	26,334
Miscellaneous	219,477	97,364	18,174	13,958	237,651	111,322
Total Revenues	5,235,839	3,814,426	2,301,958	1,847,363	7,537,797	5,661,789
Expenses:						
General Government	393,443	473,658	-	-	393,443	473,658
Public Safety	870,906	837,856	-	-	870,906	837,856
Public Works	1,052,417	1,195,418	1,543,572	1,538,487	2,595,989	2,733,905
Health, Welfare and Sanitation	19,210	18,480	-	-	19,210	18,480
Culture and Recreation	1,057,419	1,086,999	-	-	1,057,419	1,086,999
Conservation and Development	132,850	1,190,821	-	-	132,850	1,190,821
Interest on Long-Term Debt	267,365	355,322	-	-	267,365	355,322
Total Expenses	3,793,610	5,158,554	1,543,572	1,538,487	5,337,182	6,697,041
Increase (Decrease) in net position before transfers	1,442,229	(1,344,128)	758,386	308,876	2,200,615	(1,035,252)
Transfers	(1,944)	(105)	1,944	105	-	-
Increase (Decrease) in Net Position	1,440,285	(1,344,233)	760,330	308,981	2,200,615	(1,035,252)
Net Position - January 1	(538,119)	806,114	7,450,726	7,141,745	6,912,607	7,947,859
Prior period adjustments	(562,845)	-	-	-	-	-
Net position - beginning, restated	(1,100,964)	806,114	7,450,726	7,141,745	6,912,607	7,947,859
Net Position - December 31	\$ 339,321	\$ (538,119)	\$8,211,056	\$7,450,726	\$ 9,113,222	\$ 6,912,607

Governmental Activities: Governmental activities increased the Village's net position by \$1,420,285, accounting for 65 percent of the total increase in net position of the Village. Key elements of this increase are as follows:

- The Village recognized \$1,167,132 in capital contribution revenue from developer infrastructure contributions.

Business-type activities: Business-type activities increased the Village's net position by \$760,330, accounting for 35 percent of the change in the net position of the Village. Key elements of this increase are as follows:

- Sewer had operating income of \$314,212
- Water had operating income of \$29,438

VILLAGE OF CROSS PLAINS
Management's Discussion and Analysis
December 31, 2017

Financial Analysis of the Village of Cross Plains' Funds

The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of December 31, 2017, the Village's governmental funds reported combined ending fund balances of \$600,633, a decrease of 82% from the prior year. This decrease was primarily due to refunding bonds issued in 2016. While the proceeds from these bonds were received during 2016, the existing debt was not refunded until January of 2017. Of the combined ending fund balance, (\$155,704) is an *unassigned deficit* and \$168,562 is *committed* for specific purposes. The remainder of fund balance is *non-spendable* or *restricted* to indicate that it is not available for new spending because it has already been committed for the following: 1) for prepayments that benefit periods beyond the end of the current year (\$13,641), 2) for non-current receivables (\$9,321), 3) for inventories (\$519), 4) for library projects (\$175,595), 5) for debt service (\$124,728), and 6) for capital projects (\$263,971).

The general fund is the chief operating fund of the Village. At the end of the current year, unassigned fund balance was at \$208,331.

VILLAGE OF CROSS PLAINS
Management's Discussion and Analysis
December 31, 2017

During the current year, the Village's general fund balance decreased by \$52,372.

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

The Water Utility's operating income in 2017 was \$29,438, as compared to operating income of \$10,839 in 2016. In 2017, revenues decreased 0.79% and expenses decreased 4.89% from the prior year.

The Sewer Utility's operating income was \$314,212 in 2017 and \$319,492 in 2016. The decrease was due to a 2.27% increase in revenues and a 3.51% increase in expenses.

General Fund Budgetary Highlights

- Actual expenditures were over budget amounts by \$104,064, or 5.99% of the budgeted expenditures. Actual revenues were over budget by \$104,851.

Capital Asset and Debt Administration

Capital assets The Village of Cross Plains' investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounts to \$23,872,067 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and public domain infrastructure (roads and storm sewers). The net increase in the Village's investment in capital assets for the current year was \$4,757,918. This is due to additions to capital assets exceeding depreciation expense.

Additional information on the Village of Cross Plains' capital assets can be found in Note 3 on pages 20 and 21 of this report.

Long-term debt At the end of the current fiscal year, the Village had total debt outstanding of \$17,972,888. General obligation debt which was backed by the full faith of the Village totaled \$11,770,000. The remainder of \$6,202,888 is secured by revenues of the Water Utility and Sewer Utility.

During the fiscal year, the net decrease in the Village's debt was \$2,840,654.

Additional information on Village of Cross Plains' long-term debt can be found in Note 4 on pages 21 to 25 of this report.

VILLAGE OF CROSS PLAINS
Management's Discussion and Analysis
December 31, 2017

Economic Factors and Next Year's Budgets and Rates

- The 2017 tax levy (to be collected in 2018) was subject to tax levy limits imposed by the State of Wisconsin. The State has extended these limits for the 2017 property tax levies.

Contacting the Village's Financial Management

This financial report is designed to provide a general overview of the Village of Cross Plains' finances. Questions, concerning any of the information provided in this report or requests for additional information should be addressed to the Village of Cross Plains Administrator, 2417 Brewery Road, Cross Plains, WI 53528.

FINANCIAL STATEMENTS

**Village of Cross Plains
Cross Plains, Wisconsin**

**Statement of Net Position
December 31, 2017**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,218,734	\$ 537,004	\$ 1,755,738
Receivables	3,386,380	609,360	3,995,740
Internal Balances	(364,035)	364,035	-
Inventories	519	6,373	6,892
Other assets	13,641	7,582	21,223
Restricted assets:			
Cash and cash equivalents	-	1,462,043	1,462,043
Capital assets:			
Land, improvements and construction in progress	2,267,337	169,615	2,436,952
Capital assets, net of depreciation	9,363,152	12,071,963	21,435,115
Net capital assets	<u>11,630,489</u>	<u>12,241,578</u>	<u>23,872,067</u>
 Total assets	 <u>15,885,728</u>	 <u>15,227,975</u>	 <u>31,113,703</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	70,539	-	70,539
Deferred pension outflows	433,377	68,942	502,319
Other deferred debits	-	8,160	8,160
 Total deferred outflows of resources	 <u>503,916</u>	 <u>77,102</u>	 <u>581,018</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 16,389,644</u>	 <u>\$ 15,305,077</u>	 <u>\$ 31,694,721</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 365,257	\$ 220,913	\$ 586,170
Long-term liabilities:			
Due within one year			
Bonds, notes payable and contracts	1,296,035	582,614	1,878,649
Accrued interest	51,821	28,306	80,127
Due in more than one year			
Bonds, notes payable and contracts	10,489,396	6,147,703	16,637,099
Compensated absences	326,788	-	326,788
Net pension liability	57,955	4,657	62,612
Deferred credits	-	83,743	83,743
Total liabilities	<u>12,587,252</u>	<u>7,067,936</u>	<u>19,655,188</u>
 Total liabilities	 <u>\$ 365,257</u>	 <u>\$ 220,913</u>	 <u>\$ 586,170</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred tax levy	3,183,395	-	3,183,395
Deferred special assessments	102,292	-	102,292
Deferred pension inflows	174,376	26,085	200,461
Other deferred inflows	3,008	-	3,008
Total deferred inflows of resources	<u>3,463,071</u>	<u>26,085</u>	<u>3,489,156</u>
NET POSITION			
Net investment in capital assets	4,757,918	5,427,517	10,185,435
Restricted for:			
Library	175,605	-	175,605
Capital Projects	263,971	-	263,971
Debt service	124,728	353,761	478,489
Plant replacement fund	-	1,108,282	1,108,282
Unrestricted (deficit)	<u>(4,982,901)</u>	<u>1,321,496</u>	<u>(3,661,405)</u>
Total net position	<u>339,321</u>	<u>8,211,056</u>	<u>8,550,377</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 <u>\$ 16,389,644</u>	 <u>\$ 15,305,077</u>	 <u>\$ 31,694,721</u>

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

**Village of Cross Plains
Cross Plains, Wisconsin**

**Statement of Activities
For the Year Ended December 31, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:							
General Government	\$ 393,443	\$ 121,003	\$ -	\$ -	\$ (272,440)		\$ (272,440)
Public Safety	870,906	31,313	16,645	-	(822,948)		(822,948)
Public Works	1,052,417	6,341	235,806	1,181,554	371,284		371,284
Health, Welfare and Sanitation	19,210	-	-	-	(19,210)		(19,210)
Culture and Recreation	1,057,419	201,313	196,563	15,000	(644,543)		(644,543)
Conservation and Development	132,850	10,660	6,653	-	(115,537)		(115,537)
Interest on Long-term Debt	267,365	-	-	-	(267,365)		(267,365)
Total governmental activities	<u>3,793,610</u>	<u>370,630</u>	<u>455,667</u>	<u>1,196,554</u>	<u>(1,770,759)</u>		<u>(1,770,759)</u>
Business-type Activities:							
Water	372,116	462,597	-	216,199	-	\$ 306,680	306,680
Sewer	1,171,456	1,456,518	-	146,077	-	431,139	431,139
Total business-type activities	<u>1,543,572</u>	<u>1,919,115</u>	<u>-</u>	<u>362,276</u>	<u>-</u>	<u>737,819</u>	<u>737,819</u>
Total	<u>\$ 5,337,182</u>	<u>\$ 2,289,745</u>	<u>\$ 455,667</u>	<u>\$ 1,558,830</u>	<u>(1,770,759)</u>	<u>737,819</u>	<u>(1,032,940)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					1,892,747	-	1,892,747
Property taxes, levied for debt service					909,000	-	909,000
Grants and contributions not restricted to specific programs					157,141	-	157,141
Unrestricted investment earnings					34,623	2,393	37,016
Miscellaneous					219,477	18,174	237,651
Transfers					(1,944)	1,944	-
Total general revenues and transfers					<u>3,211,044</u>	<u>22,511</u>	<u>3,233,555</u>
Change in net position					<u>1,440,285</u>	<u>760,330</u>	<u>2,200,615</u>
Net Position - Beginning					(538,119)	7,450,726	6,912,607
Prior period adjustments					(562,845)	-	(562,845)
Net position - beginning, restated					<u>(1,100,964)</u>	<u>7,450,726</u>	<u>6,349,762</u>
Net Position - Ending					<u>\$ 339,321</u>	<u>\$ 8,211,056</u>	<u>\$ 9,113,222</u>

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

**Village of Cross Plains
Cross Plains, Wisconsin**

**Balance Sheet
Governmental Funds
December 31, 2017**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>TID #3 Fund</u>	<u>Parks Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and Cash Equivalents	\$ 320,472	\$ 124,728	\$ 406,312	\$ -	\$ 166,274	\$ 200,945	\$ 1,218,731
Receivables:							
Taxes	1,139,425	1,014,000	-	508,345	248,450	273,175	3,183,395
Special Assessments	102,947	-	-	-	-	-	102,947
Accounts	17,794	-	82,245	-	-	-	100,039
Inventories	519	-	-	-	-	-	519
Prepaid Expenses	13,641	-	-	-	-	-	13,641
Total Assets	<u>\$ 1,594,798</u>	<u>\$ 1,138,728</u>	<u>\$ 488,557</u>	<u>\$ 508,345</u>	<u>\$ 414,724</u>	<u>\$ 474,120</u>	<u>\$ 4,619,272</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 92,045	\$ -	\$ 224,586	\$ -	\$ 9,077	\$ 10,977	\$ 336,685
Accrued Liabilities	560	-	-	-	-	-	560
Other Payables	28,009	-	-	-	-	-	28,009
Advances Payable	-	-	-	364,035	-	-	364,035
Total Liabilities	<u>120,614</u>	<u>-</u>	<u>224,586</u>	<u>364,035</u>	<u>9,077</u>	<u>10,977</u>	<u>729,289</u>
Deferred Inflows of Resources:							
Subsequent Year Tax Levy	1,139,425	1,014,000	-	508,345	248,450	273,175	3,183,395
Deferred Special Assessments	102,947	-	-	-	-	-	102,947
Other Deferred Inflows	-	-	-	-	3,008	-	3,008
Total Deferred Inflows of Resources	<u>1,242,372</u>	<u>1,014,000</u>	<u>-</u>	<u>508,345</u>	<u>251,458</u>	<u>273,175</u>	<u>3,289,350</u>
Fund Balances:							
Nonspendable	23,481	-	-	-	-	-	23,481
Restricted	-	124,728	263,971	-	-	175,595	564,294
Committed	-	-	-	-	154,189	14,373	168,562
Unassigned (Deficit)	208,331	-	-	(364,035)	-	-	(155,704)
Total Fund Balances	<u>231,812</u>	<u>124,728</u>	<u>263,971</u>	<u>(364,035)</u>	<u>154,189</u>	<u>189,968</u>	<u>600,633</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,594,798</u>	<u>\$ 1,138,728</u>	<u>\$ 488,557</u>	<u>\$ 508,345</u>	<u>\$ 414,724</u>	<u>\$ 474,120</u>	<u>\$ 4,619,272</u>

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

**Village of Cross Plains
Cross Plains, Wisconsin**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2017**

Total fund balance, governmental funds	\$	600,633
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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 this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Governmental capital assets	20,188,704	
Governmental accumulated depreciation	<u>(8,558,214)</u>	11,630,490

Some receivables (such as Special Assessments) are not available to pay current period expenditures and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Special Assessments	<u>655</u>	655
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Pension deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan. These items are reflected in the Statement of Net Position and are being amortized with pension expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.

Deferred outflows of resources	433,377	
Deferred inflows of resources	<u>(174,376)</u>	259,001

Some liabilities, (such as Notes Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

General obligation debt	(11,785,431)	
Unamortized loss on advanced refunding	70,539	
Accrued vacation and sick	(326,788)	
Net pension liability	(57,955)	
Accrued interest	<u>(51,821)</u>	(12,151,456)

Rounding		(2)
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Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>339,321</u></u>
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**Village of Cross Plains
Cross Plains, Wisconsin**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>TID #3 Fund</u>	<u>Parks Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Property Taxes	\$ 1,031,650	\$ 909,000	\$ -	\$ 353,897	\$ 249,000	\$ 258,200	\$ 2,801,747
Other Taxes	3,855	-	-	-	-	-	3,855
Intergovernmental	408,785	-	29,422	6,653	-	108,521	553,381
License and Permits	120,202	-	-	-	-	-	120,202
Fines, Forfeits and Penalties	21,655	-	-	-	-	3,525	25,180
Public Charges for Services	77,856	-	32,985	125	195,940	-	306,906
Intergovernmental Charges for Services	-	-	-	-	734	-	734
Investment Income (Loss)	12,274	-	-	-	-	16,448	28,722
Miscellaneous Income	49,974	-	121,565	-	25,717	16,694	213,950
Total Revenues	<u>1,726,251</u>	<u>909,000</u>	<u>183,972</u>	<u>360,675</u>	<u>471,391</u>	<u>403,388</u>	<u>4,054,677</u>
EXPENDITURES							
Current:							
General Government	356,636	-	-	-	-	-	356,636
Public Safety	739,308	-	-	-	-	-	739,308
Public Works	706,905	-	-	-	-	-	706,905
Culture, Recreation and Education	-	-	-	-	443,242	372,910	816,152
Conservation and Development	72,615	-	-	69,574	-	-	142,189
Capital Outlay	-	-	1,166,309	-	2,338	-	1,168,647
Debt Service:							
Principal Repayment	-	815,416	-	2,689,900	-	-	3,505,316
Interest and Fiscal Charges	-	147,153	29,316	157,555	-	-	334,024
Fiscal Charges	-	5,051	-	-	-	-	5,051
Total Expenditures	<u>1,875,464</u>	<u>967,620</u>	<u>1,195,625</u>	<u>2,917,029</u>	<u>445,580</u>	<u>372,910</u>	<u>7,774,228</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(149,213)</u>	<u>(58,620)</u>	<u>(1,011,653)</u>	<u>(2,556,354)</u>	<u>25,811</u>	<u>30,478</u>	<u>(3,719,551)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from Long-Term Debt	-	-	890,000	-	-	-	890,000
Issuance Premium on Long-Term Debt	-	-	3,481	-	-	-	3,481
Transfers In	96,841	10,000	-	37,226	-	-	144,067
Transfers Out	-	(37,226)	-	(98,785)	(10,000)	-	(146,011)
Total Other Financing Sources and Uses	<u>96,841</u>	<u>(27,226)</u>	<u>893,481</u>	<u>(61,559)</u>	<u>(10,000)</u>	<u>-</u>	<u>891,537</u>
Net Change in Fund Balances	<u>(52,372)</u>	<u>(85,846)</u>	<u>(118,172)</u>	<u>(2,617,913)</u>	<u>15,811</u>	<u>30,478</u>	<u>(2,828,014)</u>
Fund Balances (Deficit) - Beginning	284,184	210,574	382,143	2,253,878	138,378	159,490	3,428,647
Fund Balances - Ending	<u>\$ 231,812</u>	<u>\$ 124,728</u>	<u>\$ 263,971</u>	<u>\$ (364,035)</u>	<u>\$ 154,189</u>	<u>\$ 189,968</u>	<u>\$ 600,633</u>

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

**Village of Cross Plains
Cross Plains, Wisconsin**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to
the Statement of Activities
For the Year Ended December 31, 2017**

Net change in fund balances - total governmental funds: \$ (2,828,014)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays, \$1,064,513, were less than depreciation, \$583,784, in the current period. 480,729

Capital contributions from developers increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 1,167,132

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.

The amount of long-term debt principal payments in the current year	3,505,316	
The amount of long-term debt acquired in the current year	<u>(890,000)</u>	
		2,615,316

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest not reflected on Governmental funds	80,527
Compensated absences recorded when paid in Governmental funds	(21,843)
Amortization of loss on refunding	(8,817)

Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset from the prior year to the current year, with some adjustments. (64,741)

Rounding (4)

Change in net position of governmental activities \$ 1,420,285

**Village of Cross Plains
Cross Plains, Wisconsin**

**Statement of Net Position
Proprietary Funds
December 31, 2017**

	Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 278,731	\$ 258,273	\$ 537,004
Receivables			
Accounts	147,942	461,418	609,360
Advances Receivable	-	364,035	364,035
Inventories	5,686	688	6,374
Prepaid Expenses	3,250	4,332	7,582
Total Current Assets	435,609	1,088,746	1,524,355
Restricted Assets:			
Restricted Cash and Cash Equivalents	41,999	1,420,044	1,462,043
Total Restricted Assets	41,999	1,420,044	1,462,043
Capital Assets:			
Construction Work in Progress	55,719	83,579	139,298
Capital Assets	5,333,550	13,199,807	18,533,357
Less Accumulated Depreciation	(1,593,454)	(4,837,624)	(6,431,078)
Net Capital Assets	3,795,815	8,445,762	12,241,577
Total Assets	4,273,423	10,954,552	15,227,975
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	28,109	49,130	77,239
Other Deferred Debits	-	8,160	8,160
Total Deferred Outflows of Resources	28,109	57,290	85,399
Total Assets and Deferred Outflows of Resources	\$ 4,301,532	\$ 11,011,842	\$ 15,313,374
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 89,213	\$ 131,701	\$ 220,914
Accrued Liabilities	5,901	22,405	28,306
Current Portion of Long-Term Debt:			
Bonds and Loans Payable	90,703	491,911	582,614
Total Current Liabilities	185,817	646,017	831,834
Non-Current Liabilities:			
Long-Term Debt			
Bonds and Loans Payable	1,450,048	4,697,655	6,147,703
Other Liabilities			
Net Pension Liability	1,878	2,778	4,656
Deferred Credits	83,743	-	83,743
Total Other Liabilities	85,621	2,778	88,399
Total Non-Current Liabilities	1,535,669	4,700,433	6,236,102
Total Liabilities	1,721,486	5,346,450	7,067,936
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	13,221	21,161	34,382
Total Deferred Inflows of Resources	13,221	21,161	34,382
NET POSITION			
Net Investment in Capital Assets	2,171,321	3,256,196	5,427,517
Restricted	41,999	1,420,044	1,462,043
Unrestricted	353,505	967,991	1,321,496
Total Net Position	2,566,825	5,644,231	8,211,056
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 4,301,532	\$ 11,011,842	\$ 15,313,374

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

**Village of Cross Plains
Cross Plains, Wisconsin**

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017**

	Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$ 455,489	\$ 1,349,691	\$ 1,805,180
Other Operating Revenues	7,109	10,913	18,022
Total Operating Revenues	462,598	1,360,604	1,823,202
OPERATING EXPENSES			
Operation and Maintenance	228,065	633,387	861,452
Depreciation and Amortization	115,839	413,005	528,844
Taxes	89,256	-	89,256
Total Operating Expenses	433,160	1,046,392	1,479,552
Operating Income (Loss)	29,438	314,212	343,650
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	322	2,070	2,392
Miscellaneous Non-Operating Revenue	18,172	-	18,172
Hook Up Fees	-	95,914	95,914
Interest Expense	(27,250)	(123,074)	(150,324)
Total Non-Operating Revenues (Expenses)	(8,756)	(25,090)	(33,846)
Income (Loss) Before Capital Contributions and Transfers	20,682	289,122	309,804
Capital Contributions	216,199	146,077	362,276
Transfers In	33,500	54,750	88,250
Change in Net Position	270,381	489,949	760,330
Total Net Position - Beginning	2,296,444	5,154,282	7,450,726
Total Net Position - Ending	\$ 2,566,825	\$ 5,644,231	\$ 8,211,056

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

**Village of Cross Plains
Cross Plains, Wisconsin**

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017**

	Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 453,961	\$ 1,366,878	\$ 1,820,839
Payments to suppliers	(74,892)	(471,907)	(546,799)
Payments to employees	(108,797)	(139,940)	(248,737)
Internal activity - payments from (to) other funds	-	(364,035)	(364,035)
Taxes paid	(89,256)	(7,482)	(96,738)
Net cash provided (used) by operating activities	<u>181,015</u>	<u>383,515</u>	<u>564,530</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	171,516	158,880	330,396
Purchase or construction of capital assets	(130,131)	(59,496)	(189,627)
Proceeds from sale of capital assets	4,217	-	4,217
Transfers from (to) other funds	33,500	54,750	88,250
Hook up fees	-	95,914	95,914
Principal paid on capital debt	(86,532)	(469,189)	(555,721)
Interest paid on capital debt	(27,500)	(125,120)	(152,620)
Net cash provided (used) by capital and related financing activities	<u>(34,930)</u>	<u>(344,261)</u>	<u>(379,191)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	322	2,070	2,392
Net cash provided (used) by investing activities	<u>322</u>	<u>2,070</u>	<u>2,392</u>
Net increase (decrease) in cash and cash equivalents	146,407	41,324	187,731
Cash at beginning of year	<u>174,323</u>	<u>1,636,993</u>	<u>1,811,316</u>
Cash at end of year	<u>\$ 320,730</u>	<u>\$ 1,678,317</u>	<u>\$ 1,999,047</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 29,438	\$ 314,212	\$ 343,650
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Joint Meter	12,765	(12,765)	-
Depreciation expense	115,839	408,199	524,038
Amortization expense	-	4,806	4,806
Pension expense	4,420	5,632	10,052
Changes in assets, deferred outflows, liabilities and deferred inflows:			
Receivables, net	(8,637)	17,187	8,550
Due from other funds	-	(364,035)	(364,035)
Accounts and other payables	27,190	10,279	37,469
Net cash provided (used) by operating activities	<u>\$ 181,015</u>	<u>\$ 383,515</u>	<u>\$ 564,530</u>
Reconciliation of cash and cash equivalents to statement of net position			
Cash and cash equivalents	\$ 278,731	\$ 258,273	\$ 537,004
Restricted cash and cash equivalents	41,999	1,420,044	1,462,043
	<u>\$ 320,730</u>	<u>\$ 1,678,317</u>	<u>\$ 1,999,047</u>

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

**Village of Cross Plains
Statement of Net Position
Fiduciary Fund
December 31, 2017**

	Tax Agency
ASSETS	
Cash and Investments	\$ 3,491,379
Property Taxes Receivable	1,678,606
Total receivables	5,169,985
Total Assets	\$ 5,169,985
LIABILITIES	
Due to Other Governments	5,169,985
Total Liabilities	\$ 5,169,985

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

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

1. Significant Accounting Policies

The accounting policies of the Village of Cross Plains, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

A. Reporting Entity

The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. The Village has no component units which must be included in the reporting entity because of the significance of their operational or financial relationships with the Village.

See Note 6 regarding joint ventures.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the Village. The effect of most interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 for services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the requirements of a particular function. Taxes and other items not included in program revenues are reported 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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, net position/fund equity, revenues, and expenditures/expenses.

In addition, all funds in the fund financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note 1.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

- 1. Significant Accounting Policies (Continued)**
- B. Government-Wide and Fund Financial Statements (Continued)**

Fund Financial Statements (Continued)

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

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

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the municipality. It is used to account for all financial resources except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Tax Increment District #3 Fund (“TID #3”) is used to account for financial resources to be used for improvements in the Village’s TIF district.

Parks Fund is used to account for the operations of the parks and recreation programs of the Village.

The Village reports the following major proprietary funds:

Enterprise Funds - The enterprise funds are the water utility and the sewer utility.

The nonmajor governmental funds of the Village are the Library Operations Fund and the Library Endowment Fund.

In addition, the Village reports the following fund type:

Agency Funds - used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Village reports its tax collection activity as an agency fund.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

1. Significant Accounting Policies (Continued)
C. 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 financial statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized when all eligibility requirements have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Resources not available to finance expenditures and commitments of the current period are recorded as deferred inflows of resources or nonspendable fund equity. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Budgets

Annual budgets, as required by state statutes, are approved by the Village Board. Budgets were adopted for the general fund, debt service fund and capital projects fund. Appropriations lapse at year-end unless specifically carried over. Expenditures are controlled at the department level. See notes to required supplementary information for additional information.

E. Cash and Cash Equivalents

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

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

1. Significant Accounting Policies (Continued)
F. Taxes Receivable

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments as well as the local and vocational school districts. Taxes for other state and local governmental units collected in the current year for the succeeding year are reported as payable to other governments. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar - 2017 tax roll

Lien date and levy date	December, 2017
Tax bills mailed	December, 2017
Payment in full, or	
First installment due	January 31, 2018
Second installment due	July 31, 2018
Personal property taxes in full	January 31, 2018
Tax sale – 2017 delinquent real estate taxes	October, 2020

G. Allowance for Uncollectible Accounts

Delinquent real estate taxes are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made in the accompanying utility financial statements because the water and sewer utilities have the right by law to place delinquent bills on the tax roll.

H. Capital Assets

Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, overhead, and interest incurred during construction. Contributed capital assets are recorded at fair market value at the time received. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and accumulated depreciation.

The cost of streets and curb and gutter acquired prior to 2001 was estimated. The cost of storm water drainage systems and sidewalks acquired prior to 2001 has not been capitalized.

Capital assets acquired for governmental purposes are recorded as expenditures in the governmental fund financial statements.

Depreciation is recorded using the straight line method over the estimated useful lives. The rate used in the sewer utility varies between 1.11% to 20%. The rate used in the water utility varies between 1.3% to 26.7%.

I. Inventories

Proprietary fund inventories are generally used for construction or maintenance - not for resale. They are valued at cost based on first in - first out and charged to construction or maintenance when used.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

1. Significant Accounting Policies (Continued)

J. Long Term Debt

In the government-wide and proprietary fund financial statements, long-term liabilities are reported as liabilities.

Long term liabilities are not reported in the governmental fund financial statements. Proceeds of long-term debt issues are reflected as "Other Financing Sources" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

K. Deferred Regulatory Credit

In 2004, the Public Service Commission of Wisconsin required regulated utilities (the water utility) to create a deferred regulatory credit account. The amount of the credit was equal to the estimated accumulated depreciation on contributed utility plant as of December 31, 2003. The credit has the effect of reducing the rate base used by the Commission in approving user rates charged by the utilities. The credit is being amortized to non-operating income over a period of 20 years.

L. Compensated Absences

The governmental funds have not recorded liabilities for accrued employee vacations and sick leave since these will not be liquidated from current revenues. The actual expenditure will be recorded at the time the benefits are used by the employee, and will be paid at the rate of pay then in effect. Under terms of employment, municipal employees are granted vacations and sick leave in varying amounts. To the extent that sick leave and vacation must be paid by the municipality when an employee leaves employment, such amounts are considered to be a long-term liability and are reported in the government-wide and proprietary fund financial statements.

M. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. The related expenditure is recognized when the liability is liquidated. Claims and judgments are reported in the government-wide and proprietary fund financial statements as expenses when the related liabilities are incurred.

N. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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.

O. Equity

Equity is classified as net position in the government-wide and proprietary fund financial statements and displayed in three components. 1) Net investment in capital assets – the amount of capital assets less accumulated depreciation and outstanding debt related to the purchase, construction or improvement of capital assets. 2) Restricted net position – amount of net position subject to restrictions that are imposed by external groups or law. 3) Unrestricted net position – net position that is classified as neither of the above.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

1. Significant Accounting Policies (Continued)
O. Equity (Continued)

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

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned – resources neither restricted nor committed for which a government has stated intended use for a specific purpose. This intent can be expressed through the Village Board or through the Village Board delegating this responsibility to the Village Administrator/Clerk-Treasurer through the budgetary process.

Unassigned – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The Village would typically use Restricted fund balances first, followed by Committed resources and then Assigned resources, but reserves the right to selectively spend Unassigned resources first and to defer the use of these other classified funds.

P. Revenues and Expenses

Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the municipality is entitled to the aids.

Special assessments are recorded as revenues when collected. Annual installments due in future years are reflected as receivables and deferred inflows.

Proprietary fund revenues are recorded when services are billed. Unbilled receivables are not recorded since the amount is not material. Rates charged by the water utility are regulated by the Public Service Commission (PSC) of Wisconsin. Rates charged by the sewer utility are approved by the Village Board.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are user charges for water consumption and for wastewater disposal and treatment. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Contributions and contributed capital to the water and sewer utilities are reflected as non-operating revenue.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

1. Significant Accounting Policies (Continued)

Q. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS), and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported for 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.

R. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

2. Cash and Investments

Investment of Village funds is restricted by State statutes. Available investments are limited to:

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State;
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
- (3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, or school district of this State;
- (4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;
- (5) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes;
- (6) Agreements in which a public depository agrees to repay funds advanced to it by the Board, plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government;
- (7) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options;
- (8) Bonds issued by the University of Wisconsin Hospital and Clinics Authority and the Wisconsin Aerospace Authority.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

2. Cash and Investments (Continued)

The Village's deposits and investments at year end were comprised of the following:

	Bank Balance	Carrying Value Balance	Associated Risk
Deposits	\$ 8,760,702	\$ 9,115,172	Custodial credit risk
Total Cash and Investments	\$ 8,760,702	\$ 9,115,172	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 4,132,137		
Restricted cash and investments	1,315,398		
Per statement of net position -			
Fiduciary Funds			
Tax Agency	3,667,637		
Total Cash and Investments	\$ 9,115,172		

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 Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure of fair value losses arising from increasing interest rates.

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. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village would 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 risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Village would not be able to recover the value of its investment of collateral securities that are in the possession of another party. The Village does not have an investment policy for custodial credit risk.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

2. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts and \$250,000 for demand deposit accounts. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts by substantially higher amounts.

As of December 31, 2017, all of the Village's deposits with financial institutions were covered by federal depository insurance limits, collateralized by securities held by the pledging financial institution or were held in an Insured Cash Sweep (ICS) account. Funds held in the ICS account that exceed FDIC limits are deposited into separate accounts at different financial institutions to ensure that their balances never exceed the FDIC limits.

Concentration of Credit Risk

The Village does not have a policy for concentration of credit risk. No Village investment represents 5% or more of the total investments.

Restricted Cash and Investments

The use of certain cash and investment accounts is restricted by loan and grant agreements. The restricted accounts are as follows:

Enterprise Funds:	<u>1/1/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2017</u>
Sewerage System Depreciation Fund - includes annual deposits, and will be used for the sewer collection system.	\$ 73,365	\$ 75,566	\$ -	\$ 148,931
Sewerage System Bond Fund - includes annual deposits and is used to pay off Clean Water Fund loan.	306,661	311,764	306,661	311,764
Water System Bond Fund - includes annual deposits and is used to pay off Safe Drinking Water loan.	41,477	522	-	41,999
Plant Replacement Fund - required by the DNR, includes annual deposits and is restricted for treatment plant equipment.	893,894	65,455	-	959,349
Total	<u>\$ 1,315,397</u>	<u>\$ 453,307</u>	<u>\$ 306,661</u>	<u>\$ 1,462,043</u>

The Sewer Utility also holds cash from connection fees that totaled \$578,578 and \$482,664 at December 31, 2017 and 2016, respectively. This cash is not held in a separate restricted account.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

3. Capital Assets

Capital asset activity for the year ended December 31, 2017 is shown below:

Governmental Activities	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
<i>Capital assets, not being depreciated</i>				
Land	\$ 2,153,845	\$ -	\$ -	\$ 2,153,845
Construction work in progress	17,690	95,802	-	113,492
Subtotals	2,171,535	95,802	-	2,267,337
<i>Capital assets, being depreciated</i>				
Infrastructure	6,830,333	1,181,554	-	8,011,887
Buildings and improvements	7,281,252	468,218	-	7,749,470
Equipment and vehicles	1,719,774	486,070	45,835	2,160,009
Subtotals	15,831,359	2,135,842	45,835	17,921,366
<i>Accumulated depreciation</i>				
Infrastructure	3,347,018	261,837	-	3,608,855
Buildings and improvements	3,375,432	183,025	-	3,558,457
Equipment and vehicles	1,297,815	138,922	45,835	1,390,902
Subtotals	8,020,265	583,784	45,835	8,558,214
<i>Net capital assets, being depreciated</i>	7,811,094	1,552,058	-	9,363,152
Capital Assets, net	<u>\$ 9,982,629</u>	<u>\$ 1,647,860</u>	<u>\$ -</u>	<u>\$ 11,630,489</u>
Business-type Activities	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
<i>Capital assets, not being depreciated</i>				
Land	\$ 30,317	\$ -	\$ -	\$ 30,317
Construction work in progress	139,298	-	-	139,298
Subtotals	30,317	-	-	169,615
<i>Capital assets, being depreciated</i>				
Sewer utility plant	12,980,293	205,574	10,922	13,174,945
Water utility plant	4,994,836	346,330	13,072	5,328,094
Subtotals	17,975,129	551,904	23,994	18,503,039
<i>Accumulated depreciation</i>				
Sewer utility plant	4,453,111	395,434	10,922	4,837,623
Water utility plant	1,477,921	128,604	13,072	1,593,453
Subtotals	5,931,032	524,038	23,994	6,431,076
<i>Net capital assets, being depreciated</i>	12,044,097	27,866	-	12,071,963
Capital Assets, net	<u>\$ 12,074,414</u>	<u>\$ 27,866</u>	<u>\$ -</u>	<u>\$ 12,241,578</u>

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

3. Capital Assets (Continued)

Depreciation expense was charged to functions on the Statement of Activities as follows:

Governmental activities:	
General government	\$ 22,351
Public safety	89,071
Public works	306,927
Recreation and education	165,435
Total	<u>\$ 583,784</u>
Business-type activities:	
Sewer Utility	\$ 395,434
Water Utility	128,604
Total	<u>\$ 524,038</u>

4. Long Term Obligations

The following is a summary of the long-term debt transactions for the year ended December 31, 2017:

	<u>Balance</u> <u>1/1/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2017</u>	<u>Due Within</u> <u>One Year</u>
<u>General Obligation Debt</u>					
General	\$ 13,857,900	\$ 890,000	\$ 3,505,329	\$ 11,242,571	\$ 1,275,048
Proprietary	597,000	-	69,571	527,429	69,951
Total	<u>\$ 14,454,900</u>	<u>\$ 890,000</u>	<u>\$ 3,574,900</u>	<u>\$ 11,770,000</u>	<u>\$ 1,344,999</u>
<u>Developer Incentives</u>					
General	<u>\$ 562,845</u>	<u>\$ -</u>	<u>\$ 19,985</u>	<u>\$ 542,860</u>	<u>\$ 20,987</u>
<u>Mortgage Revenue Debt</u>					
Proprietary	<u>\$ 6,358,642</u>	<u>\$ 330,396</u>	<u>\$ 486,150</u>	<u>\$ 6,202,888</u>	<u>\$ 512,663</u>

Interest paid in 2017 on general obligation and mortgage revenue debt was \$317,379 and \$139,651 respectively.

A. General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. General obligation notes and bonds will be retired by future property tax levies accumulated by the debt service funds. Tax increment district debt is payable from annual tax increments collected on the tax roll. If the tax increments are not sufficient, the debt will be paid by future tax levies. Proprietary fund debt is payable by revenues from user fees of those funds.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

4. Long Term Obligations (Continued)
A. General Obligation Debt (Continued)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the municipality may not exceed five percent of the equalized value of taxable property within the municipality's jurisdiction. The debt limit as of December 31, 2017 was \$19,115,035. The total of general obligation debt at December 31, 2017 was \$11,770,000.

The following debt issues comprise the outstanding balance as of December 31, 2017.

<u>Issue Description</u>	<u>Balance</u>
Bonds dated December 2, 2010 for refinancing of existing debt and capital improvements, with semi-annual interest payments and annual principal payments with final payment due on March 1, 2022. Interest varies from .70% to 3.00%.	\$1,255,000
Note dated August 31, 2011 for refinancing of existing debt and capital improvements, with semi-annual interest payments and annual principal payments with final payment due on April 1, 2021. Interest at 1.99%.	70,000
Bonds dated May 15, 2012 for refinancing of existing debt and capital improvements, with semi-annual interest payments and annual principal payments with final payment due on May 1, 2025. Interest varies at .70% to 2.80%.	1,355,000
Bonds dated May 15, 2012 for sewerage system improvements, payable in annual installments of principal and semi-annual payments of interest. Final maturity May 1, 2025. Interest varies at .70% to 2.80%.	70,000
Bonds dated May 15, 2012 for water system improvements, payable in annual installments of principal and semi-annual payments of interest. Final maturity May 1, 2025. Interest varies at .70% to 2.80%.	50,000
Bonds dated April 17, 2013 for refinancing of existing debt and capital improvements, with semi-annual interest payments and annual principal payments with final payment due on April 1, 2023. Interest varies at .45% to 1.85%.	342,571
Bonds dated April 17, 2013 for sewerage system improvements, payable in annual installments of principal and semi-annual payments of interest. Final maturity April 1, 2023. Interest varies at .45% to 1.85%.	27,429
Bonds dated June 11, 2014 for refinancing of existing debt and capital improvements, with semi-annual interest payments and annual principal payments with final payment due on June 1, 2033. Interest varies from .80% to 3.80%.	1,825,000
Note dated April 7, 2015 for capital improvements, with semi-annual interest payments and annual principal payments with final payment due on April 1, 2025. Interest varies from .8%-2.4%.	975,000
Note dated July 21, 2016 for capital improvements, with semi-annual interest payments and annual principal payments with final payment due on June 1, 2036. Interest varies from 1.1%-3.0%	1,675,000

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

4. Long Term Obligations (Continued)

A. General Obligation Debt (Continued)

Note dated October 20, 2016 for TID #3 refinancing existing debt and development incentives, with annual interest payments and annual principal payments with final payment due on March 1, 2026. Interest varies from 1.1%-2.4% 3,235,000

Note dated September 14, 2017 for capital improvements, with semi-annual interest payments and annual principal payments with final payment due on September 1, 2027. Interest varies from 1.35%-2.3%. 890,000

Total General Obligation Debt \$11,770,000

B. Mortgage Revenue Debt

<u>Issue Description</u>	<u>Balance</u>
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Bonds dated June 22, 2005 for treatment plant upgrade, secured by sewer utility revenues, payable in annual installments of principal and semi-annual payments of interest. Final maturity May 1, 2025. Interest at 2.365%.	\$3,286,248
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Bonds dated September 23, 2015 for distribution infrastructure upgrades, secured by water utility revenues, payable in annual installments of principal and semi-annual payments of interest. Final maturity May 1, 2035. Interest at 1.788%.	1,380,751
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Bonds dated September 23, 2015 for collection infrastructure upgrades, secured by sewer utility revenues, payable in annual installments of principal and semi-annual payments of interest. Final maturity May 1, 2035. Interest at 2.438%.	<u>1,535,889</u>
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Total Mortgage Revenue Debt \$6,202,888

C. Developer Obligations

The Village has an obligation to pay a developer as an incentive for development. The loan is paid off over 20 years at 4.8% interest through 2024. After that the interest rate is adjusted to an interest rate of 300 basis points over the ten year United States Treasury Rate, as of January 1, 2025, fixed for an additional ten-year period. As of December 31, 2017, the Village had \$542,860 in outstanding developer obligations. The repayment schedule is outlined in note 12.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

4. Long Term Obligations (Continued)
D. Debt Service Requirements

Debt service requirements to maturity on General Obligation debt are as follows:

Years	Governmental Activities		Proprietary Funds		Total
	Principal	Interest	Principal	Interest	
2018	1,275,048	223,940	69,952	9,887	1,578,827
2019	1,185,048	204,066	74,952	8,774	1,472,840
2020	1,220,429	182,811	74,571	8,599	1,486,410
2021	1,240,429	160,525	69,571	7,213	1,477,737
2022	1,245,429	135,087	74,571	6,056	1,461,143
2023-2027	3,746,188	367,373	143,812	7,682	4,265,055
2028-2032	875,000	137,025	-	3,000	1,015,025
2033-2036	455,000	20,675	20,000	2,100	497,775
Totals	<u>\$ 11,242,571</u>	<u>\$ 1,431,501</u>	<u>\$ 527,429</u>	<u>\$ 53,311</u>	<u>\$ 13,254,811</u>

Debt service requirements to maturity on Mortgage Revenue Debt are as follows:

Years	Proprietary Funds		Total
	Principal	Interest	
2018	512,663	133,954	646,617
2019	524,459	122,022	646,480
2020	536,527	109,813	646,341
2021	548,876	97,322	646,198
2022	561,512	84,540	646,052
2023-2027	2,085,430	241,931	2,327,361
2028-2032	867,319	107,557	974,876
2033-2036	566,102	18,325	584,427
Totals	<u>\$ 6,202,888</u>	<u>\$ 915,464</u>	<u>\$ 7,118,352</u>

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

4. Long Term Obligations (Continued)
E. Other Long-Term Obligations

The following is a summary of changes in other long-term obligations for the year ended December 31, 2017.

	Balance 1/1/2017	Increases	Decreases	Balance 12/31/2017
Compensated Absences:				
Vacation	\$ 15,281	\$ -	\$ 518	\$ 14,763
Sick Leave	289,664	22,361	-	312,025
Total Compensated Absences	\$ 304,945	\$ 22,361	\$ 518	\$ 326,788

Compensated Absences

A retiring employee may apply the accumulated sick leave balance to future health insurance premiums. The Village finances these benefits on a pay-as-you-go basis. The obligations for compensated absences will be paid out of the general fund.

F. Commitments – Proprietary Fund

To secure access to a biosolids facility to treat and store biosolids, the Village has signed a biosolids treatment agreement with the Dane-Iowa Wastewater Commission allowing the Village to submit all of their biosolids until 2020. Under the terms of the agreement, the Village pays for their determined share of the operation, maintenance and replacement cost associated with the facility, interest and principal payments made for the year on the facility, cost for treatment to filtrate from the de-watered biosolids based on the total number of pounds hauled to the facility, administrative costs, testing costs and transportation costs. Costs for the year ended December 31, 2017 were \$170,249. The facility began operating in July 2000. Payments prior to start up were capitalized and are being amortized over the term of the agreement.

G. Utility Revenue Requirements

The Sewer and Water Utilities are required by bond ordinances to produce net revenues sufficient to provide 110% of the annual principal and interest requirements on the mortgage revenue bonds.

	Sewer	Water
Net revenues required	\$ 556,917	\$ 89,803
2017 net revenues	\$ 729,287	\$ 227,952

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

5. Employee Retirement Plan

Defined Benefit Pension Plan

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

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

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

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

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

The WRS also provides death and disability benefits for employees.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

5. Employee Retirement Plan (Continued)

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	30%	100%
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
2016	0.5	(5)

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

During the reporting period, the WRS recognized \$72,376 in contributions from the employer.

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

5. Employee Retirement Plan (Continued)

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

At December 31, 2017, the Village reported a liability (asset) of \$62,612 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability (asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the Village's proportion was 0.00759631%, which was an increase of .00003162% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2016, the Village recognized pension expense of \$159,932.

At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,874	\$ (196,908)
Changes of assumptions	65,463	-
Net difference between projected and actual earnings on pension plan investments	311,661	-
Changes in proportion and difference between Employer contributions and proportionate share of contributions	-	(3,552)
Employer contributions subsequent to the measurement date	101,321	-
Total	<u>\$ 502,319</u>	<u>\$ (200,461)</u>

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

5. Employee Retirement Plan (Continued)

\$101,321 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2018	\$ 81,851
2019	81,851
2020	55,735
2021	(18,999)
2022	99

Actuarial assumptions. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
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 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

5. Employee Retirement Plan (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:

Asset Allocation Targets and Expected Returns				
As of December 31, 2016				
<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50 %	45 %	8.3 %	5.4 %
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110	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
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%				
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations				

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 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the Village'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:

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

5. Employee Retirement Plan (Continued)

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension liability (asset)	\$ 823,697	\$ 62,612	\$ (523,459)

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>

Payables to the Pension Plan

As of December 31, 2017 the Village had an unfunded actuarial accrued liability of \$89,383.

6. Joint Venture

The Village of Cross Plains and the Towns of Berry and Cross Plains, jointly operate a fire district and the local emergency medical service district. The communities share in the annual operation of each district based on population. The Village's share of both districts' operation is about 50%.

The governing bodies are made up of board members from each community. The local board appoints local representatives. The governing bodies have authority to adopt their own budgets and control the financial affairs of the districts. The Village's expenditures for services totaled \$75,197 paid to the fire district and \$61,139 paid to the emergency medical service district for 2017. The Village believes that the districts will continue to provide services in the future at similar rates.

The statement of net position includes half of the cost of the districts' station buildings.

Financial information of the districts as of December 31, 2017 is available directly from the districts' office.

7. Net Position and Fund Balances

The following are net investments in capital assets at December 31, 2017:

	Governmental	Water	Sewer
Capital assets, net	\$ 11,630,489	\$ 3,795,815	\$ 8,445,762
Less long-term debt	(11,242,571)	(1,540,751)	(5,189,566)
Less deferred credit	-	(83,743)	-
Debt not related to capital	4,370,000	-	-
	\$ 4,757,918	\$ 2,171,321	\$ 3,256,196

The following is restricted net position at December 31, 2017:

	Governmental	Water	Sewer
Library	\$ 175,605	\$ -	\$ -
Capital projects	263,971	-	-
Debt service	124,728	41,999	311,762
Plant replacement fund	-	-	1,108,282
	\$ 564,304	\$ 41,999	\$ 1,420,044

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

7. Net Position and Fund Balances (Continued)

Fund balances as of December 31, 2017 include the following:

Nonspendable:

General Fund:

Prepaid Expenses	\$ 13,641
Inventories	519
Non-current receivables	9,321
Total	<u>\$ 23,481</u>

Restricted:

Debt Service Fund	\$ 124,728
Library Endowment Fund	175,595
Capital Projects Fund	263,971
Total	<u>\$ 564,294</u>

Committed:

Parks Fund:

Pool Improvements	\$ 33,440
Baer Park Improvements	58,921
Other Improvements	61,828
Library Operations	14,373
Total	<u>\$ 168,562</u>

Unassigned:

General Fund	\$ 208,332
TIF #3 (Deficit)	(364,035)
Total	<u>\$ (155,703)</u>

8. Net Position Restatement

A prior period adjustment has been recorded as follows:

	Governmental Activities
Net Position December 31, 2016 as Previously Reported	\$ (538,119)
Adjustment to recognize developer incentive obligation	(562,845)
Net Position January 1, 2017, as Restated	<u>\$ (1,100,964)</u>

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

9. Advances

Interfund loans were used to transfer monies as a result of a cash shortfall. The composition of interfund balances as of December 31, 2017 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	TID #3	\$ 364,035

All balances are expected be repaid within a year.

10. Transfers

Interfund transfers are generally used to cover debt payments, to pay the Water fund’s tax equivalent and to move payments and receipts to the correct fund.

The following is a schedule of interfund transfers made during 2017:

	<u>General Fund</u>	<u>Debt Service</u>	<u>TID 3</u>	<u>Water</u>	<u>Sewer</u>	<u>Total Transfers Out</u>
Transfers Out:						
TID #3	\$ 10,535	\$ -	\$ -	\$ 33,500	\$ 54,750	\$ 98,785
Parks Fund	-	10,000	-	-	-	10,000
Debt Service	-	-	37,226	-	-	37,226
Water	86,306	-	-	-	-	86,306
Total Transfer In	<u>\$ 96,841</u>	<u>\$ 10,000</u>	<u>\$ 37,226</u>	<u>\$ 33,500</u>	<u>\$ 54,750</u>	<u>\$ 232,317</u>

11. Contingencies and Commitments

Funding for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

12. Tax Abatements

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

VILLAGE OF CROSS PLAINS
Notes to Financial Statements
December 31, 2017

12. Tax Abatements (Continued)

The Village of Cross Plains, through its TID #3, has entered into tax abatement agreement with a developer in the form of tax incremental financing incentives to stimulate economic development. The abatement is authorized through the TID #3 project plan. The agreement requires the Village to make annual repayments of property taxes collected with the TID to the developer based on the terms of the agreement.

As of December 31, 2017, the Village provides tax abatements for the following programs:

Tax Abatement Program	Amount in Taxes Abated:
Milestone Senior Living	\$ 47,120

Repayment of the developer obligation through tax abatements is as follows:

Years	Principal	Interest	Total
2018	20,987	26,133	47,120
2019	22,039	25,081	47,120
2020	23,143	23,977	47,120
2021	24,303	22,817	47,120
2022	25,521	21,599	47,120
2023-2027	148,122	87,478	235,600
2028-2032	189,149	46,451	235,600
2033-2034	89,596	4,644	94,240
Totals	\$ 542,860	\$ 258,180	\$ 801,040

13. Subsequent Events

In February of 2018, the Village approved contracts for road and utility improvements. Total costs are estimated to be approximately \$3,814,000.

VILLAGE OF CROSS PLAINS
REQUIRED SUPPLEMENTARY INFORMATION

**Village of Cross Plains
Cross Plains, Wisconsin**

**Budget and Actual (with Variances)
General Fund
For the Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 1,031,650	\$ 1,031,650	\$ 1,031,650	\$ -
Other Taxes	3,500	3,500	3,855	355
Special Assessment Revenue	1,000	1,000	-	(1,000)
Intergovernmental	407,500	407,500	408,785	1,285
License and Permits	95,750	95,750	120,202	24,452
Fines, Forfeits and Penalties	24,750	24,750	21,655	(3,095)
Public Charges for Services	33,000	33,000	77,856	44,856
Interest Income	5,000	5,000	12,274	7,274
Miscellaneous Income	19,250	19,250	49,974	30,724
Total Revenues	<u>1,621,400</u>	<u>1,621,400</u>	<u>1,726,251</u>	<u>104,851</u>
EXPENDITURES				
Current:				
General Government	391,500	391,500	356,636	34,864
Public Safety	719,700	719,700	739,308	(19,608)
Public Works	630,200	630,200	706,905	(76,705)
Conservation and Development	30,000	30,000	72,615	(42,615)
Total Expenditures	<u>1,771,400</u>	<u>1,771,400</u>	<u>1,875,464</u>	<u>(104,064)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(150,000)</u>	<u>(150,000)</u>	<u>(149,213)</u>	<u>787</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	105,000	105,000	96,841	(8,159)
Total Other Financing Sources and Uses	<u>105,000</u>	<u>105,000</u>	<u>96,841</u>	<u>(8,159)</u>
Net Change in Fund Balances	(45,000)	(45,000)	(52,372)	(7,372)
Fund Balances - Beginning	284,184	284,184	284,184	-
Fund Balances - Ending	<u>\$ 239,184</u>	<u>\$ 239,184</u>	<u>\$ 231,812</u>	<u>\$ (7,372)</u>

**Village of Cross Plains
Cross Plains, Wisconsin**

**Budget and Actual (with Variances)
Parks Fund
For the Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 249,000	\$ 249,000	\$ 249,000	\$ -
Intergovernmental	10,500	10,500	-	(10,500)
Public Charges for Services	174,250	174,250	195,940	21,690
Intergovernmental Charges for Services	2,500	2,500	734	(1,766)
Miscellaneous Income	28,500	28,500	25,717	(2,783)
Total Revenues	<u>464,750</u>	<u>464,750</u>	<u>471,391</u>	<u>6,641</u>
EXPENDITURES				
Current:				
Culture, Recreation and Education	446,250	446,250	443,242	3,008
Capital Outlay	-	-	2,338	(2,338)
Total Expenditures	<u>446,250</u>	<u>446,250</u>	<u>445,580</u>	<u>670</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>18,500</u>	<u>18,500</u>	<u>25,811</u>	<u>7,311</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(28,500)	(28,500)	(10,000)	18,500
Total Other Financing Sources and Uses	<u>(28,500)</u>	<u>(28,500)</u>	<u>(10,000)</u>	<u>18,500</u>
Net Change in Fund Balances	(10,000)	(10,000)	15,811	25,811
Fund Balances - Beginning	138,378	138,378	138,378	-
Fund Balances - Ending	<u>\$ 128,378</u>	<u>\$ 128,378</u>	<u>\$ 154,189</u>	<u>\$ 25,811</u>

**VILLAGE OF CROSS PLAINS
WISCONSIN RETIREMENT SYSTEM
December 31, 2017**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE
Last 10 Fiscal Years**

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2016	0.00759631%	\$ 62,612	\$ 984,885	6.36%	99.12%
2015	0.00756469%	122,925	984,583	12.48%	98.20%
2014	0.00747317%	(183,511)	932,557	(19.68%)	102.74%

**SCHEDULE OF VILLAGE'S CONTRIBUTIONS
FOR THE YEAR ENDED
Last 10 Fiscal Years**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2017	\$ 101,322	\$ (101,322)	\$ -	\$ 1,064,651	9.52%
2016	89,239	(89,239)	-	991,801	9.00%
2015	93,746	(93,746)	-	981,258	9.55%

VILLAGE OF CROSS PLAINS
Notes to Required Supplementary Information
For the Year Ended December 31, 2017

1. Excess Expenditures over Appropriations

The Village controls expenditures at the department level. Some General Fund individual line items experienced expenditures which exceeded appropriations as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Public Safety	\$719,700	\$741,337	\$(19,608)
Public Works	630,200	706,905	(76,705)
Conservation and Development	30,000	72,615	(42,615)

2. Employee Retirement Plan

Changes of Benefit Terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of Assumptions. Rates used in mortality tables were updated based on actual WRS experience and adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%). The mortality table was adopted by the Board in connection with the 2012-2014 Experience Study. This assumption is used to measure the probabilities of participants dying before retirement and the probabilities of each benefit payment being made after retirement.

VILLAGE OF CROSS PLAINS
SUPPLEMENTARY INFORMATION

**Village of Cross Plains
Cross Plains, Wisconsin**

**Income Statements
Water and Sewer Utilities
For the Years Ended December 31, 2017 and 2016**

	Sewer Utility	Water Utility	Totals	
			2017	2016
Operating Revenues:				
Sales/Service				
Residential	\$ 1,143,724	\$ 236,299	\$ 1,380,023	\$ 1,352,776
Commercial	105,056	21,757	126,813	129,886
Industrial	35,152	4,947	40,099	42,428
Irrigation	-	21,693	21,693	23,451
Multi-family	-	20,807	20,807	21,865
Fire Protection	-	11,301	11,301	11,376
Public Authorities	65,759	138,685	204,444	185,809
Other operating revenues	10,913	7,109	18,022	29,114
Total operating revenues	<u>1,360,604</u>	<u>462,598</u>	<u>1,823,202</u>	<u>1,796,705</u>
Operating Expenses:				
Plant operation and maintenance	489,202	125,513	614,715	578,193
General	144,185	102,552	246,737	290,337
Depreciation	408,199	115,839	524,038	501,870
Amortization	4,806	-	4,806	4,806
Taxes	-	89,256	89,256	91,167
Total operating expenses	<u>1,046,392</u>	<u>433,160</u>	<u>1,479,552</u>	<u>1,466,373</u>
Operating Income (Loss)	314,212	29,438	343,650	330,332
Other Income (Expense)				
Interest income	2,070	322	2,392	4,337
Interest expense	(123,074)	(27,250)	(150,324)	(160,259)
Hook up fees	95,914	-	95,914	32,364
Misc. non-operating income	146,077	220,414	366,491	-
Amortization	-	13,957	13,957	13,957
Transfer in	54,750	33,500	88,250	88,250
Net Income (Loss)	<u>\$ 489,949</u>	<u>\$ 270,381</u>	<u>\$ 760,330</u>	<u>\$ 308,981</u>

**Village of Cross Plains
Cross Plains, Wisconsin**

**Balance Sheet
Non-Major Governmental Funds
December 31, 2017**

	<u>Library Operations</u>	<u>Library Endowment Fund</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 25,350	\$ 175,595	\$ 200,945
Receivables:			
Taxes	273,175	-	273,175
Total Assets	<u>\$ 298,525</u>	<u>\$ 175,595</u>	<u>\$ 474,120</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	<u>\$ 10,977</u>	<u>\$ -</u>	<u>\$ 10,977</u>
Total Liabilities	<u>10,977</u>	<u>-</u>	<u>10,977</u>
Deferred Inflows of Resources:			
Subsequent Year Tax Levy	<u>273,175</u>	<u>-</u>	<u>273,175</u>
Total Deferred Inflows of Resources	<u>273,175</u>	<u>-</u>	<u>273,175</u>
Fund Balances:			
Restricted	-	175,595	175,595
Committed	<u>14,373</u>	<u>-</u>	<u>14,373</u>
Total Fund Balances	<u>14,373</u>	<u>175,595</u>	<u>189,968</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 298,525</u>	<u>\$ 175,595</u>	<u>\$ 474,120</u>

**Village of Cross Plains
Cross Plains, Wisconsin**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2017**

	<u>Library Operations</u>	<u>Library Endowment Fund</u>	<u>Total Non- Major Governmental Funds</u>
REVENUES			
Property Taxes	\$ 258,200	\$ -	\$ 258,200
Intergovernmental	108,521	-	108,521
Fines, Forfeits and Penalties	3,525	-	3,525
Investment Income (Loss)	-	16,448	16,448
Miscellaneous Income	8,404	8,290	16,694
Total Revenues	<u>378,650</u>	<u>24,738</u>	<u>403,388</u>
EXPENDITURES			
Current:			
Culture, Recreation and Education	<u>362,501</u>	<u>10,409</u>	<u>372,910</u>
Total Expenditures	<u>362,501</u>	<u>10,409</u>	<u>372,910</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>16,149</u>	<u>14,329</u>	<u>30,478</u>
Net Change in Fund Balances	16,149	14,329	30,478
Fund Balances - Beginning	(1,776)	161,266	159,490
Fund Balances - Ending	<u>\$ 14,373</u>	<u>\$ 175,595</u>	<u>\$ 189,968</u>