

**VILLAGE OF KIMBERLY**  
**KIMBERLY, WISCONSIN**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**TABLE OF CONTENTS**

|   | <u>Page</u> |
|---|-------------|
| Independent Auditor's Report  | 1-2         |
| Management's Discussion and Analysis  | 3-12        |
| <b>BASIC FINANCIAL STATEMENTS</b>   |             |
| Statement of Net Position   | 13          |
| Statement of Activities   | 14          |
| Balance Sheet - Governmental Funds  | 15          |
| Reconciliation of the Governmental Funds Balance Sheet to the<br>Statement of Net Position  | 16          |
| Statement of Revenues, Expenditures, and Changes in Fund Balances -<br>Governmental Funds   | 17          |
| Reconciliation of the Governmental Funds Statement of Revenues,<br>Expenditures, and Changes in Fund Balances to the Statement<br>of Activities | 18          |
| Statement of Net Position - Proprietary Funds   | 19          |
| Statement of Revenues, Expenses, and Changes in Net Position -<br>Proprietary Funds   | 20          |
| Statement of Cash Flows - Proprietary Funds   | 21          |
| Statement of Fiduciary Net Position - Fiduciary Funds   | 22          |
| Notes to Financial Statements   | 23-44       |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**TABLE OF CONTENTS - CONTINUED**

|  | <u>Page</u> |
|--|-------------|
| <b>REQUIRED SUPPLEMENTARY INFORMATION</b>  |             |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances -<br>Budget and Actual - General Fund                             | 45          |
| Schedule of the Village's Proportionate Share of the Net Pension<br>Liability (Asset) - Wisconsin Retirement System - 10 Year Plan | 46          |
| Schedule of the Village's Contributions - Wisconsin Retirement System -<br>10 Year Plan  | 47          |
| Notes to Required WRS Schedules  | 48          |
| <b>OTHER SUPPLEMENTARY INFORMATION</b>   |             |
| Combining Balance Sheet - Nonmajor Governmental Funds  | 49          |
| Combining Schedule of Revenues, Expenditures, and<br>Changes in Fund Balances - Nonmajor Governmental Funds                        | 50          |
| Combining Balance Sheet - Nonmajor Debt Service Funds  | 51          |
| Combining Schedule of Revenues, Expenditures, and<br>Changes in Fund Balances - Nonmajor Debt Service Funds                        | 52          |
| Combining Balance Sheet - Nonmajor Capital Projects Funds  | 53          |
| Combining Schedule of Revenues, Expenditures, and<br>Changes in Fund Balances - Nonmajor Capital Projects Funds                    | 54          |

## **INDEPENDENT AUDITOR'S REPORT**

President and Board Members  
Village of Kimberly  
Kimberly, 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 Kimberly (Village), 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 Village'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 Village'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 Kimberly 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Erickson & Associates, S.C.*

ERICKSON & ASSOCIATES, S.C.  
Appleton, Wisconsin  
July 12, 2018

# VILLAGE OF KIMBERLY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2017

The discussion and analysis of the Village of Kimberly's financial performance provides an overall review of the financial activities for years ended December 31, 2017 and 2016. The analysis focuses on the Village's financial performance as a whole.

### 2017 FINANCIAL HIGHLIGHTS

- Continued pressure by the Wisconsin Legislature to control increases in spending and taxes was adamantly adhered to by the Kimberly Village Board. The 2017 Operating Budget was extremely tight, with reductions in several areas, and continued pressure by all members of the Management Team to control costs and become more efficient in their operations. Recent state legislation will make it even harder to handle natural increases in the cost of doing business. The Village remains fiscally sound for 2018 and beyond.
- The Storm Water Utility was put into place in 2006. The overall financial impact of the Utility is positive. The charge of the Utility is to remove 20% of the suspended solids in the storm water by 2008, and 40% by 2018. Several ponds are planned within the Village to meet the goals defined by the DNR. Memorial Park Pond was completed in 2017, Cedars West Pond was completed in 2017 and Treaty Central Pond is planned for 2018. The Village will continue to monitor the sediment reduction goals under consideration by the DNR and adjust the storm water program within existing budgets to meet the proposed goals.
- The overall financial picture for the Village of Kimberly was positive. The General Fund experienced an operating surplus of \$1,269,598. This was due to tight spending by Village staff and additional revenues. However, the margin for error has become very small since the state's spending limits have been put in place and are becoming more stringent.
- The overall maintenance of the various trust funds has proven extremely beneficial for the community. Continued appreciation for this type of budgeting will also allow the community to maintain its infrastructure without spikes in the local tax rate.
- The overall financial position for the community remains healthy. With the current balance in the General Fund of about \$2.48 million (December 31, 2017), and an additional \$2.69 million (December 31, 2017) being designated to the various Trust Funds (as noted above), the community is able to maintain a surplus at approximately 129% of annual expenditures. These balances are in line with fund balance policy.
- Tax Incremental District (TID) #6 progress grew dramatically in 2017. Financials included within the following statements reflect this growth. Within the development of TID #6 the Village recognizes land sales in 2017, shown as a gain in the Statement of Activities of \$436,116. This revenue will be used to repay the debt of TID #6.
- Our continued low debt ratio remains a strong point in our financial position. We maintain a healthy margin for future use. Our recent credit rating by Standard and Poor's is AA-stable representing a clear reflection of this healthy financial condition, and a major plus for a community of our size.

# VILLAGE OF KIMBERLY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2017

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts - management's discussion and analysis and the basic financial statements (Village-wide and fund statements) including notes to the financial statements.

The basic financial statements consist of two kinds of statements that present different views of the Village's financial activities.

- The Statement of Net Position and Statement of Activities provide information on a Village-wide basis. These statements present an aggregate view of the Village's finances. Village-wide statements contain useful long-term information as well as information for the just-completed fiscal year.
- The Statement of Net Position compares assets to liabilities to give an overall view of the financial health of the Village.
- The Statement of Activities defines the Village's expenses by function and illustrates the total that is offset by corresponding revenues - charges for services and/or operating grants and contributions. General revenues and extraordinary credits are identified. The result is total net expense offset by general and miscellaneous revenue - recognizing the Change in Net Position for the Village from the previous year.
- The remaining statements: Balance Sheet - Governmental Funds and Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds focus on individual parts of the Village. Fund statements generally report operations in more detail than the Village-wide statements and support the Statement of Net Position.
- The Notes to Financial Statements provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the Village's financial activities and position.
- Required Supplementary Information further explains and supports the financial statements, including all reports in the financial statements through and including the financial notes.
- Other Supplemental Information provides information specific to nonmajor governmental funds.

# VILLAGE OF KIMBERLY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2017

The major features of the Village's financial statements, including the portion of the activities reported and type of information contained are shown in the following table.

### Major Features of the Government-wide and Fund Financial Statements

**Table #1**

|   |   | -----Fund Financial Statements-----  |  |   |
|---|---|--|--|---|
|   | Government-wide Statements  | Governmental   | Proprietary  | Fiduciary   |
| Scope                                     | Entire Village (except fiduciary funds).  | The activity of the Village that is not proprietary or fiduciary.  | Activities the Village operates similar to private business. The Village reports the activities of its water, sewer, and storm sewer utilities here. | Assets held by the Village on behalf of someone else. The Tax Agency Fund is recorded here.   |
| Required financial statements             | Statement of net position and statement of activities.                                  | Balance sheet and statement of revenues, expenditures, and changes in fund balance.  | Statement of net position, and statement of revenues, expenses and changes in net position, and statement of cash flows.                             | Statement of fiduciary net position and statement of changes in fiduciary net position.   |
| Basis of accounting and measurement focus | Accrual accounting.<br>Economic resources focus.  | Modified accrual accounting.<br>Current financial resources focus.   | Accrual accounting.<br>Economic resources focus.   | Accrual accounting.<br>Economic resources focus.  |
| Type of asset and liability information   | All assets and liabilities, both financial and capital, short-term and long-term.       | Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.                      | All assets and liabilities, both financial and capital, short-term and long-term.  | All assets and liabilities, both financial and capital, short-term and long-term. These funds do not currently contain any capital assets, although they can. |
| Type of inflow and outflow information    | All revenues and expenses during the year, regardless of when cash is received or paid. | Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received, and the related liability are due and payable. | All revenues and expenses during the year, regardless of when cash is received or paid.  | All additions or deductions during the year, regardless of when cash is received or paid.   |

# VILLAGE OF KIMBERLY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2017

**Table #2**

| <b>Condensed Statement of Net Position - Governmental</b> |                     |                     |                            |
|---|---------------------|---------------------|----------------------------|
|   | <u><b>2017</b></u>  | <u><b>2016</b></u>  | <u><b>%<br/>Change</b></u> |
| <b><u>Assets</u></b>                                      |                     |                     |                            |
| Current Assets  | \$18,772,738        | \$10,538,860        | 78%                        |
| Capital Assets  | \$21,130,646        | \$22,284,148        | -5%                        |
| <b>Total Assets</b>                                       | <b>\$39,903,384</b> | <b>\$32,823,008</b> | <b>22%</b>                 |
| <b><u>Deferred Outflows of Resources</u></b>              |                     |                     |                            |
|   | <b>\$752,436</b>    | <b>\$991,013</b>    | <b>-24%</b>                |
| <b><u>Liabilities</u></b>                                 |                     |                     |                            |
| Current Liabilities                                       | \$3,383,082         | \$8,029,384         | -58%                       |
| Non-Current Liabilities                                   | \$16,168,931        | \$3,419,063         | 373%                       |
| <b>Total Liabilities</b>                                  | <b>\$19,552,013</b> | <b>\$11,448,447</b> | <b>71%</b>                 |
| <b><u>Deferred Inflows of Resources</u></b>               |                     |                     |                            |
|   | <b>\$4,203,727</b>  | <b>\$4,075,764</b>  | <b>3%</b>                  |
| <b><u>Net Position</u></b>                                |                     |                     |                            |
| Invested in capital assets, net of related debt           | \$4,825,646         | \$13,914,148        | -65%                       |
| Restricted  | \$6,549,217         | \$(481,830)         | 1459%                      |
| Unrestricted  | \$5,525,217         | \$4,857,492         | 14%                        |
| <b>Total Net Position</b>                                 | <b>\$16,900,080</b> | <b>\$18,289,810</b> | <b>-8%</b>                 |

**Statement of Net Position - Governmental: (Table #2)**

The Village's governmental financial status, as reflected in total net position, decreased \$1,389,730 to \$16,900,080. The Village reported total assets of \$39.90M, of which \$21.10M are capital assets. The Village reported total liabilities of \$19.55M, of which \$16.17 are long-term liabilities.

**VILLAGE OF KIMBERLY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended December 31, 2017

**Table #3**

| <b>Condensed Statement of Net Position - Business-type</b> |                     |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | <u>2017</u>         | <u>2016</u>         | <u>%<br/>Change</u> |
| <b><u>Assets</u></b>                                       |                     |                     |                     |
| Current Assets   | \$4,750,896         | \$4,559,713         | 4%                  |
| Other Assets   | \$1,295             | \$1,295             | 0%                  |
| Capital Assets   | \$17,552,696        | \$17,072,106        | 3%                  |
| <b>Total Assets</b>  | <b>\$22,304,887</b> | <b>\$21,633,114</b> | <b>3%</b>           |
| <b><u>Liabilities</u></b>                                  |                     |                     |                     |
| Current Liabilities  | \$114,836           | \$359,026           | -68%                |
| Non-Current Liabilities                                    | \$675,000           | \$801,000           | -16%                |
| <b>Total Liabilities</b>                                   | <b>\$789,836</b>    | <b>\$1,160,026</b>  | <b>-3%</b>          |
| <b><u>Deferred Inflows of Resources</u></b>                | <b>\$1,295</b>      | <b>\$1,295</b>      | <b>0%</b>           |
| <b><u>Net Position</u></b>                                 |                     |                     |                     |
| Invested in capital assets, net of related debt            | \$16,877,696        | \$16,271,106        | 4%                  |
| Restricted   | \$0                 | \$0                 | 0%                  |
| Unrestricted   | \$4,636,460         | \$4,200,687         | 10%                 |
| <b>Total Net Position</b>                                  | <b>\$21,514,156</b> | <b>\$20,471,793</b> | <b>5%</b>           |

**Statement of Net Position - Business-type: (Table #3)**

The Village's business-type activities financial status, as reflected in total net position, increased by \$1,042,363 to \$21,514,156. The Village reported total assets of \$22.30M, of which \$17.55M are capital assets. The Village reported total liabilities of \$0.79M, of which \$0.68M are long-term liabilities.

# VILLAGE OF KIMBERLY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2017

**Table #4**

| <b>Changes in Net Position from Operating Results<br/>For Governmental Activities</b> |                             |                    |                           |                    |                     |
|---|-----------------------------|--------------------|---------------------------|--------------------|---------------------|
|   | <u>2017</u>                 | <u>%</u>           | <u>2016</u>               | <u>%</u>           | <u>%<br/>Change</u> |
| <b>Revenues:</b>  |                             |                    |                           |                    |                     |
| Charges for Services  | \$1,238,320                 | 15%                | \$1,352,416               | 18%                | -12%                |
| Operating Grants & Contributions  | \$459,962                   | 6%                 | \$509,819                 | 7%                 | -10%                |
| Capital Grants & Cont.  | \$12,628                    | 4%                 | \$276,729                 | 4%                 | -95%                |
| Property Taxes  | \$3,925,206                 | 47%                | \$3,878,729               | 51%                | 1%                  |
| Other   | \$2,695,495                 | 32%                | \$1,602,248               | 20%                | 71%                 |
| <b>Total Revenues</b>   | <u><b>\$8,331,611</b></u>   | <u><b>100%</b></u> | <u><b>\$7,619,941</b></u> | <u><b>100%</b></u> | <b>9%</b>           |
| <b>Expenses:</b>  |                             |                    |                           |                    |                     |
| General Government  | \$1,459,360                 | 15%                | \$1,202,226               | 18%                | 21%                 |
| Public Safety   | \$1,319,906                 | 14%                | \$1,374,917               | 20%                | -4%                 |
| Health and Social Services  | \$132,092                   | 1%                 | \$167,240                 | 2%                 | -21%                |
| Public Works  | \$4,293,570                 | 44%                | \$1,593,362               | 23%                | 169%                |
| Culture, Recreation, and Education  | \$1,172,876                 | 12%                | \$1,277,635               | 19%                | -8%                 |
| Interest and Fiscal Charges   | \$539,330                   | 6%                 | \$162,722                 | 2%                 | 231%                |
| Unallocated Depreciation  | \$804,207                   | 8%                 | \$1,049,134               | 16%                | -23%                |
| <b>Total Expenses</b>   | <u><b>\$9,721,341</b></u>   | <u><b>100%</b></u> | <u><b>\$6,827,236</b></u> | <u><b>100%</b></u> | <b>42%</b>          |
| <b>Change in Net Position</b>   | <u><b>\$(1,389,730)</b></u> |                    | <u><b>\$792,705</b></u>   |                    |                     |

### Revenues (Table #4)

For FY 2017, the Village received \$8.33M in revenues. Property taxes made up 47% of the total revenues. Operating grants and contributions and other revenue, which included state shared revenues and grants, totaled 38% of revenues.

# VILLAGE OF KIMBERLY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2017

### Expenses (Table #4)

For FY 2017, the Village expenditures totaled \$9.72M. General government expenditures were 15% of the total.

**Table #5**

| <b>Changes in Net Position from Operating Results<br/>For Business-type Activities</b> |                           |                    |                           |                    |                     |
|--|---------------------------|--------------------|---------------------------|--------------------|---------------------|
|  | <u>2017</u>               | <u>%</u>           | <u>2016</u>               | <u>%</u>           | <u>%<br/>Change</u> |
| <b>Revenues:</b>   |                           |                    |                           |                    |                     |
| Charges for Services   | \$3,146,130               | 82%                | \$3,307,203               | 80%                | -5%                 |
| Capital Grants and Cont.   | \$678,178                 | 18%                | \$0                       | 0%                 | 100%                |
| Miscellaneous  | \$5,216                   | 0%                 | \$816,244                 | 20%                | -99%                |
| <b>Total Revenues</b>  | <u><b>\$3,829,524</b></u> | <u><b>100%</b></u> | <u><b>\$4,123,447</b></u> | <u><b>100%</b></u> | <u><b>-7%</b></u>   |
| <b>Expenses:</b>   |                           |                    |                           |                    |                     |
| Water Utility  | \$1,276,237               | 46%                | \$1,343,968               | 48%                | -5%                 |
| Sewer Utility  | \$1,107,408               | 40%                | \$1,055,448               | 38%                | 5%                  |
| Storm Water Utility  | \$403,516                 | 14%                | \$396,226                 | 14%                | 2%                  |
| <b>Total Expenses</b>  | <u><b>\$2,787,161</b></u> | <u><b>100%</b></u> | <u><b>\$2,795,642</b></u> | <u><b>100%</b></u> | <u><b>0%</b></u>    |
| <b>Change in Net Position</b>  | <u><b>\$1,042,363</b></u> |                    | <u><b>\$1,327,805</b></u> |                    |                     |

### Revenues (Table #5)

For FY 2017, the Village received \$3.83M in revenues. The majority of the revenues were received from charges for services.

### Expenses (Table #5)

For FY 2017, the Village expenditures totaled \$2.79M.

**VILLAGE OF KIMBERLY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended December 31, 2017

**Table #6**

| <b>Net Cost of Governmental Activities</b> |   |   |
|--|---|---|
|  | <b><u>Total Cost<br/>of Services</u><br/>2017</b> | <b><u>Net Cost<br/>of Services</u><br/>2017</b> |
| General Government                         | \$1,459,360                                       | \$1,311,303                                     |
| Public Safety                              | \$1,319,906                                       | \$1,024,049                                     |
| Health and Social Services                 | \$132,092   | \$132,092                                       |
| Public Works                               | \$4,293,570                                       | \$3,901,168                                     |
| Culture, Recreation, and Education         | \$1,172,876                                       | \$298,282                                       |
| Interest and Fiscal Charges                | \$539,330   | \$539,330                                       |
| Unallocated Depreciation                   | \$804,207   | \$804,207                                       |
| <b>Totals</b>                              | <b><u>\$9,721,341</u></b>                         | <b><u>\$8,010,431</u></b>                       |

**Net Cost of Government Activities (Table #6)**

The total cost of all governmental activities was \$9.72M. This includes expenditures financed by general revenue plus revenue collected through direct fees, operating grants, and capital contributions. The net cost of governmental activities was \$8.01M. This includes expenditures financed by general revenue primarily made up of property taxes and miscellaneous income.

**Table #7**

| <b>Net Cost of Business-type Activities</b> |   |   |
|---|---|---|
|   | <b><u>Total Cost<br/>of Services</u><br/>2017</b> | <b><u>Net Cost<br/>of Services</u><br/>2017</b> |
| Water Utility                               | \$1,276,237                                       | \$(343,233)                                     |
| Sewer Utility                               | \$1,107,408                                       | \$(111,413)                                     |
| Storm Water Utility                         | \$403,516   | \$(582,501)                                     |
| <b>Totals</b>                               | <b><u>\$2,787,161</u></b>                         | <b><u>\$(1,037,147)</u></b>                     |

# VILLAGE OF KIMBERLY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2017

### **Net Cost of Business-type Activities (Table #7)**

The total cost of business-type activities was \$2,787,161.

The net cost of business-type activities was \$(1,037,147).

### **Fund Balance**

The Village's total fund balance for 2017 increased by \$8,300,645 to \$11,714,220.

The General Fund balance increased by \$1,269,598 to \$5,165,003. This represents approximately 129% of expenditures. In addition, a sizeable fund balance is a positive sign of financial viability, enhances the Village's bond rating, and allows the Village to respond to non-recurring economic needs.

The Capital Projects TIF #6 fund balance decreased from \$5,657,685 to \$4,463,309.

The Debt Service TIF #6 fund balance increased \$1,102,725 during the year.

The Other Governmental Funds balance increased by \$270,637 to \$983,183.

### **General Fund Budgetary Comparison**

The Village adopts a budget in November for the subsequent year, consistent with current state statutes and regulations.

General fund revenues ended \$327,413 higher than budgeted. General fund expenditures came in \$864,705 lower than budgeted.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

In order to comply with GASB Statement #34, the Village performed a comprehensive inventory of all capital assets over \$1,000 estimated related depreciation.

#### **Long-term Debt**

Long-term obligations increased \$7,935,000. Long-term obligations include \$16.31M in general obligation debt.

General Obligation Debt of the Village is secured by an irrevocable tax levy adopted by the Village Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated for use for annual debt service payments. The Village of Kimberly complies with all statutory requirements.

# **VILLAGE OF KIMBERLY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended December 31, 2017

### **Factors that may Impact the Future of the Village**

#### **State Budget Problems and Revenue Controls**

The State of Wisconsin continues to encounter significant budget problems. These problems are expected to continue into the future as structural deficits have become the norm, and local resources are now being tapped for the benefit of the state's spending appetite. In addition, the future status of state shared revenue is uncertain. The Village will need to remain diligent to protect our strong financial position.

#### **Tax Incremental District (TID) #6 Development**

The Village of Kimberly recognized substantial growth and infrastructure development within TID #6 during 2017. This growth is anticipated to continue and the placement of infrastructure will increase during 2018. Land sales within the district and infrastructure assets are being recognized. With the rapid development the Village of Kimberly may seek additional borrowing before the end of 2018. TID #6 financial projections are being closely monitored to ensure the stability of the TID.

#### **Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Danielle Block, Administrator, Village of Kimberly, 515 West Kimberly Avenue, Kimberly, WI 54136.

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**STATEMENT OF NET POSITION  
December 31, 2017**

|  | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Totals</u>     |
|--|------------------------------------|-------------------------------------|-------------------|
| <b>ASSETS</b>  |                                    |                                     |                   |
| Current assets:  |                                    |                                     |                   |
| Cash and investments   | \$ 13,515,359                      | \$ 2,829,365                        | \$ 16,344,724     |
| Taxes receivable   | 2,033,298                          | --                                  | 2,033,298         |
| Accounts receivable  | --                                 | 314,723                             | 314,723           |
| Sewer user fee receivable  | --                                 | 345,981                             | 345,981           |
| Storm water receivable   | --                                 | 174,216                             | 174,216           |
| Special assessments receivable   | 581,782                            | 169,542                             | 751,324           |
| Miscellaneous receivable   | 942,196                            | --                                  | 942,196           |
| Inventories  | --                                 | 61,883                              | 61,883            |
| Due from other funds   | 1,700,103                          | 855,186                             | 2,555,289         |
| Total current assets   | <u>18,772,738</u>                  | <u>4,750,896</u>                    | <u>23,523,634</u> |
| Noncurrent assets:   |                                    |                                     |                   |
| Capital assets:  |                                    |                                     |                   |
| Streets, net   | 10,078,729                         | --                                  | 10,078,729        |
| Mill redevelopment   | 4,206,947                          | --                                  | 4,206,947         |
| Land   | 3,227,100                          | --                                  | 3,227,100         |
| Buildings, net   | 1,615,618                          | --                                  | 1,615,618         |
| Large equipment, net   | 1,032,771                          | --                                  | 1,032,771         |
| Park equipment, net  | 533,909                            | --                                  | 533,909           |
| Municipal complex equipment, net   | 418,981                            | --                                  | 418,981           |
| Library, net   | 16,591                             | --                                  | 16,591            |
| Utility plant, net   | --                                 | 17,552,696                          | 17,552,696        |
| Total capital assets   | <u>21,130,646</u>                  | <u>17,552,696</u>                   | <u>38,683,342</u> |
| Other assets:  |                                    |                                     |                   |
| Special assessments  | --                                 | 1,295                               | 1,295             |
| Total assets   | <u>39,903,384</u>                  | <u>22,304,887</u>                   | <u>62,208,271</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                      |                                    |                                     |                   |
| Expected vs. actual experience - WRS                                       | 33,910                             | --                                  | 33,910            |
| Expected vs. actual investment earnings - WRS                              | 530,356                            | --                                  | 530,356           |
| Change in proportional share & difference<br>in actual contributions - WRS | 4,854                              | --                                  | 4,854             |
| Change in actuarial assumptions - WRS                                      | 92,981                             | --                                  | 92,981            |
| Contributions after measurement date - WRS                                 | 90,335                             | --                                  | 90,335            |
| Total deferred outflows of resources                                       | <u>752,436</u>                     | <u>--</u>                           | <u>752,436</u>    |

|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Totals</u>        |
|---|------------------------------------|-------------------------------------|----------------------|
| <b>LIABILITIES</b>                              |                                    |                                     |                      |
| <b>Current liabilities:</b>                     |                                    |                                     |                      |
| Current portion of long-term debt               | 225,000                            | --                                  | 225,000              |
| Accounts payable                                | 169,412                            | 109,808                             | 279,220              |
| Accrued liabilities                             | 60,715                             | --                                  | 60,715               |
| Due to other funds                              | 2,555,289                          | --                                  | 2,555,289            |
| Accrued interest payable                        | 372,666                            | 4,628                               | 377,294              |
| <b>Total current liabilities</b>                | <u>3,383,082</u>                   | <u>114,436</u>                      | <u>3,497,518</u>     |
| <b>Long-term liabilities:</b>                   |                                    |                                     |                      |
| Net pension liability                           | 88,931                             | --                                  | 88,931               |
| Bonds and notes payable                         | 16,080,000                         | 675,000                             | 16,755,000           |
| <b>Total long-term liabilities</b>              | <u>16,168,931</u>                  | <u>675,000</u>                      | <u>16,843,931</u>    |
| <b>Total liabilities</b>                        | <u>19,552,013</u>                  | <u>789,436</u>                      | <u>20,341,449</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                                    |                                     |                      |
| Deferred special assessments                    | --                                 | 1,295                               | 1,295                |
| Expected vs. actual experience - WRS            | 279,682                            | --                                  | 279,682              |
| Expected vs. actual investment earnings - WRS   | 87,684                             | --                                  | 87,684               |
| Property taxes - local levy                     | 3,836,361                          | --                                  | 3,836,361            |
| <b>Total deferred inflows of resources</b>      | <u>4,203,727</u>                   | <u>1,295</u>                        | <u>4,205,022</u>     |
| <b>NET POSITION</b>                             |                                    |                                     |                      |
| Invested in capital assets, net of related debt | 4,825,646                          | 16,877,696                          | 21,703,342           |
| Restricted                                      | 6,549,217                          | --                                  | 6,549,217            |
| Unrestricted                                    | 5,525,217                          | 4,636,460                           | 10,161,677           |
| <b>Total net position</b>                       | <u>\$ 16,900,080</u>               | <u>\$ 21,514,156</u>                | <u>\$ 38,414,236</u> |

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2017

| Functions                          | Expenses             | Program Revenues     |                                    |                                  |
|------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
|                                    |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Governmental activities:</b>    |                      |                      |                                    |                                  |
| General government                 | \$ 1,459,360         | \$ 148,057           | \$ --                              | \$ --                            |
| Public safety                      | 1,319,906            | 215,669              | 80,188                             | --                               |
| Health and social services         | 132,092              | --                   | --                                 | --                               |
| Public works                       | 4,293,570            | --                   | 379,774                            | 12,628                           |
| Culture, recreation, and education | 1,172,876            | 874,594              | --                                 | --                               |
| Interest and fiscal charges        | 539,330              | --                   | --                                 | --                               |
| Unallocated depreciation           | 804,207              | --                   | --                                 | --                               |
| Total governmental activities      | <u>9,721,341</u>     | <u>1,238,320</u>     | <u>459,962</u>                     | <u>12,628</u>                    |
| <b>Business-type activities:</b>   |                      |                      |                                    |                                  |
| Water utility                      | 1,276,237            | 1,479,737            | --                                 | 139,733                          |
| Sewer utility                      | 1,107,408            | 1,111,147            | --                                 | 107,674                          |
| Storm water utility                | 403,516              | 555,246              | --                                 | 430,771                          |
| Total business-type activities     | <u>2,787,161</u>     | <u>3,146,130</u>     | <u>--</u>                          | <u>678,178</u>                   |
| Totals                             | <u>\$ 12,508,502</u> | <u>\$ 4,384,450</u>  | <u>\$ 459,962</u>                  | <u>\$ 690,806</u>                |

General revenues:

Property taxes levied for:

General purposes

Debt service

Capital projects

Intergovernmental revenues

Miscellaneous

Profit from TIF #6 land sales

Transfers from utilities

Total general revenues  
and transfers

Change in net position

Net position, beginning of year

Net position, end of year

Net (Expense) Revenue and  
Changes in Net Position

| Governmental<br>Activities | Business-type<br>Activities | Totals               |
|----------------------------|-----------------------------|----------------------|
| \$ ( 1,311,303)            | \$ --                       | \$ ( 1,311,303)      |
| ( 1,024,049)               | --                          | ( 1,024,049)         |
| ( 132,092)                 | --                          | ( 132,092)           |
| ( 3,901,168)               | --                          | ( 3,901,168)         |
| ( 298,282)                 | --                          | ( 298,282)           |
| ( 539,330)                 | --                          | ( 539,330)           |
| ( 804,207)                 | --                          | ( 804,207)           |
| <u>( 8,010,431)</u>        | <u>--</u>                   | <u>( 8,010,431)</u>  |
| --                         | 343,233                     | 343,233              |
| --                         | 111,413                     | 111,413              |
| --                         | 582,501                     | 582,501              |
| <u>--</u>                  | <u>1,037,147</u>            | <u>1,037,147</u>     |
| <u>( 8,010,431)</u>        | <u>1,037,147</u>            | <u>( 6,973,284)</u>  |
| 3,383,988                  | --                          | 3,383,988            |
| 541,218                    | --                          | 541,218              |
| --                         | --                          | --                   |
| 1,307,758                  | --                          | 1,307,758            |
| 874,141                    | 5,216                       | 879,357              |
| 436,116                    | --                          | 436,116              |
| 77,480                     | --                          | 77,480               |
| <u>6,620,701</u>           | <u>5,216</u>                | <u>6,625,917</u>     |
| ( 1,389,730)               | 1,042,363                   | ( 347,367)           |
| <u>18,289,810</u>          | <u>20,471,793</u>           | <u>38,761,603</u>    |
| <u>\$ 16,900,080</u>       | <u>\$ 21,514,156</u>        | <u>\$ 38,414,236</u> |

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**BALANCE SHEET -  
GOVERNMENTAL FUNDS**

December 31, 2017

|  | General<br>Fund     | Capital<br>Projects<br>TIF #6 | Debt<br>Service<br>TIF #6 | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|-------------------------------|---------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>  |                     |                               |                           |                                |                                |
| Cash and investments   | \$ 4,449,173        | \$ 5,651,471                  | \$ 1,302,725              | \$ 2,111,990                   | \$ 13,515,359                  |
| Receivables:   |                     |                               |                           |                                |                                |
| Taxes receivable   | 2,033,298           | --                            | --                        | --                             | 2,033,298                      |
| Special assessments  | 581,782             | --                            | --                        | --                             | 581,782                        |
| Miscellaneous  | 812,147             | 130,049                       | --                        | --                             | 942,196                        |
| Due from other funds   | 1,700,103           | --                            | --                        | --                             | 1,700,103                      |
|  | <u>\$ 9,576,503</u> | <u>\$ 5,781,520</u>           | <u>\$ 1,302,725</u>       | <u>\$ 2,111,990</u>            | <u>\$ 18,772,738</u>           |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>               |                     |                               |                           |                                |                                |
| <b>Liabilities:</b>  |                     |                               |                           |                                |                                |
| Vouchers payable   | \$ 97,264           | \$ 61,630                     | \$ --                     | \$ 10,518                      | \$ 169,412                     |
| Accrued liabilities  | 41,134              | 1,292                         | --                        | 18,289                         | 60,715                         |
| Due to other funds   | --                  | 1,255,289                     | 200,000                   | 1,100,000                      | 2,555,289                      |
| Total liabilities  | <u>138,398</u>      | <u>1,318,211</u>              | <u>200,000</u>            | <u>1,128,807</u>               | <u>2,785,416</u>               |
| <br><b>Deferred inflows of resources:</b>  |                     |                               |                           |                                |                                |
| Special assessments  | 436,741             | --                            | --                        | --                             | 436,741                        |
| Property taxes - local levy  | 3,836,361           | --                            | --                        | --                             | 3,836,361                      |
| Total deferred inflows<br>of resources   | <u>4,273,102</u>    | <u>--</u>                     | <u>--</u>                 | <u>--</u>                      | <u>4,273,102</u>               |
| <br><b>Fund balances:</b>  |                     |                               |                           |                                |                                |
| Restricted   | --                  | 4,463,309                     | 1,102,725                 | 983,183                        | 6,549,217                      |
| Assigned   | 2,688,341           | --                            | --                        | --                             | 2,688,341                      |
| Unassigned   | 2,476,662           | --                            | --                        | --                             | 2,476,662                      |
| Total fund balances  | <u>5,165,003</u>    | <u>4,463,309</u>              | <u>1,102,725</u>          | <u>983,183</u>                 | <u>11,714,220</u>              |
| <br><b>Total liabilities, deferred<br/>inflows of resources,<br/>and fund balances</b> |                     |                               |                           |                                |                                |
|  | <u>\$ 9,576,503</u> | <u>\$ 5,781,520</u>           | <u>\$ 1,302,725</u>       | <u>\$ 2,111,990</u>            | <u>\$ 18,772,738</u>           |

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

December 31, 2017

|   |               |
|---|---------------|
| Total fund balances for governmental funds  | \$ 11,714,220 |
| Total net position reported for governmental activities in the statement of net position is different because:  |               |
| Special assessments are not available to pay for current-period expenditures, and therefore, are not reported as revenue in the funds until they are available.   | 436,741       |
| Noncurrent assets are not available to pay for current period expenditures, and therefore, are not reported in the funds.   | ( 88,931)     |
| Capital assets used in governmental activities and deferred prior service pension costs are not financial resources and, therefore, are not reported in the fund statements. The capital assets and deferred prior service pension costs consisted of:  |               |
| Streets, net of \$5,576,907 accumulated depreciation  | 10,078,729    |
| Mill redevelopment  | 4,206,947     |
| Land  | 3,227,100     |
| Buildings, net of \$5,128,561 accumulated depreciation  | 1,615,618     |
| Large equipment, net of \$2,565,145 accumulated depreciation  | 1,032,771     |
| Park equipment, net of \$792,032 accumulated depreciation   | 533,909       |
| Municipal complex equipment, net of \$236,823 accumulated depreciation  | 418,981       |
| Library, net of \$234,079 accumulated depreciation  | 16,591        |
| Total capital assets  | 21,130,646    |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.  | 385,070       |
| Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds balance sheet.  | ( 372,666)    |
| Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest is not accrued in governmental funds, but rather is recognized as expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances as of December 31, 2017, are: |               |
| Bonds and notes payable, includes current portion   | ( 16,305,000) |
| Total net position of governmental activities   | \$ 16,900,080 |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

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

For the Year Ended December 31, 2017

|   | General<br>Fund     | Capital<br>Projects<br>TIF #6 | Debt<br>Service<br>TIF #6 | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|-------------------------------|---------------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>                                |                     |                               |                           |                                |                                |
| Taxes   | \$ 3,383,988        | \$ --                         | \$ --                     | \$ 541,218                     | \$ 3,925,206                   |
| Special assessments                             | 154,764             | --                            | --                        | --                             | 154,764                        |
| Intergovernmental revenues                      | 977,971             | 750,049                       | --                        | 884,099                        | 2,612,119                      |
| Licenses and permits                            | 123,211             | --                            | --                        | --                             | 123,211                        |
| Fines, forfeitures, and<br>penalties            | 92,458              | --                            | --                        | 17,685                         | 110,143                        |
| Public charges for services                     | 152,295             | --                            | --                        | 5,802                          | 158,097                        |
| Miscellaneous revenues                          | 738,426             | 78,385                        | 10,472                    | 49,327                         | 876,610                        |
| <b>Total revenues</b>                           | <b>5,623,113</b>    | <b>828,434</b>                | <b>10,472</b>             | <b>1,498,131</b>               | <b>7,960,150</b>               |
| <b>Expenditures:</b>                            |                     |                               |                           |                                |                                |
| <b>Current:</b>                                 |                     |                               |                           |                                |                                |
| General government                              | 972,328             | --                            | 200,000                   | 148,057                        | 1,320,385                      |
| Public safety                                   | 1,319,906           | --                            | --                        | --                             | 1,319,906                      |
| Health and social services                      | 132,092             | --                            | --                        | --                             | 132,092                        |
| Public works                                    | 1,138,286           | --                            | --                        | --                             | 1,138,286                      |
| Culture, recreation, and<br>education           | 433,937             | --                            | --                        | 738,939                        | 1,172,876                      |
| Debt service                                    | --                  | 60,913                        | 18,001,916                | 285,738                        | 18,348,567                     |
| Capital outlays                                 | 434,446             | 3,109,836                     | --                        | 54,760                         | 3,599,042                      |
| <b>Total expenditures</b>                       | <b>4,430,995</b>    | <b>3,170,749</b>              | <b>18,201,916</b>         | <b>1,227,494</b>               | <b>27,031,154</b>              |
| Excess of revenues over<br>(under) expenditures | 1,192,118           | ( 2,342,315)                  | ( 18,191,444)             | 270,637                        | ( 19,071,004)                  |
| <b>Other financing sources (uses):</b>          |                     |                               |                           |                                |                                |
| Operating transfer in                           | 77,480              | --                            | --                        | --                             | 77,480                         |
| Land sales                                      | --                  | --                            | 1,229,169                 | --                             | 1,229,169                      |
| Bond proceeds                                   | --                  | 8,000,000                     | 18,065,000                | --                             | 26,065,000                     |
| <b>Net other financing<br/>sources (uses)</b>   | <b>77,480</b>       | <b>8,000,000</b>              | <b>19,294,169</b>         | <b>--</b>                      | <b>27,371,649</b>              |
| <b>Net change in fund balances</b>              | <b>1,269,598</b>    | <b>5,657,685</b>              | <b>1,102,725</b>          | <b>270,637</b>                 | <b>8,300,645</b>               |
| Fund balance,<br>beginning of year              | 3,895,405           | ( 1,194,376)                  | --                        | 712,546                        | 3,413,575                      |
| Fund balance,<br>end of year                    | <b>\$ 5,165,003</b> | <b>\$ 4,463,309</b>           | <b>\$ 1,102,725</b>       | <b>\$ 983,183</b>              | <b>\$ 11,714,220</b>           |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2017

|   |                        |
|---|------------------------|
| Net change in fund balances-governmental funds  | \$ 8,300,645           |
| The change in net position reported for governmental activities is different because:   |                        |
| Special assessments revenues in the statement of activities do not provide current financial resources and are not reported as revenues in the funds until they are available.  | ( 142,136)             |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is capitalized and depreciated over their useful lives. This is the amount by which capital outlays exceed depreciation in the current period.   | ( 360,449)             |
| Sales of land from TIF #6 were reported as other financing sources in the governmental funds. In the statement of activities, only the profit from the sale is shown.   | ( 793,053)             |
| Governmental funds report village WRS pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.   | ( 138,975)             |
| Accrued interest expense on long-term debt is reported in the government-wide statement of activities but does not require the use of current financial resources: therefore, accrued interest is not reported as expenditure in governmental funds.  | ( 320,762)             |
| Loan proceeds are reported as financing sources in governmental funds and thus, contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. This is the amount by which proceeds exceed repayments. | <u>( 7,935,000)</u>    |
| Changes in net position of governmental activities  | <u>\$ ( 1,389,730)</u> |

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**STATEMENT OF NET POSITION -  
PROPRIETARY FUNDS**

December 31, 2017

| ASSETS                           | Water            | Sewer            | Storm<br>Water   | Total<br>Enterprise<br>Funds |
|----------------------------------|------------------|------------------|------------------|------------------------------|
| Current assets:                  |                  |                  |                  |                              |
| Cash and investments             | \$ 748,048       | \$ 1,076,117     | \$ 1,005,200     | \$ 2,829,365                 |
| Accounts receivable:             |                  |                  |                  |                              |
| Customers                        | 314,723          | --               | --               | 314,723                      |
| Sewer user fees                  | --               | 345,981          | --               | 345,981                      |
| Storm water                      | --               | --               | 174,216          | 174,216                      |
| Special assessments              | --               | 103,345          | 66,197           | 169,542                      |
| Due from other funds             | --               | --               | 855,186          | 855,186                      |
| Inventory                        | 61,883           | --               | --               | 61,883                       |
| Total current assets             | <u>1,124,654</u> | <u>1,525,443</u> | <u>2,100,799</u> | <u>4,750,896</u>             |
| Utility plant:                   |                  |                  |                  |                              |
| Utility plant                    | 10,358,681       | 8,298,399        | 4,947,319        | 23,604,399                   |
| Less accumulated<br>depreciation | <u>3,477,481</u> | <u>1,649,615</u> | <u>924,607</u>   | <u>6,051,703</u>             |
| Net utility plant in service     | <u>6,881,200</u> | <u>6,648,784</u> | <u>4,022,712</u> | <u>17,552,696</u>            |
| Other assets:                    |                  |                  |                  |                              |
| Special assessments              | <u>755</u>       | <u>540</u>       | <u>--</u>        | <u>1,295</u>                 |
| Total assets                     | <u>8,006,609</u> | <u>8,174,767</u> | <u>6,123,511</u> | <u>22,304,887</u>            |

| LIABILITIES  | Water               | Sewer               | Storm<br>Water      | Total<br>Enterprise<br>Funds |
|--|---------------------|---------------------|---------------------|------------------------------|
| <b>Current liabilities:</b>                        |                     |                     |                     |                              |
| Accounts payable                                   | 53,738              | 50,487              | 5,583               | 109,808                      |
| Accrued interest                                   | 4,628               | --                  | --                  | 4,628                        |
| <b>Total current liabilities</b>                   | <b>58,366</b>       | <b>50,487</b>       | <b>5,583</b>        | <b>114,436</b>               |
| <b>Noncurrent liabilities:</b>                     |                     |                     |                     |                              |
| Long-term debt                                     | 675,000             | --                  | --                  | 675,000                      |
| <b>Total liabilities</b>                           | <b>733,366</b>      | <b>50,487</b>       | <b>5,583</b>        | <b>789,436</b>               |
| <b>DEFERRED INFLOWS OF<br/>RESOURCES</b>           |                     |                     |                     |                              |
| Deferred special<br>assessments                    | 755                 | 540                 | --                  | 1,295                        |
| <b>NET POSITION</b>                                |                     |                     |                     |                              |
| Invested in capital assets,<br>net of related debt | 6,206,200           | 6,648,784           | 4,022,712           | 16,877,696                   |
| Unrestricted                                       | 1,066,288           | 1,474,956           | 2,095,216           | 4,636,460                    |
| <b>Total net position</b>                          | <b>\$ 7,272,488</b> | <b>\$ 8,123,740</b> | <b>\$ 6,117,928</b> | <b>\$ 21,514,156</b>         |

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS**

For the Year Ended December 31, 2017

|                                     | Water               | Sewer               | Storm<br>Water      | Total<br>Enterprise<br>Funds |
|-------------------------------------|---------------------|---------------------|---------------------|------------------------------|
| <b>Operating revenues:</b>          |                     |                     |                     |                              |
| Residential water sales             | \$ 406,572          | \$ --               | \$ --               | \$ 406,572                   |
| Commercial water sales              | 75,683              | --                  | --                  | 75,683                       |
| Industrial water sales              | 48,120              | --                  | --                  | 48,120                       |
| Multi-family                        | 42,370              | --                  | --                  | 42,370                       |
| Water sales to public authorities   | 14,510              | --                  | --                  | 14,510                       |
| Sales for resale                    | 433,029             | --                  | --                  | 433,029                      |
| Hydrant rental                      | 309,877             | --                  | --                  | 309,877                      |
| Sprinklers                          | 34,577              | --                  | --                  | 34,577                       |
| Forfeited discounts                 | 15,576              | --                  | --                  | 15,576                       |
| User fees                           | --                  | 1,051,771           | 513,747             | 1,565,518                    |
| Miscellaneous                       | 99,423              | 59,376              | 41,499              | 200,298                      |
| <b>Total operating revenues</b>     | <b>1,479,737</b>    | <b>1,111,147</b>    | <b>555,246</b>      | <b>3,146,130</b>             |
| <b>Operating expenses:</b>          |                     |                     |                     |                              |
| General                             | 588,204             | 103,866             | 266,699             | 958,769                      |
| Maintenance                         | 232,870             | 151,623             | --                  | 384,493                      |
| Depreciation                        | 268,035             | 138,989             | 84,427              | 491,451                      |
| Taxes                               | 4,262               | --                  | --                  | 4,262                        |
| Heart of the Valley treatment fees  | --                  | 687,840             | --                  | 687,840                      |
| <b>Total operating expenses</b>     | <b>1,093,371</b>    | <b>1,082,318</b>    | <b>351,126</b>      | <b>2,526,815</b>             |
| <b>Operating income (expense)</b>   | <b>386,366</b>      | <b>28,829</b>       | <b>204,120</b>      | <b>619,315</b>               |
| <b>Other income (expense):</b>      |                     |                     |                     |                              |
| Interest income                     | 5,216               | --                  | --                  | 5,216                        |
| Interest expense                    | ( 21,164)           | --                  | --                  | ( 21,164)                    |
| <b>Total other income (expense)</b> | <b>( 15,948)</b>    | <b>--</b>           | <b>--</b>           | <b>( 15,948)</b>             |
| <b>Net income before transfers</b>  | <b>370,418</b>      | <b>28,829</b>       | <b>204,120</b>      | <b>603,367</b>               |
| <b>Operating transfer (out)</b>     | <b>( 161,702)</b>   | <b>( 25,090)</b>    | <b>( 52,390)</b>    | <b>( 239,182)</b>            |
| <b>Income before contributions</b>  | <b>208,716</b>      | <b>3,739</b>        | <b>151,730</b>      | <b>364,185</b>               |
| <b>Capital contributions</b>        | <b>139,733</b>      | <b>107,674</b>      | <b>430,771</b>      | <b>678,178</b>               |
| <b>Change in net position</b>       | <b>348,449</b>      | <b>111,413</b>      | <b>582,501</b>      | <b>1,042,363</b>             |
| <b>Net position, January 1,</b>     | <b>6,924,039</b>    | <b>8,012,327</b>    | <b>5,535,427</b>    | <b>20,471,793</b>            |
| <b>Net position, December 31</b>    | <b>\$ 7,272,488</b> | <b>\$ 8,123,740</b> | <b>\$ 6,117,928</b> | <b>\$ 21,514,156</b>         |

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS**

For the Year Ended December 31, 2017

|  | Water        | Sewer        | Storm<br>Water | Total<br>Enterprise<br>Funds |
|--|--------------|--------------|----------------|------------------------------|
| Cash flows from operating activities:                          |              |              |                |                              |
| Cash received from customers                                   | \$ 1,187,664 | \$ 1,141,564 | \$ 577,763     | \$ 2,906,991                 |
| Cash received from interfund<br>services provided              | 309,877      | --           | --             | 309,877                      |
| Cash paid to employees for services                            | ( 232,870)   | ( 151,623)   | --             | ( 384,493)                   |
| Cash paid to suppliers of<br>goods and services                | ( 652,771)   | ( 934,823)   | ( 457,347)     | ( 2,044,941)                 |
|  |              |              |                |                              |
| Net cash provided by<br>operating activities                   | 611,900      | 55,118       | 120,416        | 787,434                      |
|  |              |              |                |                              |
| Cash flows from noncapital<br>financing activities:            |              |              |                |                              |
| Tax equivalent paid to municipality                            | ( 161,702)   | --           | --             | ( 161,702)                   |
|  |              |              |                |                              |
| Cash flows from capital<br>and related financing activities:   |              |              |                |                              |
| Purchases of utility plant                                     | ( 293,863)   | --           | --             | ( 293,863)                   |
| Repayment of long-term debt                                    | ( 126,000)   | --           | --             | ( 126,000)                   |
| Cash paid for interest costs incurred                          | ( 22,028)    | --           | --             | ( 22,028)                    |
|  |              |              |                |                              |
| Net cash (used in) capital<br>and related financing activities | ( 603,593)   | --           | --             | ( 603,593)                   |
|  |              |              |                |                              |
| Cash flows from investing activities:                          |              |              |                |                              |
| Cash received for interest earned                              | 5,216        | --           | --             | 5,216                        |
|  |              |              |                |                              |
| Net increase in cash and<br>investments                        | 13,523       | 55,118       | 120,416        | 189,057                      |
|  |              |              |                |                              |
| Cash and investments, January 1                                | 734,525      | 1,020,999    | 884,784        | 2,640,308                    |
|  |              |              |                |                              |
| Cash and investments, December 31                              | \$ 748,048   | \$ 1,076,117 | \$ 1,005,200   | \$ 2,829,365                 |

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES -  
PROPRIETARY FUNDS**

For the Year Ended December 31, 2017

|   | <u>Water</u>      | <u>Sewer</u>      | <u>Storm<br/>Water</u> | <u>Total<br/>Enterprise<br/>Funds</u> |
|---|-------------------|-------------------|------------------------|---------------------------------------|
| Operating income  | \$ 386,366        | \$ 28,829         | \$ 204,120             | \$ 619,315                            |
| Adjustments to reconcile<br>operating income to net cash<br>provided by operating activities: |                   |                   |                        |                                       |
| Depreciation  | 280,370           | 126,654           | 84,427                 | 491,451                               |
| Intergovernmental transfer  | --                | ( 25,090)         | ( 52,390)              | ( 77,480)                             |
| (Increase) decrease in:   |                   |                   |                        |                                       |
| Customer receivables  | 17,804            | --                | --                     | 17,804                                |
| Sewer user fee receivable   | --                | 4,268             | --                     | 4,268                                 |
| Storm water receivable  | --                | --                | 1,517                  | 1,517                                 |
| Special assessments receivable  | --                | 26,149            | 21,000                 | 47,149                                |
| Inventory   | ( 31,366)         | --                | --                     | ( 31,366)                             |
| Due to/from accounts  | --                | --                | ( 41,498)              | ( 41,498)                             |
| Increase (decrease) in:   |                   |                   |                        |                                       |
| Accounts payable  | <u>( 41,274)</u>  | <u>( 105,692)</u> | <u>( 96,760)</u>       | <u>( 243,726)</u>                     |
| Net cash provided by<br>operating activities  | <u>\$ 611,900</u> | <u>\$ 55,118</u>  | <u>\$ 120,416</u>      | <u>\$ 787,434</u>                     |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**STATEMENT OF FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS  
December 31, 2017**

|                         | <u>Tax<br/>Agency<br/>Fund</u> |
|-------------------------|--------------------------------|
| <b>ASSETS</b>           |                                |
| Cash                    | \$ 3,101,896                   |
| <b>LIABILITIES</b>      |                                |
| Advance tax collections | <u>3,101,896</u>               |
| <b>Net position</b>     | <u><u>\$ --</u></u>            |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Summary of Significant Accounting Policies:**

The financial statements of the Village of Kimberly (Village) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Village are described below.

**Reporting Entity**

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Village, as distinct from legal relationships. There are no component units associated with this reporting entity based on the criteria stated above.

**Fund Accounting**

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures as appropriate. Village resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Village operates the following major governmental funds:

**General Fund** - The General Fund is the operating fund of the Village. It is used to account for all financial resources of the Village except those required to be accounted for in other funds.

**Capital Projects TIF #6 Fund** - This Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of capital facilities for TIF #6.

**Debt Service TIF #6 Fund** - This 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 Village operates the following major proprietary funds:

**Water Utility Fund** - The Water Utility Fund accounts for the operation and maintenance of the Village's water utility. Revenues consist principally of charges for water usage. Repayment of debt issued by the Village to construct water utility plant assets is accounted for through this fund.

**Sewer Utility Fund** - The Sewer Utility Fund accounts for the operation and maintenance of the Village's sewer utility. Revenues consist principally of charges for sewer usage. Repayment of debt issued by the Village to construct sewer utility plant assets is accounted for through this fund.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

Storm Water Utility Fund - The Storm Water Utility Fund accounts for the operation and maintenance of the Village's storm water utility. Revenues consist principally of charges based on an ERU, or equivalent runoff unit.

The Village operates the following nonmajor governmental funds:

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

Capital Projects TIF #4 Fund - This Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of capital facilities for TIF #4.

Capital Projects TIF #5 Fund - This Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of capital facilities for TIF #5.

Library Fund - This Special Revenue Fund is used to account for the proceeds of specific revenue sources, other than capital projects that are legally restricted to expenditures for specified purposes.

Custodial Fund - This Special Revenue Fund is used to account for the proceeds of specific revenue sources, other than capital projects, that are legally restricted to expenditures for specified purposes.

Tax Agency Fund - The Tax Agency Fund is used to account for taxes collected and held in escrow for other governmental entities.

**Basis of Presentation**

*Government-wide Financial Statements*

The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental funds financial statements therefore include reconciliation between the government-wide statements and the governmental fund statements.

The statement of net position presents the financial condition of the governmental and business-type activities of the Village at year-end. The statement of activities presents a comparison between the direct expenses and program revenues for each function of the governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore, are clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes and revenues not classified as program revenues are presented as general revenues of the Village.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

*Fund Financial Statements*

Fund financial statements report detailed information about the Village. Their focus is on major funds rather than reported funds by type. Each major governmental fund is presented in a single column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using the modified accrual basis of accounting.

*Revenues - Exchange and Nonexchange Transactions*

Revenues resulting from exchange transactions are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the Village is sixty days after year-end.

Nonexchange transactions, in which the Village receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes, investment earnings, and grants.

*Expenditures*

Under the accrual basis of accounting, expenditures are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service funds at the function level. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

**Cash and Investments**

The Village's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts.

All investments are stated at fair value. Determination of fair value for investment in the Local Government investment pool is based on information provided by the State of Wisconsin Investment Board.

**Receivables**

Receivables at December 31, 2017, consisted of taxes, special assessments, and miscellaneous. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of the receivable.

**Inventory**

Inventory for the Proprietary Funds is calculated using the lower of cost or market basis with cost being determined by the first-in, first-out (FIFO) method. The purchase method is used for all other funds.

**Capital Assets and Depreciation**

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

|                                    |                 |
|------------------------------------|-----------------|
| Land                               | Not depreciated |
| Buildings                          | 30 years        |
| Furniture, equipment, and vehicles | 5-25 years      |
| Streets                            | 20-40 years     |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

Property, plant, and equipment of the proprietary funds are depreciated using the straight line method over the following estimated useful lives:

|                       |              |
|-----------------------|--------------|
| Mains                 | 85-100 years |
| Storm sewers          | 40 years     |
| Services and laterals | 45-60 years  |
| Meters                | 16-25 years  |
| Hydrants              | 55-75 years  |
| Equipment             | 3-12 years   |
| Reservoirs and pipes  | 50-60 years  |
| Wells and springs     | 30-40 years  |

**Interfund Activity**

Short-term interfund loans are classified as interfund receivables/payables in the fund financial statements. These amounts are eliminated in the statement of net position except for those receivables/payables between a governmental fund and a business-type fund.

**Deferred Outflows / Inflows of Resources**

The Village implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has items in this category relating to its share of the WRS pension.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that time. The Village has three items that qualify for reporting in this category, deferred special assessments, property taxes, and its share of the WRS pension. These amounts will be recognized as inflows of resources in a subsequent year. The Village also has an additional item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from one source, special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

**Accrued Liabilities and Long-term Debt**

All accrued liabilities and long-term debt are reported in the government-wide financial statements.

For governmental fund financial statements, accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims and judgments, and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term debt paid from governmental funds is not recognized as a liability in the fund financial statements until due.

**Fund Balances**

The GASB issued *Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) effective for reporting periods beginning after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of nonspendable resources and spendable resources. The Village has adopted GASB 54 and the following information relates to its implementation.

In the fund financial statements, governmental funds report aggregate amounts for the classifications of fund balances on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - inventories or long-term receivables or (b) legally or contractually required to be maintained intact - principal balance of endowments and permanent funds.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - this classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions of enabling legislation.

Committed fund balance - these amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Village Board - the Village's highest level of decision making authority.

Assigned fund balance - this classification reflects the amounts constrained by the Village's "intent" to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the Finance Committee along with the Village Administrator to the extent such assignment does not create a negative unassigned fund balance, as follows: 1) An amount sufficient to liquidate open encumbrances that are reasonably expected to result in an expenditure in the subsequent year, and 2) An amount estimated to be sufficient to cover the cost of unsettled labor agreements, if any.

Unassigned fund balance - this fund balance includes any remaining amounts that are not classified as nonspendable, restricted, committed or assigned.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

When both restricted and unrestricted resources are available for use, it is the Village's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

The Village has set a goal of maintaining an assigned fund balance in the general fund that is adequate to meet cash flow needs during the fiscal year. The purpose of maintaining this fund balance is to reduce the need for short-term borrowing and the costs associated with it, serve as a safeguard against unanticipated expenses or unusual fluctuations in the Village's revenue while also setting aside funds for anticipated future cash outlays, and to maintain a high credit rating which will lower the Village's borrowing costs.

**Restricted Resources**

The Village applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Risk Management**

Risk management - The Village is exposed to various risks of loss, including torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village purchases commercial insurance coverage for most of these risks. There were no reductions in purchased coverage for 2017. The Village of Kimberly is a member of the Cities and Villages Mutual Insurance Company (CVMIC). CVMIC issues separate financial statements available from the Village's administration. All policies written by CVMIC are participating policies. To the extent actual losses and loss adjustment expenses vary from recorded amounts, policyholders may receive additional dividends or may be required to make additional premium payments at such time as any excess or deficiency of losses and loss adjustment expense is known. There have been no settlements in excess of coverage for the previous three years. The Village accounts for its membership in CVMIC through the general fund.

**Litigation**

Litigation - From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and counsel that the likelihood is remote, due in part to insurance coverage, that any other such claims or proceedings will have a material effect on the Village's financial position.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 2. Cash and Investments:**

Cash balances are combined and invested to the extent possible. The Village is required to invest its funds in accordance with Wisconsin Statute 66.0603 (1m). Allowable investments include:

Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association that is authorized to transact business in this state if the time deposits mature in not more than three years;

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;

Bonds or securities of any county, city, drainage district, vocational, technical college district, village, town or school district of this state, including local exposition districts, local professional baseball park districts, local professional stadium districts, the University of Wisconsin Hospitals and Clinics Authority, and local cultural districts;

Any security, which matures or which may be tendered for purchase at the option of the holder within not more than 7 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 Investors Service or another 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;

The State of Wisconsin Local Government Investment Pool;

Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities; or

Certain mutual funds and securities of open-end management investment companies.

*Custodial Credit Risk*

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

Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 per official custodian for interest bearing accounts and unlimited amounts for non-interest bearing accounts. In addition, the State of Wisconsin has a State Guarantee Fund that provides a maximum of \$400,000 per entity above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.

As of December 31, 2017, the carrying amount of the Village's deposits was \$19,446,620 and the bank balances were \$19,906,949. Of the bank balance, \$500,000 was covered by FDIC Insurance.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 2. Cash and Investments - Continued:**

The carrying amount of the Village's cash and investments totaled \$19,446,620 on December 31, 2017, as summarized below:

|   |               |
|---|---------------|
| Deposits with financial institutions              | \$ 19,446,620 |
| Reconciliation to the basic financial statements: |               |
| Statement of net position                         | \$ 16,344,724 |
| Fiduciary funds:                                  |               |
| Tax Agency Fund                                   | 3,101,896     |
| Total   | \$ 19,446,620 |

*Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

The Village does not have a formal policy to address credit risk, but the risk is mitigated by the fact that the Village is not invested in any individual securities. None of the Village's investments are rated.

*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 to address interest rate risk, but the risk is mitigated by the fact that the Village is not invested in any individual bond security and is invested in bond index funds which allows for a more diversified portfolio.

**Note 3. Receivables - Taxes:**

The amount \$2,033,298 represents the uncollected portion of the tax levy for local purposes at December 31, 2017.

The 2017 levy for local purposes, reflected as deferred revenue in this report, will be used to fulfill the 2018 budget requirements and accordingly, will be reported as revenue in 2018.

The total tax roll, which includes amounts to be collected and remitted to other municipal entities, is not recorded by the Village until the year of collection. A reconciliation of the Village levy for local purposes to total tax roll is as follows:

|  |               |
|--|---------------|
| 2017 total tax roll  | \$ 10,436,269 |
| Less amounts to be collected and remitted to other municipal entities: |               |
| County   | 2,207,419     |
| School Districts   | 4,392,489     |
|  | 6,599,908     |
| Total levy for local purposes (deferred revenue)                       | 3,836,361     |
| Less advance tax collections   | 1,803,063     |
|  | \$ 2,033,298  |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 3. Receivables - Taxes - Continued:**

Property taxes attach an enforceable lien as of January 1.

Property tax calendar - 2017 tax roll:

|                                 |                   |
|---------------------------------|-------------------|
| Lien date and levy date         | January 1, 2017   |
| Tax bill mailed                 | December 1, 2017  |
| Payment in full, or             | January 31, 2018  |
| First installment due           | January 31, 2018  |
| Second installment due          | July 31, 2018     |
| Personal property taxes         | January 31, 2018  |
| Settlement date with the county | February 20, 2018 |

**Note 4. Long-term Debt:**

Long-term debt of the Village is as follows:

|                                   | Balances<br>12/31/16 | Additions     | Reductions   | Balances<br>12/31/17 |
|-----------------------------------|----------------------|---------------|--------------|----------------------|
| Governmental activities:          |                      |               |              |                      |
| General obligation debt           | \$ 8,370,000         | \$ 26,065,000 | \$18,130,000 | \$ 16,305,000        |
| Business-type activities:         |                      |               |              |                      |
| General obligation<br>water bonds | \$ 801,000           | \$ --         | \$ 126,000   | \$ 675,000           |

Principal due on long-term general obligations:

As of December 31, 2017, principal on all long-term general obligations for the Village is due as follows:

|           | Year ending<br><i>December 31,</i> | Enterprise<br>Fund | General<br>Long-term<br>Debt | Totals        |
|-----------|------------------------------------|--------------------|------------------------------|---------------|
| 2018      |                                    | \$ 129,000         | \$ 225,000                   | \$ 354,000    |
| 2019      |                                    | 132,000            | 220,000                      | 352,000       |
| 2020      |                                    | 135,000            | 230,000                      | 365,000       |
| 2021      |                                    | 138,000            | 230,000                      | 368,000       |
| 2022      |                                    | 141,000            | 230,000                      | 371,000       |
| 2023-2027 |                                    | --                 | 1,160,000                    | 1,160,000     |
| 2028-2032 |                                    | --                 | 6,940,000                    | 6,940,000     |
| 2033-2037 |                                    | --                 | 7,070,000                    | 7,070,000     |
| Totals    |                                    | \$ 675,000         | \$16,305,000                 | \$ 16,980,000 |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 4. Long-term Debt - Continued:**

Interest due on long-term general obligations:

As of December 31, 2017, interest on all long-term general obligations for the Village is due as follows:

| Year ending<br><i>December 31,</i> | Enterprise<br>Fund | General<br>Long-term<br>Debt | Totals              |
|------------------------------------|--------------------|------------------------------|---------------------|
| 2018                               | \$ 18,562          | \$ 771,428                   | \$ 789,990          |
| 2019                               | 15,015             | 543,386                      | 558,401             |
| 2020                               | 11,385             | 537,986                      | 549,371             |
| 2021                               | 7,673              | 531,936                      | 539,609             |
| 2022                               | 3,877              | 525,361                      | 529,238             |
| 2023-2027                          | --                 | 2,513,377                    | 2,513,377           |
| 2028-2032                          | --                 | 1,806,975                    | 1,806,975           |
| 2033-2037                          | --                 | 648,435                      | 648,435             |
| <b>Totals</b>                      | <b>\$ 56,512</b>   | <b>\$ 7,878,884</b>          | <b>\$ 7,935,396</b> |

Total due on long-term general obligations:

As of December 31, 2017, principal and interest combined on all long-term general obligations for the Village is due as follows:

| Year ending<br><i>December 31,</i> | Enterprise<br>Fund | General<br>Long-term<br>Debt | Totals               |
|------------------------------------|--------------------|------------------------------|----------------------|
| 2018                               | \$ 147,562         | \$ 996,428                   | \$ 1,143,990         |
| 2019                               | 147,015            | 763,386                      | 910,401              |
| 2020                               | 146,385            | 767,986                      | 914,371              |
| 2021                               | 145,673            | 761,936                      | 907,609              |
| 2022                               | 144,877            | 755,361                      | 900,238              |
| 2023-2027                          | --                 | 3,673,377                    | 3,673,377            |
| 2028-2032                          | --                 | 8,746,975                    | 8,746,975            |
| 2033-2037                          | --                 | 7,718,435                    | 7,718,435            |
| <b>Totals</b>                      | <b>\$ 731,512</b>  | <b>\$24,183,884</b>          | <b>\$ 24,915,396</b> |

The 2017 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$495,368,300. The legal debt limit and margin of indebtedness as of December 31, 2017, in accordance with Wisconsin Statutes follows:

|   |                     |
|---|---------------------|
| Debt limit (5% of \$495,368,300)                    | \$ 24,768,415       |
| Deduct long-term debt applicable to the debt margin | <u>16,305,000</u>   |
| Margin of indebtedness                              | <u>\$ 8,463,415</u> |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 4. Long-term Debt - Continued:**

|  | Enterprise<br>Fund | General<br>Long-term<br>Debt | Totals        |
|--|--------------------|------------------------------|---------------|
| Robert W. Baird and Co.<br>Interest rates vary from 2.00% per annum to 3.80% per annum on individual notes, which retire annually on October 1 until 2030. Interest payments to be made semiannually on April 1 and October 1 to maturity.     | \$ --              | \$ 2,785,000                 | \$ 2,785,000  |
| Robert W. Baird and Co.<br>Interest rates vary from 3.00% per annum to 3.75% per annum on individual notes, which retire annually on September 1 until 2037. Interest payments to be made semiannually on March 1 and September 1 to maturity. | --                 | 9,500,000                    | 9,500,000     |
| Robert W. Baird and Co.<br>Interest rates vary from 3.35% per annum to 3.65% per annum on individual notes, which retire annually on September 1 until 2031. Interest payments to be made semiannually on March 1 and September 1 to maturity. | --                 | 3,565,000                    | 3,565,000     |
| BMO Harris<br>Interest rates vary from 2.00% per annum to 4.00% per annum on individual notes, which retire annually on March 1 until 2025. Interest payments to be made semiannually on March 1 and September 1 to maturity.                  | --                 | 455,000                      | 455,000       |
| Village General Fund<br>Interest rate of 2.75%, due on October 1, 2022, payable in annual installments.  | 675,000            | --                           | 675,000       |
| Totals   | \$ 675,000         | \$ 16,305,000                | \$ 16,980,000 |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 5. Interfund Transactions:**

Interfund balances on the fund financial statements at December 31, 2017, consisted of the following:

| <i>Fund</i>                                | <u>Amount</u>       |
|--|---------------------|
| Capital Projects TIF #4 due to General     | \$ 420,000          |
| Capital Projects TIF #5 due to General     | 680,000             |
| Capital Projects TIF #6 due to General     | 400,103             |
| Debt Service TIF #6 due to General         | 200,000             |
| Capital Projects TIF #6 due to Storm Sewer | <u>855,186</u>      |
| Total                                      | <u>\$ 2,555,289</u> |

The general fund loaned money to TIF #4 and #5. The general fund is charging TIF #4, 4.5% and TIF #5, 3.5% interest with payments due April 1 and October 1.

Interfund transfers on the fund financial statements for the year ended December 31, 2017, consisted of the following:

|   |                  |
|---|------------------|
| Transfer from the Storm Water Utility to the General Fund | \$ 52,390        |
| Transfer from Sewer Fund to the General Fund              | <u>25,090</u>    |
| Total transfers   | <u>\$ 77,480</u> |

These transfers were budgeted for operating transfers

**Note 6. Reserved Fund Balances:**

Portions of net position and fund balances are restricted and reserved and are not available for current appropriation or expenditure, as follows:

|                         |                     |
|-------------------------|---------------------|
| Debt Service TIF #4     | \$ 790,542          |
| Debt Service TIF #5     | 69,501              |
| Debt Service TIF #6     | 1,102,725           |
| Capital Projects TIF #4 | ( 420,000)          |
| Capital Projects TIF #5 | 405,935             |
| Capital Projects TIF #6 | 4,463,309           |
| Library                 | <u>137,205</u>      |
| Total                   | <u>\$ 6,549,217</u> |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 7. Changes in Capital Assets:**

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u>     | <u>Reductions</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|----------------------|-------------------|---------------------------|
| <b>Governmental activities:</b>                        |                              |                      |                   |                           |
| Streets  | \$ 15,655,636                | \$ --                | \$ --             | \$ 15,655,636             |
| Mill redevelopment                                     | 5,000,000                    | --                   | 793,053           | 4,206,947                 |
| Land   | 3,227,100                    | --                   | --                | 3,227,100                 |
| Buildings  | 6,744,179                    | --                   | --                | 6,744,179                 |
| Large equipment  | 3,523,912                    | 133,448              | 59,444            | 3,597,916                 |
| Park equipment   | 1,065,145                    | 283,550              | 22,754            | 1,325,941                 |
| Municipal complex<br>equipment                         | 630,288                      | 25,516               | --                | 655,804                   |
| Library  | 249,426                      | 1,244                | --                | 250,670                   |
| <b>Totals</b>  | <u>36,095,686</u>            | <u>443,758</u>       | <u>875,251</u>    | <u>35,664,193</u>         |
| <b>Accumulated depreciation:</b>                       |                              |                      |                   |                           |
| Streets  | 5,186,216                    | 390,691              | --                | 5,576,907                 |
| Buildings  | 5,047,905                    | 80,656               | --                | 5,128,561                 |
| Large equipment  | 2,384,200                    | 239,681              | 58,736            | 2,565,145                 |
| Park equipment   | 745,327                      | 64,910               | 18,205            | 792,032                   |
| Municipal complex<br>equipment                         | 215,601                      | 21,222               | --                | 236,823                   |
| Library  | 232,289                      | 1,790                | --                | 234,079                   |
| <b>Totals</b>  | <u>13,811,538</u>            | <u>798,950</u>       | <u>76,941</u>     | <u>14,533,547</u>         |
| <b>Governmental activities<br/>capital assets, net</b> | <u>\$ 22,284,148</u>         | <u>\$ ( 355,192)</u> | <u>\$ 798,310</u> | <u>\$ 21,130,646</u>      |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 7. Changes in Capital Assets - Continued:**

|   | Beginning<br>Balance | Additions           | Reductions    | Ending<br>Balance    |
|---|----------------------|---------------------|---------------|----------------------|
| <b>Business-type activities:</b>                |                      |                     |               |                      |
| Mains and laterals                              | \$ 11,693,008        | \$ 189,053          | \$ --         | \$ 11,882,061        |
| Storm sewers                                    | 3,542,133            | 1,405,185           | --            | 4,947,318            |
| Services  | 815,171              | 36,125              | 1,367         | 849,929              |
| Meters  | 430,277              | 88,511              | 33,403        | 485,385              |
| Hydrants  | 304,172              | 36,548              | 2,000         | 338,720              |
| Reservoirs and pipes                            | 756,750              | --                  | --            | 756,750              |
| Land and land rights                            | 137,426              | --                  | --            | 137,426              |
| Wells and springs                               | 1,284,080            | 157,123             | --            | 1,441,203            |
| Other plant                                     | 2,055,325            | --                  | --            | 2,055,325            |
| Other equipment                                 | 693,716              | 33,911              | 17,345        | 710,282              |
| Totals  | <u>21,712,058</u>    | <u>1,946,456</u>    | <u>54,115</u> | <u>23,604,399</u>    |
| <b>Accumulated depreciation:</b>                |                      |                     |               |                      |
| Mains and laterals                              | 2,069,407            | 175,401             | --            | 2,244,808            |
| Storm sewers                                    | 840,179              | 84,427              | --            | 924,606              |
| Services  | 235,546              | 24,647              | 1,367         | 258,826              |
| Meters  | 124,415              | 26,696              | 33,403        | 117,708              |
| Hydrants  | 75,706               | 7,452               | 2,000         | 81,158               |
| Reservoirs and pipes                            | 169,743              | 14,378              | --            | 184,121              |
| Wells and springs                               | 531,080              | 41,795              | --            | 572,875              |
| Other plant                                     | 889,992              | 96,898              | --            | 986,890              |
| Other equipment                                 | 678,299              | 19,757              | 17,345        | 680,711              |
| Totals  | <u>5,614,367</u>     | <u>491,451</u>      | <u>54,115</u> | <u>6,051,703</u>     |
| Business-type activities<br>capital assets, net | <u>\$ 16,097,691</u> | <u>\$ 1,455,005</u> | <u>\$ --</u>  | <u>\$ 17,552,696</u> |

**Note 8. General Information About the WRS 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 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 8. General Information About the WRS Pension Plan - Continued:**

**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.

**Post-Retirement Adjustments**

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

| Year | Core Fund<br>Adjustment | Variable Fund<br>Adjustment |
|------|-------------------------|-----------------------------|
| 2007 | 3.0%                    | 10%                         |
| 2008 | 6.6                     | 0                           |
| 2009 | (2.1)                   | (42)                        |
| 2010 | (1.3)                   | 22                          |
| 2011 | (1.2)                   | 11                          |
| 2012 | (7.0)                   | (7)                         |
| 2013 | (9.6)                   | 9                           |
| 2014 | 4.7                     | 25                          |
| 2015 | 2.9                     | 2                           |
| 2016 | 0.5                     | (5)                         |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 8. General Information About the WRS Pension Plan - Continued:**

**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. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. 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 \$98,958 in contributions from the employer.

Contribution rates as of December 31, 2017 are:

| <u>Employee Category</u>  | <u>Employee</u> | <u>Employer</u> |
|---|-----------------|-----------------|
| General (including teachers executives,<br>and elected officials) | 6.6%            | 6.6%            |
| Protective with Social Security                                   | 6.6%            | 9.4%            |
| Protective without Social Security                                | 6.6%            | 13.2%           |

**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 of \$88,931 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability 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 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 0.01078952%, which was a decrease of 0.00022990% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Village recognized pension expense of \$237,933.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 8. General Information About the WRS Pension Plan - Continued:**

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

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 33,910                         | \$ 279,682                       |
| Net differences between projected and actual earnings on pension plan investments                             | 530,356                           | 87,684                           |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 4,854                             | --                               |
| Changes in actuarial assumptions  | 92,981                            |                                  |
| Employer contributions subsequent to the measurement date   | 90,335                            | --                               |
| Totals  | \$ 752,436                        | \$ 367,366                       |

\$90,335 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. 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 ending<br><i>December 31,</i> | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|------------------------------------|-----------------------------------|----------------------------------|
| 2017                               | \$ 230,587                        | \$ 111,213                       |
| 2018                               | 230,587                           | 111,213                          |
| 2019                               | 192,944                           | 111,213                          |
| 2020                               | 7,800                             | 33,727                           |
| 2021                               | 183                               | --                               |

**Actuarial Assumptions**

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

|   |                                |
|---|--------------------------------|
| Actuarial valuation date                          | December 31, 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%                           |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 8. General Information About the WRS Pension Plan - Continued:**

\* 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.

**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:

**Retirement Funds  
Asset Allocation Targets  
and Expected Returns**

| Core Fund Asset Class            | Asset Allocation % |                    | Rate of Return %           |                         |
|----------------------------------|--------------------|--------------------|----------------------------|-------------------------|
|                                  | Current            | Destination Target | Long-Term Expected Nominal | Long-Term Expected Real |
| 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                     |
| <b>Variable Fund Asset Class</b> |                    |                    |                            |                         |
| U.S. equities                    | 70                 | 70                 | 7.6                        | 4.7                     |
| International equities           | 30                 | 30                 | 8.5                        | 5.6                     |
| Total Variable Fund              | 100                | 100                | 7.9                        | 5.0                     |

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.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 8. General Information About the WRS Pension Plan - Continued:**

**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 2.10% 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%, 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%) or 1-percentage-point higher (8.20%) than the current rate:

|   | 1% Decrease to<br>Discount Rate<br>(6.20%) | Current<br>Discount Rate<br>(7.20%) | 1% Increase to<br>Discount Rate<br>(8.20%) |
|---|--|-------------------------------------|--|
| Village's proportionate share of<br>the net pension liability (asset) | \$ 1,169,950                               | \$ 88,931                           | \$ ( 743,502)                              |

**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/caft.htm>.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 9. Assigned Fund Balances:**

A portion of the fund balance has been assigned for future purposes as follows:

|                          |                     |
|--------------------------|---------------------|
| Complex equipment        | \$ 160,360          |
| Boat launch              | 5,809               |
| Data processing          | 9,621               |
| Entrance sign            | 1,466               |
| Fire department          | 52,743              |
| Fire donations           | 5,110               |
| Impact                   | 101,858             |
| Mill site development    | 409,622             |
| Park development         | 239,125             |
| Personnel                | 461,808             |
| Police department        | 70,056              |
| Reassessment             | 102,675             |
| Room tax                 | 46,116              |
| Safety                   | 425                 |
| Self-insurance retention | 123,923             |
| Sidewalks                | 10,050              |
| Street equipment         | 532,671             |
| Street improvements      | 354,903             |
| Total                    | <u>\$ 2,688,341</u> |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 10. Joint Ventures - Library Board and Police Services:**

As authorized in the state statutes, the Village of Kimberly joined the Village of Little Chute in 1994 to establish and operate a joint library board. Four members of the joint library board are appointed by each Village. The Villages are responsible for owning and maintaining their own library facilities. All other library assets are controlled by the Board.

The operating and capital budgets are funded by contributions from each government. Each Village's share of the budget, assets, liabilities, and equity is 50% proportional to population and 50% proportional to equalized valuation. At December 31, 2017, Kimberly's share of the 2017 budget, which is reported in the library special revenue fund, was \$163,727. Financial information for the library may be obtained from the Village of Kimberly.

The Village of Kimberly joined the Village of Little Chute in 1995 to establish a joint police department to provide police protective services to both communities. Three members of the joint police commission are appointed by each Village. All assets of the respective police departments, with the exception of real estate and buildings, were joined under the agreement. The Village of Kimberly joined the joint police department as of July 1, 2011.

The operating and capital budgets are funded by contributions from each government. Each Village's share of the budget, assets, liabilities, and equity is 50% proportional to population and 50% proportional to equalized valuation. At December 31, 2017, Kimberly's share of the police department's 2017 budget was \$1,052,242, which is reported in the general fund as a public safety expenditure. The Village of Little Chute serves as fiscal agent of the joint police department.

**Note 11. Subsequent Events:**

The Village has evaluated all subsequent events through July 12, 2018, the date on which the financial statements are available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -  
GENERAL FUND**

For the Year Ended December 31, 2017

|   | Original<br>Budget  | Final<br>Budget     | Actual              | Variance<br>With Final<br>Budget |
|---|---------------------|---------------------|---------------------|----------------------------------|
| <b>Revenues:</b>                                |                     |                     |                     |                                  |
| Taxes   | \$ 3,359,942        | \$ 3,359,942        | \$ 3,383,988        | \$ 24,046                        |
| Special assessments                             | 118,321             | 118,321             | 154,764             | 36,443                           |
| Intergovernmental revenues                      | 953,555             | 953,555             | 977,971             | 24,416                           |
| Licenses and permits                            | 103,800             | 103,800             | 123,211             | 19,411                           |
| Fines, forfeitures, and penalties               | 76,500              | 76,500              | 92,458              | 15,958                           |
| Public charges for services                     | 147,640             | 147,640             | 152,295             | 4,655                            |
| Miscellaneous revenues                          | 535,942             | 535,942             | 738,426             | 202,484                          |
| <b>Total revenues</b>                           | <b>5,295,700</b>    | <b>5,295,700</b>    | <b>5,623,113</b>    | <b>327,413</b>                   |
| <b>Expenditures:</b>                            |                     |                     |                     |                                  |
| <b>Current:</b>                                 |                     |                     |                     |                                  |
| General government                              | 1,153,638           | 1,153,638           | 972,328             | 181,310                          |
| Public safety                                   | 1,323,123           | 1,323,123           | 1,319,906           | 3,217                            |
| Health and social services                      | 139,797             | 139,797             | 132,092             | 7,705                            |
| Public works                                    | 1,146,251           | 1,146,251           | 1,138,286           | 7,965                            |
| Culture, recreation, and education              | 475,524             | 475,524             | 433,937             | 41,587                           |
| Capital outlay                                  | 1,057,367           | 1,057,367           | 434,446             | 622,921                          |
| <b>Total expenditures</b>                       | <b>5,295,700</b>    | <b>5,295,700</b>    | <b>4,430,995</b>    | <b>864,705</b>                   |
| <b>Excess of revenues<br/>over expenditures</b> | <b>--</b>           | <b>--</b>           | <b>1,192,118</b>    | <b>1,192,118</b>                 |
| <b>Other financing sources (uses):</b>          |                     |                     |                     |                                  |
| Net operating transfers in                      | --                  | --                  | 77,480              | 77,480                           |
| <b>Net change in fund balances</b>              | <b>--</b>           | <b>--</b>           | <b>1,269,598</b>    | <b>1,269,598</b>                 |
| <b>Fund balances, beginning of year</b>         | <b>3,895,405</b>    | <b>3,895,405</b>    | <b>3,895,405</b>    | <b>--</b>                        |
| <b>Fund balances, end of year</b>               | <b>\$ 3,895,405</b> | <b>\$ 3,895,405</b> | <b>\$ 5,165,003</b> | <b>\$ 1,269,598</b>              |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY (ASSET)  
Wisconsin Retirement System  
Last 10 Fiscal Years\***

| Fiscal<br>Year<br>Ending | Proportion<br>of the Net<br>Pension<br>Liability<br>(Asset) | Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) | Covered<br>Employee<br>Payroll | Plan Fiduciary<br>Net Position as<br>a Percentage<br>of the Total<br>Pension<br>Liability (Asset) |
|--------------------------|---|--|--------------------------------|---|
| 12/31/15                 | 0.01112291%   | \$ ( 273,209)  | \$ 1,548,792                   | 102.74%   |
| 12/31/16                 | 0.01101942%   | 179,063  | 1,551,616                      | 98.20%  |
| 12/31/17                 | 0.01078952%   | 88,931   | 1,499,376                      | 99.12%  |

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

2015 was the first year that this information was made available due to implementation of GASB 68.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS  
Wisconsin Retirement System  
Last 10 Fiscal Years\***

| Fiscal<br>Year<br>Ending | Contractually<br>Required<br>Contributions | Contributions in<br>Relation to the<br>Contractually<br>Required<br>Contributions | Contribution<br>Deficiency<br>(Excess) | Covered<br>Employee<br>Payroll | Contributions as<br>a Percentage<br>of Covered<br>Employee<br>Payroll |
|--------------------------|--|---|--|--------------------------------|---|
| 12/31/15                 | \$ 108,417                                 | \$ 108,417  | \$ --                                  | \$ 1,548,792                   | 7.00%   |
| 12/31/16                 | 105,511                                    | 105,511   | --                                     | 1,551,616                      | 6.80%   |
| 12/31/17                 | 98,958                                     | 98,958  | --                                     | 1,499,376                      | 6.60%   |

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

2015 was the first year that this information was made available due to implementation of GASB 68.

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**NOTES TO REQUIRED WRS SCHEDULES  
For the Year Ended December 31, 2017**

**Note 1. Change of Benefit Terms:**

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

**Note 2. Change of Assumptions:**

There were no changes in the assumptions.

**OTHER SUPPLEMENTARY INFORMATION**

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2017

|  | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> | <u>Library</u>    | <u>Custodial</u> | <u>Totals</u>       |
|--|-------------------------|-----------------------------|-------------------|------------------|---------------------|
| <b>ASSETS</b>                                  |                         |                             |                   |                  |                     |
| Cash and investments                           | <u>\$ 1,540,043</u>     | <u>\$ 405,935</u>           | <u>\$ 160,991</u> | <u>\$ 5,021</u>  | <u>\$ 2,111,990</u> |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                         |                             |                   |                  |                     |
| Accounts payable                               | \$ --                   | \$ --                       | \$ 9,075          | \$ 1,443         | \$ 10,518           |
| Accrued payroll taxes<br>and withholdings      | --                      | --                          | 14,711            | 3,578            | 18,289              |
| Due to other funds                             | <u>680,000</u>          | <u>420,000</u>              | <u>--</u>         | <u>--</u>        | <u>1,100,000</u>    |
| Total liabilities                              | 680,000                 | 420,000                     | 23,786            | 5,021            | 1,128,807           |
| Fund balance, reserved                         | <u>860,043</u>          | <u>( 14,065)</u>            | <u>137,205</u>    | <u>--</u>        | <u>983,183</u>      |
| <b>Total liabilities and<br/>fund balances</b> | <u>\$ 1,540,043</u>     | <u>\$ 405,935</u>           | <u>\$ 160,991</u> | <u>\$ 5,021</u>  | <u>\$ 2,111,990</u> |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2017**

|                                       | Debt<br>Service   | Capital<br>Projects | Library           | Custodial      | Totals            |
|---------------------------------------|-------------------|---------------------|-------------------|----------------|-------------------|
| <b>Revenues:</b>                      |                   |                     |                   |                |                   |
| Taxes                                 | \$ 541,218        | \$ --               | \$ --             | \$ --          | \$ 541,218        |
| Intergovernmental revenues            | --                | 39,700              | 696,342           | 148,057        | 884,099           |
| Fines, forfeitures,<br>and penalties  | --                | --                  | 17,685            | --             | 17,685            |
| Public charges for services           | --                | --                  | 5,802             | --             | 5,802             |
| Miscellaneous                         | 7,580             | 39,277              | 2,470             | --             | 49,327            |
| <b>Total revenues</b>                 | <b>548,798</b>    | <b>78,977</b>       | <b>722,299</b>    | <b>148,057</b> | <b>1,498,131</b>  |
| <b>Expenditures:</b>                  |                   |                     |                   |                |                   |
| General government                    | --                | --                  | --                | 148,057        | 148,057           |
| Culture, recreation,<br>and education | --                | --                  | 738,939           | --             | 738,939           |
| <b>Debt service:</b>                  |                   |                     |                   |                |                   |
| Principal retirement                  | 130,000           | --                  | --                | --             | 130,000           |
| Interest charges                      | 153,118           | --                  | --                | --             | 153,118           |
| Escrow agent fees                     | 2,620             | --                  | --                | --             | 2,620             |
| Capital outlays                       | --                | 54,760              | --                | --             | 54,760            |
| <b>Total expenditures</b>             | <b>285,738</b>    | <b>54,760</b>       | <b>738,939</b>    | <b>148,057</b> | <b>1,227,494</b>  |
| Net change in fund balances           | 263,060           | 24,217              | ( 16,640)         | --             | 270,637           |
| Fund balance,<br>beginning of year    | 596,983           | ( 38,282)           | 153,845           | --             | 712,546           |
| Fund balance, end of year             | <u>\$ 860,043</u> | <u>\$ ( 14,065)</u> | <u>\$ 137,205</u> | <u>\$ --</u>   | <u>\$ 983,183</u> |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**COMBINING BALANCE SHEET -  
NONMAJOR DEBT SERVICE FUNDS**

December 31, 2017

|   | <u>TIF #4</u>     | <u>TIF #5</u>     | <u>Totals</u>       |
|---|-------------------|-------------------|---------------------|
| <b>ASSETS</b>                                 |                   |                   |                     |
| Cash and investments                          | <u>\$ 790,542</u> | <u>\$ 749,501</u> | <u>\$ 1,540,043</u> |
| <br>  |                   |                   |                     |
| <b>LIABILITIES</b>                            |                   |                   |                     |
| Due to other funds                            | \$ --             | \$ 680,000        | \$ 680,000          |
| <br>  |                   |                   |                     |
| Fund balance, reserved                        | <u>790,542</u>    | <u>69,501</u>     | <u>860,043</u>      |
| <br>  |                   |                   |                     |
| <b>Total liabilities and<br/>fund balance</b> | <u>\$ 790,542</u> | <u>\$ 749,501</u> | <u>\$ 1,540,043</u> |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES -**

**NONMAJOR DEBT SERVICE FUNDS**

For the Year Ended December 31, 2017

|                                     | <u>TIF #4</u>     | <u>TIF #5</u>    | <u>Totals</u>     |
|-------------------------------------|-------------------|------------------|-------------------|
| <b>Revenues:</b>                    |                   |                  |                   |
| Taxes                               | \$ 192,604        | \$ 348,614       | \$ 541,218        |
| Miscellaneous                       | 3,866             | 3,714            | 7,580             |
| Total revenues                      | <u>196,470</u>    | <u>352,328</u>   | <u>548,798</u>    |
| <br><b>Expenditures:</b>            |                   |                  |                   |
| Principal retirement                | 45,000            | 85,000           | 130,000           |
| Interest charges                    | 39,281            | 113,837          | 153,118           |
| Escrow agent fees                   | 1,225             | 1,395            | 2,620             |
| Total expenditures                  | <u>85,506</u>     | <u>200,232</u>   | <u>285,738</u>    |
| <br>Net change in fund balances     | 110,964           | 152,096          | 263,060           |
| <br>Fund balance, beginning of year | <u>679,578</u>    | <u>( 82,595)</u> | <u>596,983</u>    |
| <br>Fund balance, end of year       | <u>\$ 790,542</u> | <u>\$ 69,501</u> | <u>\$ 860,043</u> |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS**

December 31, 2017

|   | <u>TIF #4</u>      | <u>TIF #5</u>       | <u>Totals</u>       |
|---|--------------------|---------------------|---------------------|
| <b>ASSETS</b>                                 |                    |                     |                     |
| Cash and investments                          | <u>\$       --</u> | <u>\$   405,935</u> | <u>\$   405,935</u> |
| <br>  |                    |                     |                     |
| <b>LIABILITIES</b>                            |                    |                     |                     |
| Due to other funds                            | \$   420,000       | \$       --         | \$   420,000        |
| <br>  |                    |                     |                     |
| Fund balance, reserved                        | <u>( 420,000)</u>  | <u>405,935</u>      | <u>( 14,065)</u>    |
| <br>  |                    |                     |                     |
| <b>Total liabilities and<br/>fund balance</b> | <u>      --</u>    | <u>\$   405,935</u> | <u>\$   405,935</u> |

**VILLAGE OF KIMBERLY  
KIMBERLY, WISCONSIN**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES -  
NONMAJOR CAPITAL PROJECTS FUNDS  
For the Year Ended December 31, 2017**

|  | <u>TIF #4</u>               | <u>TIF #5</u>            | <u>Totals</u>              |
|--|-----------------------------|--------------------------|----------------------------|
| <b>Revenues:</b>                       |                             |                          |                            |
| Taxes                                  | \$ --                       | \$ --                    | \$ --                      |
| Intergovernmental revenues             | --                          | 39,700                   | 39,700                     |
| Miscellaneous                          | --                          | 39,277                   | 39,277                     |
| <b>Total revenues</b>                  | <u>--</u>                   | <u>78,977</u>            | <u>78,977</u>              |
| <b>Expenditures:</b>                   |                             |                          |                            |
| Capital outlays                        | --                          | 54,760                   | 54,760                     |
| <b>Total expenditures</b>              | <u>--</u>                   | <u>54,760</u>            | <u>54,760</u>              |
| <b>Net change in fund balances</b>     | --                          | 24,217                   | 24,217                     |
| <b>Fund balance, beginning of year</b> | <u>( 420,000)</u>           | <u>381,718</u>           | <u>( 38,282)</u>           |
| <b>Fund balance, end of year</b>       | <u><u>\$ ( 420,000)</u></u> | <u><u>\$ 405,935</u></u> | <u><u>\$ ( 14,065)</u></u> |