



**JOHNSON BLOCK**

**CPAs**



**JOHNSON CREEK**  
**Crossroads With A Future**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT  
For the Year Ended December 31, 2017**

**Village of Johnson Creek  
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December 31, 2017**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Village Board  
Village of Johnson Creek  
Johnson Creek, Wisconsin

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Johnson Creek, Wisconsin, as of and for the year ended December 31, 2017, which collectively comprise the Village's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

### ***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 controls 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 of material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Johnson Creek, Wisconsin, as of December 31, 2017, and the respective changes in financial position and 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, budgetary comparison information, and the Wisconsin Retirement System schedules as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Johnson Creek, Wisconsin's financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Johnson Block and Company, Inc.*

Johnson Block and Company, Inc.  
Certified Public Accountants  
Madison, Wisconsin

July 6, 2018

## Village of Johnson Creek

### Management's Discussion and Analysis

December 31, 2017

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The Management's Discussion and Analysis of the Village of Johnson Creek's financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the Village of Johnson Creek's financial statements.

#### ***Financial Highlights***

- Total equalized value of real and personal property in the Village for 2017 is \$334,970,500, of which \$215,326,500 is non-TIF (Tax Incremental Financing) property. Total equalized value in 2016 was \$312,986,500, of which \$199,798,500 was non-TIF property and in 2015 total equalized value was \$296,300,300, of which \$192,551,800 was non-TIF property. Overall equalized value (estimate of the market value of all property) was up \$21,984,000 from 2016 to 2017. Net new construction also increased by \$8,246,600 during the same period according to figures released by the State of Wisconsin Department of Revenue.
- Village assets exceeded liabilities by \$27,605,401 at the close of FY 2017, up from \$26,842,620 FY 2016 and \$26,516,489 FY 2015. Of this amount, \$6,245,219 is considered unrestricted, \$178,491 is restricted for specific purposes, and \$21,181,691 is invested in capital assets net of related debt.
- Net position for business-type activities was \$24,082,993 at the close of FY 2017, up from \$23,885,078 at close of FY 2016 and down from \$24,247,032 at the close of FY 2015. Net position for governmental-type activities was \$3,522,408 at the close of FY 2017, up from \$2,957,542 at the close of FY 2016 and \$2,269,457 at the close of FY 2015.
- The Village experienced a net decrease of \$503,753 in fixed assets during 2017 due to normal depreciation during a year in which little infrastructure and equipment was added in the governmental funds. Governmental funds fixed assets decreased by \$986,929, while proprietary funds fixed assets increased by \$483,176.

Village of Johnson Creek  
Management's Discussion & Analysis

***Overview of the Financial Statements***

The Village of Johnson Creek basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

Other supplementary information in addition to the basic financial statements is provided as required.

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

The statement of net position presents information on all Village assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Johnson Creek is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Village of Johnson Creek that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities of the Village include general administration; public safety; public works; health, welfare and sanitation; culture and recreation, conservation and development and debt service. Business-type activities of the Village include a Water Utility and a Sewer Utility.

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

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

***Governmental funds.*** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources*

Village of Johnson Creek  
Management's Discussion & Analysis

available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Additionally, other non-financial factors may need to be considered, such as changes in the Village's property tax base and condition of infrastructure.

The Village of Johnson Creek maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in the fund balances for the general fund, TIF #2 fund, and TIF #3 fund, all of which are considered to be major funds. The library fund, room tax fund, fire fund, and capital outlay fund are considered non-major funds for which data is shown in a single, aggregated presentation.

The basic governmental fund financial statements are found on pages 3-6 of this report.

The Village of Johnson Creek adopts an annual appropriated budget for the general fund and various other funds as required by state statute. Budgetary comparison statements, found on pages 44-46, have been provided as required supplementary information for the general fund, the two separate TIF funds and fire fund.

***Proprietary funds.*** The Village of Johnson Creek maintains two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprise funds to account for its water utility and its sewer utility.

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

The basic proprietary fund financial statements are found on pages 7-11 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government or for other funds. Fiduciary funds are *not* reflected in the government-wide financial statements. The only fiduciary fund maintained by the Village is the tax agency fund which records the tax roll and tax collections for other taxing jurisdictions within the Village of Johnson Creek. The accounting used for fiduciary funds is much like that used for governmental funds.

The basic fiduciary fund financial statement can be found on page 12 of this report.

***Notes to the financial statements.*** The notes provide additional information essential to full understanding of data provided in the government-wide and fund financial statements such as a description of the Village's accounting policies and detail of inter-fund balances, restricted cash balances, fixed asset changes and debt service. The notes to the financial statements can be found on pages 13-43 of this report.

Village of Johnson Creek  
Management's Discussion & Analysis

***Overview of the Financial Statements***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Johnson Creek, assets exceeded liabilities by \$27,605,401 at the close of the most recent fiscal year and \$26,842,620 at the close of the prior fiscal year, as presented in the following tables.

<b>Village of Johnson Creek's Net Position</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 9,259,440	\$ 9,679,994	\$ 4,915,460	\$ 5,155,140	\$ 14,174,900	\$ 14,835,134
Capital Assets	14,524,515	15,511,444	19,050,915	18,567,739	33,575,430	34,079,183
Total Assets	23,783,955	25,191,438	23,966,375	23,722,879	47,750,330	48,914,317
Deferred Outflows	302,946	556,289	256,703	320,740	559,649	877,029
Long-Term Liabilities	15,872,078	18,262,904	41,092	45,904	15,913,170	18,308,808
Other Liabilities	339,876	289,682	98,993	112,637	438,869	402,319
Total Liabilities	16,211,954	18,552,586	140,085	158,541	16,352,039	18,711,127
Deferred Inflows	4,352,539	4,237,599	-	-	4,352,539	4,237,599
Net Position:						
Net Investment in Capital Assets	2,130,776	1,374,725	19,050,915	18,567,739	21,181,691	19,942,464
Restricted	178,491	171,298	-	-	178,491	171,298
Unrestricted	1,213,141	1,411,519	5,032,078	5,317,339	6,245,219	6,728,858
Total Net Positions	\$ 3,522,408	\$ 2,957,542	\$ 24,082,993	\$ 23,885,078	\$ 27,605,401	\$ 26,842,620

The Village of Johnson Creek's net position reflects its investment in capital assets (e.g., land, building, machinery, equipment, and infrastructure), less any related debt used to acquire those assets, as a positive \$21,181,691 compared to \$19,942,464 for the year ended 2016 and \$21,023,581 for the year ended 2015. The Village uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position, \$178,491 represents resources subject to external restrictions on how they may be used. These restricted assets include reserves as required by long-term debt requirements, impact fee collections, funds restricted by State law, library trust fund, and possible pension asset from the Wisconsin Retirement System. The remaining balance of *unrestricted net position* is \$6,245,219 down from \$6,728,858 the prior year.

Village of Johnson Creek  
Management's Discussion & Analysis

<b>Village of Johnson Creek's Change in Net Position</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services and fees, fines and costs	\$ 347,894	\$ 440,214	\$ 1,255,109	\$ 1,216,318	\$ 1,603,003	\$ 1,656,532
Operating grants and contributions	232,994	262,169	-	-	232,994	262,169
Capital grants and contributions	-	-	-	1,325	-	1,325
<b>General revenues:</b>						
Taxes	4,458,666	4,181,510	-	-	4,458,666	4,181,510
Special Assessments	26,492	39,787	-	-	26,492	39,787
Intergovernmental revenues not restricted to specific programs	326,820	328,185	-	-	326,820	328,185
Unrestricted Interest and Investment Earnings	107,985	79,773	22,008	61,713	129,993	141,486
Miscellaneous	69,893	121,853	17,847	25,612	87,740	147,465
Special Items	-	(6,920)	-	-	-	(6,920)
<b>Total Revenues</b>	<b>5,570,744</b>	<b>5,446,571</b>	<b>1,294,964</b>	<b>1,304,968</b>	<b>6,865,708</b>	<b>6,751,539</b>
<b>Expenses:</b>						
General Government	537,133	576,439	-	-	537,133	576,439
Public Safety	1,361,212	1,326,536	-	-	1,361,212	1,326,536
Public Works	1,446,275	1,458,235	-	-	1,446,275	1,458,235
Health, Welfare & Sanitation	7,538	7,240	-	-	7,538	7,240
Culture and Recreation	452,467	438,901	-	-	452,467	438,901
Conservation & Development	56,365	390,559	-	-	56,365	390,559
Interest on long-term debt	784,627	762,141	-	-	784,627	762,141
Water & Sewer	-	-	1,457,310	1,465,357	1,457,310	1,465,357
<b>Total Expenses:</b>	<b>4,645,617</b>	<b>4,960,051</b>	<b>1,457,310</b>	<b>1,465,357</b>	<b>6,102,927</b>	<b>6,425,408</b>
<b>Increase (Decrease) in Net Position before transfers</b>	<b>925,127</b>	<b>486,520</b>	<b>(162,346)</b>	<b>(160,389)</b>	<b>762,781</b>	<b>326,131</b>
Transfers	(360,261)	201,565	360,261	(201,565)	-	-
<b>Increase (Decrease) in Net Position</b>	<b>564,866</b>	<b>688,085</b>	<b>197,915</b>	<b>(361,954)</b>	<b>762,781</b>	<b>326,131</b>
Net Position – January 1	2,957,542	2,269,457	23,885,078	24,247,032	26,842,620	26,516,489
Net Position – December 31	3,522,408	2,957,542	24,082,993	23,885,078	27,605,401	26,842,620

Governmental activities increased the Village of Johnson Creek's net position by \$564,866 and business-type activities increased the Village's net position by \$197,915 for an overall increase of net position of \$762,781.

Village of Johnson Creek  
Management's Discussion & Analysis

***Financial Analysis of the Government's Funds***

As noted earlier, the Village of Johnson Creek uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

*Nonspendable fund balance* includes funds either not in spendable form or required to be maintained intact. The majority of Village of Johnson Creek funds reported as nonspendable are amounts due from other funds. *Restricted fund balance* reports funds with restricted uses determined by outside sources such as creditors, grantors or by state law. Johnson Creek funds reported as restricted include those subject to long-term debt obligations as well as impact fee and room tax collections. *Committed fund balance* reports resources subject to limitations the government imposes upon itself at its highest level of decision making and that remain binding unless removed in the same manner. The Village currently does not report funds in this category. *Assigned fund balance* reports resources for which the local government has established an intended use. Johnson Creek's assigned fund balance includes funds designated for future capital expenditures examples of which include computer upgrades, building repairs, park improvements or squad car replacements.

The Village's general fund – the chief operating fund of the Village of Johnson Creek showed an unassigned fund balance of \$622,119 or 24.3% of the total general fund balance. This can be compared to the Village's unassigned fund balance of \$606,724 at YE 2016. Total fund balance of the general fund amounted to \$2,561,481 up from \$2,368,029 YE 2016 and \$2,273,104 YE 2015. The Village Board adopted a Fund Balance Policy in 2016 to assign an amount in excess of 25-30%

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 31.9% of total general fund expenditures, which total fund balance represents 131.2% of that same amount.

***Proprietary funds.*** The Village of Johnson Creek's reporting on proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water utility at the end of the year amounted to \$1,519,374 up from \$1,457,522 in 2016 and \$1,344,211 for the year ended 2015. Unrestricted net position of the Sewer Utility at the end of the year amounted to \$3,512,704 down from \$3,859,787 in 2016 and \$3,745,641 for the year ended 2015.

Village of Johnson Creek  
Management's Discussion & Analysis

**Fiduciary funds.** The Village of Johnson Creek's reporting on fiduciary funds provides information not reflected in the government-wide financial statements. The only fiduciary fund maintained by the Village is the tax collection fund and is used to account for resources held for other funds or taxing jurisdictions.

**General Fund Budgetary Highlights**

In the 2017 budget, total expenditures were under budget by \$26,279, while total revenues collected were \$149,528 more than budgeted. Interest income was greater than budgeted due to a scheduled TIF #3 advance payment to the General Fund.

**Capital Asset and Debt Administration**

**Capital assets.** The Village of Johnson Creek's investment in capital assets for its governmental and business-type activities as of December 31, 2017, amounts to \$33.6 million (net of accumulated depreciation) down from \$34.1 million at the end of fiscal year 2016 and \$35.3 million for 2015. The reason for the steady decline is normal depreciation during years in which there were few major capital purchases or projects. Investment in capital assets includes land, buildings, vehicles and equipment, and utility infrastructure.

<b>Village of Johnson Creek's Capital Assets</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,011,921	\$ 2,011,921	\$ 38,982	\$ 38,982	\$ 2,050,903	\$ 2,050,903
Construction Work in Progress	-	11,713	1,224,742	769,768	1,224,742	781,481
Land and Construction Work in Progress	2,011,921	2,023,634	1,263,724	808,750	3,275,645	2,832,384
Buildings	4,194,871	4,194,871	1,552,967	1,552,967	5,747,838	5,747,838
Vehicles & Equipment	4,830,111	4,577,731	1,711,229	1,711,229	6,541,340	6,288,960
Infrastructure	21,898,897	21,898,897	23,621,379	22,982,948	45,520,276	44,881,845
Other Capital Assets	30,923,879	30,671,499	26,885,575	26,247,144	57,809,454	56,918,643
Accumulated Depreciation	(18,411,285)	(17,183,689)	(9,098,384)	(8,488,155)	(27,509,669)	(25,671,844)
Other Capital Assets, net of depreciation	12,512,594	13,487,810	17,787,191	17,758,989	30,299,785	31,246,799
<b>Total Capital Assets</b>	<b>\$ 14,524,515</b>	<b>\$ 15,511,444</b>	<b>\$ 19,050,915</b>	<b>\$ 18,567,739</b>	<b>\$ 33,575,430</b>	<b>\$ 34,079,183</b>

Village of Johnson Creek  
Management's Discussion & Analysis

Capital asset events during the current fiscal year included the following:

- Improvements to EMS building front and back porches and bathrooms
- Improvements to Centennial Park with Installation of Parking Lot
- Milling, paving, and shouldering on Aztalan Street
- Improvements to County Highway Y intersection
- Installation of a new influent interceptor
- Preliminary wastewater treatment plant design and engineering

Additional information on the Village of Johnson Creek's capital assets can be found in Note 8 on pages 30-32 of this report.

Village of Johnson Creek  
Management's Discussion & Analysis

**Long-term debt.** At the end of the current fiscal year, the Village of Johnson Creek had total debt outstanding of \$15.8 million, down from \$18.1 million FY 2016 and \$18.8 million FY 2015. Of this amount, \$8,125,000 comprises debt backed by the full faith and credit of the government. This amount is up from \$7,220,000 in 2016 and \$6,995,000 in 2015. The remainder of the Village of Johnson Creek's debt represents bonds secured solely by specified revenue sources.

<b>Village of Johnson Creek's Outstanding Debt</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
General Obligation Debt	\$ 8,125,000	\$ 7,220,000	\$ -	\$ -	\$ 8,125,000	\$ 7,220,000
Bond Anticipation Notes	-	1,395,000	-	-	-	1,395,000
CDA Lease Revenue Bonds	7,640,000	9,490,000	-	-	7,640,000	9,490,000
<b>Total Debt Outstanding</b>	<b>\$ 15,765,000</b>	<b>\$ 18,105,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,765,000</b>	<b>\$ 18,105,000</b>

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation. The Village's current outstanding general obligation debt of \$8,125,000 is 48.5% of its \$16.7 million debt limitation, up from 46.1% FY 2016. This is attributed to increase in equalized value, debt refundings in 2017, and the ongoing debt payments each year.

Additional information on the Village of Johnson Creek's long term debt can be found in note 9 on pages 33-35 of this report.

Village of Johnson Creek  
Management's Discussion & Analysis

***Economic Factors and Next Year's Budgets and Rates***

2017 State of Wisconsin estimates indicate the current Johnson Creek population is 2,972. The most recent US Census (2010) results showed a .70% increase in population from 2000 to 2010.

Residential construction contributed to eleven new single-family residential building permits being issued with a total estimated value of \$2,302,260.

Assessed valuation of properties in the Village was \$326,844,400 including properties in the TIF districts, an increase of \$10,447,100 from the prior year. Equalized valuation (the State of Wisconsin's estimate of the market value of property) increase by \$21,984,000 to \$334,970,500. The ratio of equalized to assessed values as determined by the State of Wisconsin was 97.57%.

Village water rates have been in effect since 1997 and a simplified rate case was completed in 2017, increasing rates by three percent. The Village Board voted in 2009 to temporarily reduce the sewer rates that were in effect since 2001 and spend down approximately \$100,000 of sewer reserves. The Village Board has approved a contract for a Wastewater Treatment Facility Upgrade Design Phase. The lower rate, effective January, 2010, is anticipated to be adjusted to help fund the upgrade.

***Request for Information***

Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to:

Heather Rupnow, Clerk/Treasurer  
Village of Johnson Creek  
125 Depot St.  
P.O. Box 238  
Johnson Creek, Wisconsin 53038  
(920) 699-2296  
info@johnsoncreekwi.org

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,398,341	\$ 4,749,156	\$ 7,147,497
Receivables			
Taxes	4,436,218	130	4,436,348
Accounts, net	119,628	122,536	242,164
Special Assessments	367,695	-	367,695
Inventories	-	34,479	34,479
Prepays	92,917	9,159	102,076
Other Assets	82,394	-	82,394
Restricted Assets			
Restricted Cash and Investments	1,662,795	-	1,662,795
Capital Assets			
Land, Improvements, and Construction in Progress	2,011,921	1,263,724	3,275,645
Other Capital Assets, Net of Depreciation	12,512,594	17,787,191	30,299,785
Total Capital Assets	14,524,515	19,050,915	33,575,430
Total Assets	23,783,955	23,966,375	47,750,330
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	302,946	117,200	420,146
Unamortized Loss on Advanced Refunding	-	139,503	139,503
Total Deferred Outflows of Resources	302,946	256,703	559,649
Total Assets and Deferred Outflows of Resources	\$ 24,086,901	\$ 24,223,078	\$ 48,309,979
<b>LIABILITIES</b>			
Accounts Payable	\$ 11,853	\$ 32,548	\$ 44,401
Accrued Expenses	220,113	4,937	225,050
Accrued Interest Payable	69,553	-	69,553
Long-Term Liabilities			
Due Within One Year	2,217,608	6,481	2,224,089
Due in More Than One Year	13,654,470	28,597	13,683,067
Deferred Regulatory Liability	-	6,014	6,014
Net Pension Liability	38,357	14,840	53,197
Total Liabilities	16,211,954	93,417	16,305,371
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2017 Tax Levy	4,231,910	-	4,231,910
Deferred Pension Inflows	120,629	46,668	167,297
Total Deferred Inflows of Resources	4,352,539	46,668	4,399,207
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,130,776	19,050,915	21,181,691
Restricted	178,491	-	178,491
Unrestricted	1,213,141	5,032,078	6,245,219
Total Net Position	3,522,408	24,082,993	27,605,401
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 24,086,901	\$ 24,223,078	\$ 48,309,979

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary Government</b>							
Governmental Activities							
General Government	\$ 537,133	\$ 83,481	\$ -	\$ -	\$ (453,652)		\$ (453,652)
Public Safety	1,361,212	236,621	32,330	-	(1,092,261)		(1,092,261)
Public Works	1,446,275	16,836	149,075	-	(1,280,364)		(1,280,364)
Health, Welfare and Sanitation	7,538	175	-	-	(7,363)		(7,363)
Culture and Recreation	452,467	8,681	51,589	-	(392,197)		(392,197)
Conservation and Development	56,365	2,100	-	-	(54,265)		(54,265)
Interest on Long-term debt	784,627	-	-	-	(784,627)		(784,627)
Total Governmental Activities	<u>4,645,617</u>	<u>347,894</u>	<u>232,994</u>	<u>-</u>	<u>(4,064,729)</u>		<u>(4,064,729)</u>
Business-type Activities							
Water	537,737	607,684	-	-	-	\$ 69,947	69,947
Sewer	919,573	647,425	-	-	-	(272,148)	(272,148)
Total Business-type Activities	<u>1,457,310</u>	<u>1,255,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(202,201)</u>	<u>(202,201)</u>
Total Primary Government	<u>\$ 6,102,927</u>	<u>\$ 1,603,003</u>	<u>\$ 232,994</u>	<u>\$ -</u>	<u>(4,064,729)</u>	<u>(202,201)</u>	<u>(4,266,930)</u>
<b>General Revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					4,073,506	-	4,073,506
Other taxes					385,160	-	385,160
Special assessments					26,492	-	26,492
Shared taxes from state					326,820	-	326,820
Impact fees					12,020	-	12,020
Interest income					107,985	22,008	129,993
Miscellaneous					57,873	17,847	75,720
Transfers					(360,261)	360,261	-
Total general revenues and transfers					<u>4,629,595</u>	<u>400,116</u>	<u>5,029,711</u>
Change in net position					564,866	197,915	762,781
Net position - Beginning					2,957,542	23,885,078	26,842,620
Net position - Ending					<u>\$ 3,522,408</u>	<u>\$ 24,082,993</u>	<u>\$ 27,605,401</u>

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

	<b>General Fund</b>	<b>TIF #2</b>	<b>TIF #3</b>	<b>Fire/EMS Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 1,513,298	\$ 409,105	\$ -	\$ 319,005	\$ 156,933	\$ 2,398,341
Receivables:						
Taxes	1,377,619	1,471,859	1,585,809	-	-	4,435,287
Delinquent Personal Property Taxes	931	-	-	-	-	931
Special Assessments	-	169,752	197,944	-	-	367,696
Accounts	20,169	-	-	-	35,399	55,568
Other	-	-	-	64,060	-	64,060
Due from Other Funds	99,452	-	-	-	-	99,452
Other Assets	82,394	-	-	-	-	82,394
Prepaid Expenses	-	-	92,917	-	-	92,917
Restricted Cash	155,544	698,758	693,794	-	114,699	1,662,795
Advances Receivable	1,048,829	-	-	-	-	1,048,829
Total Assets	<u>\$ 4,298,236</u>	<u>\$ 2,749,474</u>	<u>\$ 2,570,464</u>	<u>\$ 383,065</u>	<u>\$ 307,031</u>	<u>\$ 10,308,270</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 9,829	\$ -	\$ -	\$ 2,024	\$ -	\$ 11,853
Accrued Liabilities	80,905	-	-	37,541	2,215	120,661
Due to Other Funds	-	-	99,452	-	-	99,452
Advances Payable	-	-	1,048,829	-	-	1,048,829
Total Liabilities	<u>90,734</u>	<u>-</u>	<u>1,148,281</u>	<u>39,565</u>	<u>2,215</u>	<u>1,280,795</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows	<u>1,646,021</u>	<u>1,641,611</u>	<u>1,783,753</u>	<u>38,893</u>	<u>-</u>	<u>5,110,278</u>
Total Deferred Inflows of Resources	<u>1,646,021</u>	<u>1,641,611</u>	<u>1,783,753</u>	<u>38,893</u>	<u>-</u>	<u>5,110,278</u>
<b>FUND BALANCES</b>						
Nonspendable	863,752	-	92,917	-	-	956,669
Restricted	155,544	1,107,863	693,794	-	304,816	2,262,017
Assigned	920,066	-	-	304,607	-	1,224,673
Unassigned (Deficit)	622,119	-	(1,148,281)	-	-	(526,162)
Total Fund Balances	<u>2,561,481</u>	<u>1,107,863</u>	<u>(361,570)</u>	<u>304,607</u>	<u>304,816</u>	<u>3,917,197</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,298,236</u>	<u>\$ 2,749,474</u>	<u>\$ 2,570,464</u>	<u>\$ 383,065</u>	<u>\$ 307,031</u>	<u>\$ 10,308,270</u>

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

Total fund balance, governmental funds		\$ 3,917,197
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		14,524,515
Special assessments set up for installment are reported as revenue in the Statement of Net Position when earned, but they are recorded as deferred inflows of resources in the fund financial statements.		609,965
Unamortized debt discounts are not recognized in the fund financial statements since they are not due and payable in the current period. However, they are included in the Statement of Net Position.		57,225
The net pension liability is not a current financial use and is, therefore, not reported in the fund financial statements.		(38,357)
Pension deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan. These items are reflected in the Statement of Net Position and are being amortized with pension expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources		302,946
Deferred inflows of resources		(120,629)
Interest accrued on advances between funds are recorded as income on the Statement of Activities but are recorded as deferred inflows on the fund financial statements.		268,402
Some liabilities, (such as General Obligation Debt and Accrued Interest), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Accrued Interest	(69,553)	
Long term debt - Current portion	(2,210,000)	
Long term debt	(13,555,000)	
Compensated Absences	(152,786)	
Termination Benefits	(11,517)	
Total	(15,998,856)	
Net Position of Governmental Activities in the Statement of Net Position		\$ 3,522,408

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

	<u>General Fund</u>	<u>TIF #2</u>	<u>TIF #3</u>	<u>Fire/EMS Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Property Taxes	\$ 1,327,480	\$ 1,378,104	\$ 1,367,922	\$ 181,860	\$ -	\$ 4,255,366
Other Taxes	48,600	-	-	-	154,700	203,300
Special Assessment Revenue	10,440	23,611	174,697	-	-	208,748
Intergovernmental	443,607	22,974	10,114	31,530	51,589	559,814
License and Permits	104,619	-	2,100	-	-	106,719
Fines, Forfeits and Penalties	21,449	-	-	-	4,201	25,650
Public Charges for Services	54,771	-	-	170,041	-	224,812
Interest Income	84,459	9,768	11,289	1,793	1,206	108,515
Miscellaneous Income	34,912	-	-	18,645	8,265	61,822
Total Revenues	<u>2,130,337</u>	<u>1,434,457</u>	<u>1,566,122</u>	<u>403,869</u>	<u>219,961</u>	<u>5,754,746</u>
<b>EXPENDITURES</b>						
Current:						
General Government	348,978	1,380	96,923	67,687	2,698	517,666
Public Safety	663,185	-	-	416,661	-	1,079,846
Public Works	498,148	-	-	-	-	498,148
Health and Human Services	7,538	-	-	-	-	7,538
Culture, Recreation and Education	100,192	-	-	-	187,423	287,615
Conservation and Development	-	-	552,799	-	29,946	582,745
Capital Outlay	27,865	-	228,618	54,672	24,579	335,734
Debt Service:						
Principal Repayment	262,564	475,400	619,600	147,436	-	1,505,000
Interest Expense and Fiscal Charges	43,844	251,146	377,491	25,640	-	698,121
Total Expenditures	<u>1,952,314</u>	<u>727,926</u>	<u>1,875,431</u>	<u>712,096</u>	<u>244,646</u>	<u>5,512,413</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>178,023</u>	<u>706,531</u>	<u>(309,309)</u>	<u>(308,227)</u>	<u>(24,685)</u>	<u>242,333</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Refunding Bonds	-	960,000	3,235,000	-	-	4,195,000
Principal Payments on Refunding Bonds	-	(1,510,000)	(3,520,000)	-	-	(5,030,000)
Transfers In	448,407	-	-	278,410	154,568	881,385
Transfers Out	(432,978)	-	(172,322)	(2,318)	(75,713)	(683,331)
Total Other Financing Sources and Uses	<u>15,429</u>	<u>(550,000)</u>	<u>(457,322)</u>	<u>276,092</u>	<u>78,855</u>	<u>(636,946)</u>
Net Change in Fund Balances	193,452	156,531	(766,631)	(32,135)	54,170	(394,613)
Fund Balances - Beginning	2,368,029	951,332	405,061	336,742	250,646	4,311,810
Fund Balances (Deficits) - Ending	<u>\$ 2,561,481</u>	<u>\$ 1,107,863</u>	<u>\$ (361,570)</u>	<u>\$ 304,607</u>	<u>\$ 304,816</u>	<u>\$ 3,917,197</u>

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

Net change in fund balances - total governmental funds:	\$ (394,613)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	
This is the amount of capital outlays (\$240,667) net of depreciation (\$1,227,596) in the current period.	(986,929)
Governmental funds record special assessment revenues when available and collectible. In contrast, such revenues are reported in the Statement of Activities when earned. This represents special assessments and other revenue accrued on the government-wide statements, but not on the fund statements.	
	(184,004)
Interest charged on advances to other funds is recorded as an expenditure in the governmental funds but interest income is deferred until the revenue is available and collectible. In contrast, the interest income deferred is reported in the Statement of Activities when earned. This is the elimination entry between governmental funds.	
	(40,287)
Economic development expenses charged for special assessments recovered through tax increments.	
	(61,081)
Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount of \$4,195,000 debt proceeds during the year net of principal payments \$6,535,000.	
	2,340,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Change in accrued interest not reflected on governmental funds	10,739
Amortization of debt discounts	(56,958)
Change in compensated absences not reflected on governmental funds	5,118
Termination benefits not reflected on governmental funds	(11,517)
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset from the prior year to the current year, with some adjustments.	
	<u>(55,602)</u>
Change in net position of governmental activities	<u><u>\$ 564,866</u></u>

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,298,937	\$ 3,450,219	\$ 4,749,156
Receivables			
Taxes	-	130	130
Accounts	43,298	79,238	122,536
Inventories	34,479	-	34,479
Prepaid Expenses	3,329	5,830	9,159
Total Current Assets	1,380,043	3,535,417	4,915,460
Capital Assets:			
Land and Improvements	21,004	17,978	38,982
Construction Work in Progress	769,768	454,974	1,224,742
Other Capital Assets	9,538,807	17,346,768	26,885,575
Less Accumulated Depreciation	(2,439,433)	(6,658,951)	(9,098,384)
Net Capital Assets	7,890,146	11,160,769	19,050,915
Total Assets	9,270,189	14,696,186	23,966,375
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized Loss on Debt Defeasance	139,503	-	139,503
Deferred Pension Outflows	58,600	58,600	117,200
Total Deferred Outflows of Resources	198,103	58,600	256,703
Total Assets and Deferred Outflows of Resources	\$ 9,468,292	\$ 14,754,786	\$ 24,223,078

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 2,003	\$ 30,545	\$ 32,548
Accrued Liabilities	2,462	2,475	4,937
Total Current Liabilities	4,465	33,020	37,485
Other Liabilities:			
Termination Benefits	4,905	4,905	9,810
Compensated Absences	12,634	12,634	25,268
Deferred Regulatory Credit	6,014	-	6,014
Net Pension Liability	7,420	7,420	14,840
Total Other Liabilities	30,973	24,959	55,932
Total Liabilities	35,438	57,979	93,417
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows	23,334	23,334	46,668
Total Deferred Inflows of Resources	23,334	23,334	46,668
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,890,146	11,160,769	19,050,915
Unrestricted	1,519,374	3,512,704	5,032,078
Total Net Position	9,409,520	14,673,473	24,082,993
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 9,468,292	\$ 14,754,786	\$ 24,223,078

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 600,483	\$ 645,568	\$ 1,246,051
Other Operating Revenues	7,201	1,858	9,059
Total Operating Revenues	607,684	647,426	1,255,110
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	333,639	485,955	819,594
Depreciation	190,148	432,080	622,228
Total Operating Expenses	523,787	918,035	1,441,822
Operating Income (Loss)	83,897	(270,609)	(186,712)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and Investment Revenue	5,422	16,587	22,009
Miscellaneous Non-Operating Revenue	17,209	637	17,846
Miscellaneous Expense	-	(1,538)	(1,538)
Amortization Expense	(13,951)	-	(13,951)
Total Non-Operating Revenues (Expenses)	8,680	15,686	24,366
Income (Loss) Before Transfers and Capital Contributions	92,577	(254,923)	(162,346)
Capital Contributions - TIF #3	-	558,315	558,315
Transfers Out	(194,256)	(3,798)	(198,054)
Change in Net Position	(101,679)	299,594	197,915
Total Net Position - Beginning	9,511,199	14,373,879	23,885,078
Total Net Position - Ending	\$ 9,409,520	\$ 14,673,473	\$ 24,082,993

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<u>Cash Flows from Operating Activities:</u>			
Receipts from customers	\$ 607,289	\$ 639,952	\$ 1,247,241
Payments to suppliers	(110,446)	(251,499)	(361,945)
Payments to employees	(196,335)	(217,398)	(413,733)
Taxes paid	(194,256)	-	(194,256)
	106,252	171,055	277,307
 <u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and construction of plant assets	(32,779)	(514,310)	(547,089)
Net cash provided (used) by capital and related financing activities	(32,779)	(514,310)	(547,089)
 <u>Cash Flows from Investing Activities:</u>			
Interest income	5,422	16,587	22,009
Net cash provided (used) by investing activities	5,422	16,587	22,009
Net increase (decrease) in cash and equivalents	78,895	(326,668)	(247,773)
 <u>Cash and Equivalents, Beginning of year</u>	1,220,042	3,776,887	4,996,929
 <u>Cash and Equivalents, End of year</u>	\$ 1,298,937	\$ 3,450,219	\$ 4,749,156

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

	Water	Sewer	Total
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating Income (Loss)	\$ 83,897	\$ (270,609)	\$ (186,712)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Miscellaneous	17,209	(4,699)	12,510
Tax equivalent transfer	(194,256)	-	(194,256)
Joint meter allocation	6,132	(6,132)	-
Depreciation	190,148	432,080	622,228
Pension expense	9,910	9,910	19,820
Changes in Assets and Liabilities:			
Customer accounts receivable	(395)	(7,474)	(7,869)
Inventories	3,009	-	3,009
Prepayments	(1,204)	(2,029)	(3,233)
Accounts payable	(5,701)	21,883	16,182
Accrued liabilities	(2,497)	(1,875)	(4,372)
Net cash provided (used) by operating activities	\$ 106,252	\$ 171,055	\$ 277,307
<b>Noncash Capital and Related Financing</b>			
Plant financed by accounts payable	\$ -	\$ 18,920	\$ 18,920
Plant financed by TIF	\$ -	\$ 538,315	\$ 538,315

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

	<u><b>Tax Agency</b></u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 3,128,528
Receivables:	
Taxes Receivable	632,879
Total Assets	<u>\$ 3,761,407</u>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 3,761,407
Total Liabilities	<u>\$ 3,761,407</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**1. Nature of Operations**

The Village of Johnson Creek (Village) is a local government municipality incorporated under the Wisconsin State Statutes as a village. The Village provides the following services to its residents: water service, sewer service, police, fire and EMS, public works, parks, library, administration and others.

**2. Summary of Significant Accounting Policies**

The accounting policies of the Village conform to accounting principles generally accepted in the United States as established by the Governmental Accounting Standards Board (GASB). The Village grants credit to its customers, substantially all of whom are its utility customers, its residents or other municipalities.

The following is a summary of the more significant policies:

**A. Reporting Entity**

This report includes all of the funds of the Village. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report contains the following blended component unit.

Community Development Authority

This report includes the Community Development Authority (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the board of the Village of Johnson Creek. The CDA meets the criteria of a component unit of the Village. The CDA was included as a blended component unit because it provides services exclusively, or almost exclusively, to the Village. The CDA itself did not have any financial transactions other than the issuance of CDA debt. The CDA activity was blended with the TIF districts.

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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

**Government-Wide Statements**

The statement of net position and the statement of activities present financial information about the Village's governmental and business type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. These statements distinguish between the governmental and business-type activities of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by the fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for good or services offered by the programs and (b) grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

**Fund Financial Statements**

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

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

1. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

In addition, any other governmental or proprietary fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

The Village reports the following major funds:

- |                 |               |               |
|-----------------|---------------|---------------|
| - General Fund  | - TIF #2 Fund | - TIF #3 Fund |
| - Fire/EMS Fund | - Sewer Fund  | - Water Fund  |

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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

The following fund types are used by the Village:

**Governmental Fund Types**

**General Fund**

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

**Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains five such funds:

TIF Funds - These funds are specifically funded for community improvements within a specific Tax Incremental Financing District. The Village maintains two Tax Incremental Financing (TIF) Districts and each District is accounted for as a separate TIF Fund. These are reported as TIF #2 & TIF #3 Funds.

Fire/EMS Fund - This fund is specifically funded for operating and maintaining the Fire and EMS department.

Room Tax Fund - This fund is specifically funded by hotel tax revenues and the related expenditures.

Library Fund - This fund is specifically funded for operating and maintaining the Village library.

**Capital Projects Fund**

The Capital Projects Fund is specifically funded to account for the capital expenditures made by the Village.

**Proprietary Fund Types**

**Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Village maintains two enterprises funds as listed below:

Water Fund - This fund represents the self-sustaining activity of water service provided to the Village residences and businesses. The Water Fund is a regulated municipal utility and operates under service rules which are established by the Public Service Commission of Wisconsin (PSC). The accounting records are maintained in accordance with the uniform system of accounts prescribed by the PSC.

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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

Sewer Fund - This fund represents the self-sustaining activity of sewer service provided to the Village residences and businesses. The Sewer Fund is a non-regulated municipal utility which operates under service rules established by the Village Board.

**Fiduciary Fund Type**

**Agency Fund**

Trust and agency funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and for other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following agency fund is presented in this report: Tax Agency Fund.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's water and sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**2. Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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

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

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund.

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

The Village reports deferred inflows of resources on its balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as described previously in this note.

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**2. Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

The proprietary funds follow all pronouncements of the Governmental Accounting Standards Board. The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**Deposits and Investments**

The Village is required to invest its funds in accordance with Section 66.04(2) of the Wisconsin Statutes. Such statute authorizes the Village to invest any of its funds not immediately needed in:

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

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**2. Summary of Significant Accounting Policies (Continued)**  
**D. Assets, Liabilities, and Net Position or Equity**

**Deposits and Investments (Continued)**

The Village has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the Village's individual major funds, and in the aggregate for non-major and agency funds.

All deposits of the Village are made in board designated official depositories. The Village may designate, as an official depository, any bank or savings association. Also, the Village may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

See Footnote 3 for additional information.

**Temporary Cash Investments**

Temporary cash investments consist of certificates of deposit with local banks. These are stated at cost, which approximates market value.

**Enterprise Funds Statement of Cash Flows**

For purposes of the statement of cash flows, for the enterprise funds, all money market deposits and time deposits with original maturities of three months or less are considered cash equivalents. Any cash investment with an original maturity of over three months and less than one year is reported as temporary cash investments. Restricted assets have been considered cash equivalents.

**Property Taxes**

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school districts and the technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred inflows of resources and due to other taxing units on the accompanying balance sheet. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2017 tax roll:

Lien date and levy date	January 1, 2018
Tax bills mailed	December, 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Second installment due	July 31, 2018
Personal property taxes due in full	January 31, 2018
Tax sale – 2017 delinquent	
real estate taxes	October, 2020

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**2. Summary of Significant Accounting Policies (Continued)**  
**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**Accounts Receivable**

The Village's management charges off all general accounts considered to be uncollectable prior to year end. The Village, in 2017, established an allowance for uncollectible accounts as follows:

Fire/EMS Fund	\$49,344
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**Inventory**

Inventory is valued at the lower of cost or market.

**Capital Outlay Items**

Capital outlay items (capital assets) are recorded as expenditures in the governmental fund types. Accounting principles generally accepted in the United States of America require that these fixed assets be capitalized at cost in the government-wide financial statements.

Capital outlay items in the enterprise funds are recorded as fixed assets on the appropriate balance sheet.

**Capital Assets**

**Fund Financial Statements**

General fixed assets acquired for governmental purposes are recorded as current year expenditures in the governmental funds. Purchased fixed assets are capitalized at cost or estimated cost in the government-wide financial statements. Contributed fixed assets are recorded at fair market value at the time received.

Account principles generally accepted in the United States of America do not require depreciation to be recorded on capital assets for fund financial reporting.

**Government-Wide Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and for infrastructure assets, and an estimated useful life in excess of 2 years for general capital assets and for infrastructure assets. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Under current accounting standards governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. The Village has retroactively reported all infrastructure acquired by its governmental fund types prior to January 1, 1980.

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**2. Summary of Significant Accounting Policies (Continued)**  
**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**Capital Assets (Continued)**

Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, and overhead.

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

Buildings	40 Years
Improvements	10-35 Years
Machinery & Equipment	3-10 Years
Infrastructure	25-50 Years

**Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. The amount of accumulated sick leave that will not be repaid with expendable available resources is not material to these financial statements.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated sick leave liabilities at December 31, 2017 are determined on a basis of current salary rates and include salary related payments.

In accordance with Village policies, employees may not carry over vacation or personal time if unused at year end. Employees may accumulate sick leave, to specified maximum amounts, and then convert the accumulated sick leave to paid health care benefits upon retirement.

**Long-Term Obligations/Conduit Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds and notes payable. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as "Other Financing Sources" and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

The Village may approve the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds would not be reported as liabilities in the accompanying financial statements. There are no IRB's outstanding at year end.

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**2. Summary of Significant Accounting Policies (Continued)**  
**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**Equity Classifications**

**Government-Wide Statements**

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

- a. Net investment of capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment of capital assets.”

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

**Fund Financial Statements**

Government fund equity is classified as fund balance.

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

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

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

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

**Assigned** – resources neither restricted nor committed for which a government has a stated intended use as established by the Village Board or a body or official to which the Village Board has delegated the authority to assign amounts for specific purposes.

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

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**2. Summary of Significant Accounting Policies (Continued)**  
**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**Equity Classifications (Continued)**

When restricted and other fund balance resources are available for use, it is the Village's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

Any excess of revenues and other financing sources over expenditures and other financing uses at the end of the fiscal year will be added to the fund balance. The Village will work to achieve and then maintain an unreserved balance in the General Fund to provide for unanticipated expense of a non-recurring nature. It is the goal of the Village to achieve and maintain a General Fund unassigned fund balance at a minimum of 25% of the ensuring year's budgeted General Fund expenditures. It shall be used for either working capital, to help cover revenue shortfalls, unanticipated emergency expenditures, stabilize the tax rate, and provide liquidity. An amount in excess of 30% is to be considered for assignment.

The Village's long-term goal for fund balance is to achieve and then maintain a General Fund balance that would alleviate the need to borrow short-term for operational cash flow needs. The General Fund balance shall not be used for recurring costs in the operating budget.

**Claims and Judgments**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, a liability is recorded in the government-wide financial statements. The related expenditure is recognized with the liability and is liquidated.

There were no significant claims or judgments at year end that were not covered by insurance.

**E. Limitations on the Village's Tax Levy**

The State has passed current legislation that limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the Village's equalized value due to new construction, or 0% for the 2016-2017 tax year. Changes in debt service from one year to the next are generally exempt from this limit.

**F. Pensions**

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

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**3. Cash and Temporary Cash Investments**

Cash for all Village funds are pooled for investment purposes. At December 31, 2017, the cash and investments consist of the following:

Petty Cash	\$	400
Deposits with Financial Institutions		10,545,868
U.S. Government Securities Fund		<u>1,392,552</u>
Total Cash and Investments		<u><u>\$ 11,938,820</u></u>

Cash and investments as of December 31, 2017 are classified in the accompanying financial statements as follows:

Statement of Net Position		
Cash and Investments	\$	7,147,497
Restricted Cash		1,662,795
Statement of Fiduciary Net Position		
Tax Agency Cash		<u>3,128,528</u>
Total Cash and Investments		<u><u>\$ 11,938,820</u></u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village has no investment policy that would further limit its investments choices.

- The US Treasury Investment funds have an Aaa rating from Moody’s Investor Services.

Custodial Credit Risk

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

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

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**3. Cash and Temporary Cash Investments (Continued)**

As of December 31, 2017, the Village had \$10,030,818 on deposit with financial institutions. Of this amount the Village had deposits in excess of federal depository insurance limits that were exposed to custodial credit risk as follows:

Insured by Federal and State Deposit Insurance	\$	2,108,185
Collateralized in the Financial Institutions Name		7,922,633
Uninsured/Uncollateralized		-
Total Deposits with Financial Institutions	\$	10,030,818

Interest Rate Risk

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

As of December 31, 2017, the Village has the following investments and maturities:

	Fair Value	Weighted Average Maturity (Days)
US Treasury Investments	\$ 1,392,552	40
Total	\$ 1,392,552	

**4. Fair Value Measurement**

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurements date.

The Village uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the Village’s assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The Village uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the Village measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**4. Fair Value Measurement (Continued)**

Assets at Fair Value as of December 31, 2017				
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
US Treasury Investments	\$ 1,392,552	\$ 1,392,552	\$ -	\$ -
	<u>\$ 1,392,552</u>	<u>\$ 1,392,552</u>	<u>\$ -</u>	<u>\$ -</u>

**5. Receivables and Deferred Inflows of Resources**

All of the Village's receivables are expected to be collected within one year except for \$169,752 in TIF #2 and \$197,944 in TIF #3.

At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes receivable	\$ -	\$ 4,231,910	\$ 4,231,910
Special assessments and charges not yet due	571,073	-	571,073
Interest on advances	268,402	-	268,402
EMS charges	38,893	-	38,893
Total Deferred Inflows of Resources for Governmental Funds	<u>\$ 878,368</u>	<u>\$ 4,231,910</u>	<u>\$ 5,110,278</u>

**6. Interfund Receivables/Payables, Advances, and Transfers**

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	TIF #3	\$ 99,452	Cash Deficit
Sub-Total - Fund Financial Statements		99,452	
Less: Fund Eliminations		(99,452)	
Total - Government-Wide Statement of Activities		<u>\$ -</u>	

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**6. Interfund Receivables/Payables, Advances, and Transfers (Continued)**

Advances

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Accrued Interest</u>	<u>Balance 12/31/17</u>	<u>Amount Due Within One Year</u>
General Fund	TIF #3	3%	\$ 779,916	\$ 268,913	<u>\$ 1,048,829</u>	<u>\$ 193,611</u>
Total All Funds					<u>\$ 1,048,829</u>	<u>\$ 193,611</u>

All interest rates charged on advances were approved through Board resolution. The Board has also approved the following repayment schedule:

Repayment Year	
2018	\$ 193,611
2019	193,611
2020	193,611
2021	193,611
2022	193,611
2023	193,611
Total	<u>1,161,666</u>
Less: anticipated future interest accrued	<u>(112,837)</u>
Current Advance Payable	<u>\$ 1,048,829</u>

**VILLAGE OF JOHNSON CREEK**  
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**6. Interfund Receivables/Payables, Advances, and Transfers (Continued)**

Transfers

The following is a schedule of interfund transfers:

<u>Transferred To</u>	<u>Transferred From</u>	<u>Per Government- Wide Statements</u>	<u>Per Fund Statements</u>	<u>Purpose</u>
General Fund	Room Tax Fund	Eliminated	\$ 45,413	Operations
General Fund	TIF #3	Eliminated	172,322	TIF Close Out
General Fund	Fire Fund	Eliminated	2,318	Operations
General Fund	Library Fund	Eliminated	22,097	Operations
General Fund	Capital Projects Fund	Eliminated	8,203	Operations
Library Fund	General Fund	Eliminated	154,568	Operations
Fire Fund	General Fund	Eliminated	278,410	Levy
General Fund	Sewer Fund		3,798	Operations
General Fund	Water Fund		3,798	Operations
General Fund	Water Fund		190,458	Tax Equivalent
Total Transfers - Fund Financials			<u>\$ 881,385</u>	
General Fund	Water Fund	\$ 190,458	\$ -	Tax Equivalent
General Fund	Water Fund	3,798	-	Operations
General Fund	Sewer Fund	3,798	-	Operations
Sewer Fund	TIF #3	(558,315)	-	Capital Contribution
Total Transfers - Government-Wide Statement of Activities			<u>\$ (360,261)</u>	<u>\$ -</u>

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

**VILLAGE OF JOHNSON CREEK**  
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**7. Restricted Cash**

The Village reports various restricted cash accounts on the Statement of Net Position and the governmental fund financial statements. Restricted cash as of December 31, 2017 is as follows:

Fund	Amount	Purpose
<b>General Fund</b>		
Impact Fees	\$ 89,506	The Village collected impact fees from new developments. These fees are restricted in use by State Statutes. The impact fees can be used for public infrastructure improvements, public safety improvements and for parks.
Developer Fees	58,532	The Village collected Westside Development fees that are restricted by Village ordinance for public infrastructure improvements to certain areas within the Village. These fees were set by Village ordinances.
Tree Planting Fees	<u>7,506</u>	The Village is also collecting fees to plant trees from homeowners. These fees were set by Village ordinances.
<b>Total General Fund</b>	<u>\$ 155,544</u>	
<b>TIF #2 - Debt Reserves</b>	<u>\$ 698,758</u>	The Community Development Authority (CDA) bonds require money to be accumulated for the purpose of paying principal and interest payments. These amounts have been restricted for the purpose of making principal and interest payments.
<b>TIF #3 - Debt Reserves</b>	<u>\$ 693,794</u>	The Community Development Authority (CDA) bonds require money to be accumulated for the purpose of paying principal and interest payments. These amounts have been restricted for the purpose of making principal and interest payments.

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
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**7. Restricted Cash (Continued)**

**Library Fund**

The Village library has received contributions which, according to the contributors, are restricted in use. These funds can only be used for library books and equipment.

Restricted Contributions      \$    22,948

**Capital Projects Fund**

The 2016 General Obligation Refunding Bonds restrict the proceeds to specific capital projects.

Unspent Bond Proceeds      \$    91,751

Total Governmental Funds      \$ 1,662,795

**8. Capital Assets**

Capital asset activity in the governmental activities for the year ended December 31, 2017 was as follows:

	<u>Balance</u> <u>1/1/2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2017</u>
<b>Governmental Activities</b>				
Non-depreciable Capital Assets:				
Land	\$ 2,011,921	\$ -	\$ -	\$ 2,011,921
Construction in Progress	11,713	190,178	201,891	-
Total Non-depreciable Capital Assets	<u>2,023,634</u>	<u>190,178</u>	<u>201,891</u>	<u>2,011,921</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	4,194,871	-	-	4,194,871
Equipment	4,577,731	22,785	-	4,600,516
Infrastructure	21,898,897	229,595	-	22,128,492
Total Capital Assets Being Depreciated	<u>30,671,499</u>	<u>252,380</u>	<u>-</u>	<u>30,923,879</u>
Total Capital Assets	<u>32,695,133</u>	<u>442,558</u>	<u>201,891</u>	<u>32,935,800</u>
Less: Accumulated Depreciation	<u>17,183,689</u>	<u>1,227,596</u>	<u>-</u>	<u>18,411,285</u>
Capital Assets Net of Depreciation	<u><u>\$ 15,511,444</u></u>	<u><u>\$ (785,038)</u></u>	<u><u>\$ 201,891</u></u>	<u><u>\$ 14,524,515</u></u>

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
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**8. Capital Assets (Continued)**

Depreciation expense was charged to governmental activities as follows:

<b>Governmental Activities</b>		
General Government	\$	11,431
Public Safety		193,386
Public Works		907,695
Culture and Recreation		<u>115,084</u>
Total Governmental Activities Depreciation Expense	\$	<u><u>1,227,596</u></u>

Capital asset activity in the business-type activities for the year ended December 31, 2017 was as follows:

<u>Water</u>	<u>Balance</u> <u>1/1/2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2017</u>
Non-Depreciable Capital Assets:				
Land	\$ 21,004	\$ -	\$ -	\$ 21,004
Construction in Process	<u>769,768</u>	<u>-</u>	<u>-</u>	<u>769,768</u>
Total Non-Depreciable Capital Assets	<u>790,772</u>	<u>-</u>	<u>-</u>	<u>790,772</u>
Capital Assets Being Depreciated:				
Buildings	757,987	-	-	757,987
Equipment	1,472,020	-	-	1,472,020
Infrastructure	<u>7,288,021</u>	<u>32,779</u>	<u>12,000</u>	<u>7,308,800</u>
Total Capital Assets Being Depreciated	<u>9,518,028</u>	<u>32,779</u>	<u>12,000</u>	<u>9,538,807</u>
Total Capital Assets	<u>10,308,800</u>	<u>32,779</u>	<u>12,000</u>	<u>10,329,579</u>
Less: Accumulated Depreciation	<u>(2,255,153)</u>	<u>(196,280)</u>	<u>(12,000)</u>	<u>(2,439,433)</u>
Capital Assets Net of Depreciation	<u><u>\$ 8,053,647</u></u>	<u><u>\$ (163,501)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,890,146</u></u>

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
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**8. Capital Assets (Continued)**

<u>Sewer</u>	<u>Balance</u> <u>1/1/2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2017</u>
Non-Depreciable Capital Assets:				
Land	\$ 17,978	\$ -	\$ -	\$ 17,978
Construction in Process	-	454,974	-	454,974
Total Non-Depreciable Capital Assets	<u>17,978</u>	<u>454,974</u>	<u>-</u>	<u>472,952</u>
Capital Assets Being Depreciated:				
Buildings	794,980	-	-	794,980
Equipment	239,209	-	-	239,209
Infrastructure	15,694,927	617,652	-	16,312,579
Total Capital Assets Being Depreciated:	<u>16,729,116</u>	<u>617,652</u>	<u>-</u>	<u>17,346,768</u>
Total Capital Assets	<u>16,747,094</u>	<u>1,072,626</u>	<u>-</u>	<u>17,819,720</u>
Less: Accumulated Depreciation	<u>(6,233,002)</u>	<u>(425,949)</u>	<u>-</u>	<u>(6,658,951)</u>
Capital Assets Net of Depreciation	<u>\$ 10,514,092</u>	<u>\$ 646,677</u>	<u>\$ -</u>	<u>\$ 11,160,769</u>
<b>Total Business-Type Capital Assets</b>	<b><u>\$ 18,567,739</u></b>	<b><u>\$ 483,176</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 19,050,915</u></b>

Depreciation expense was charged to business-type activities as follows:

<b>Business-Type Activities</b>		
Water-Depreciation		\$ 190,148
Sewer-Depreciation		<u>432,080</u>
Total Business-Type Activities Depreciation Expense		<u>\$ 622,228</u>

**VILLAGE OF JOHNSON CREEK**  
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**9. Long-Term Obligations**

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes and bonds will be retired by future property tax levies. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies. The following is a summary of long-term debt transactions of the Village for the year ended December 31, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable					
General Obligation Debt	\$ 7,220,000	\$ 1,960,000	\$ 1,055,000	\$ 8,125,000	\$ 1,455,000
Bond Anticipation Notes	1,395,000	-	1,395,000	-	-
CDA Lease Revenue Bonds	9,490,000	2,235,000	4,085,000	7,640,000	755,000
Less Unamortized Debt Discount	(114,183)	-	(56,958)	(57,225)	-
Sub-Total	<u>17,990,817</u>	<u>4,195,000</u>	<u>6,478,042</u>	<u>15,707,775</u>	<u>2,210,000</u>
Other Liabilities					
Termination Benefits	-	11,517	-	11,517	7,608
Compensated Absences	157,904	-	5,118	152,786	-
Total Other Liabilities	<u>157,904</u>	<u>11,517</u>	<u>5,118</u>	<u>164,303</u>	<u>7,608</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 18,148,721</u>	<u>\$ 4,206,517</u>	<u>\$ 6,483,160</u>	<u>\$ 15,872,078</u>	<u>\$ 2,217,608</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Other Liabilities					
Termination Benefits	\$ -	\$ 9,810	\$ -	\$ 9,810	\$ 6,481
Compensated Absences	38,888	-	13,620	25,268	-
Total Business-type Activities					
Long-Term Liabilities	<u>\$ 38,888</u>	<u>\$ 9,810</u>	<u>\$ 13,620</u>	<u>\$ 35,078</u>	<u>\$ 6,481</u>

**VILLAGE OF JOHNSON CREEK**  
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**9. Long-Term Obligations (Continued)**

Long-term debt issues outstanding at December 31, 2017 and total debt outstanding were as follows:

**Governmental Debt**

	<u>Date Of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>	<u>Current Portion</u>
<b>Governmental Activities</b>						
<u>General Obligation</u>						
2008 Fire and EMS						
GO Promissory Notes	1/28/2008	2/1/2018	2.85-3.4	\$ 1,140,000	135,000	135,000
2010 General Fund						
GO Refunding Bonds	12/17/2010	3/1/2020	1.7-3.5	\$ 1,165,000	315,000	100,000
2011 General Fund						
GO Refunding Bonds	3/1/2011	3/1/2022	1.1-4.0	\$ 2,820,000	1,410,000	265,000
2011 General Fund						
GO Refunding Bonds	11/15/2011	12/1/2021	.6-3.0%	\$ 2,070,000	955,000	235,000
2012 TIF 2 and 3						
GO Refunding Bonds	7/17/2012	8/1/2022	.6-2.5%	\$ 1,655,000	875,000	165,000
2016 A Fire and Capital						
GO Notes	8/15/2016	8/1/2026	1.75-2%	\$ 1,300,000	1,300,000	-
2016 B						
GO Refunding Notes	12/12/2016	12/1/2024	2.0-2.15%	\$ 1,360,000	1,175,000	155,000
2017 A TIF 2						
GO Refunding Bonds	11/15/2017	12/1/2021	1.2-1.55%	\$ 960,000	960,000	400,000
2017 B TIF 3						
GO Refunding Bonds	11/15/2017	12/1/2021	2.0-2.4%	\$ 1,000,000	1,000,000	-
Total Governmental Activities -- General Obligation Debt					<u>\$ 8,125,000</u>	<u>\$ 1,455,000</u>
<u>CDA Lease Revenue Bonds</u>						
2012 TIF 3 CDA Refunding						
Lease Revenue Bonds	12/17/2012	12/1/2026	1.25-2.9	\$ 2,785,000	2,225,000	285,000
2013 TIF 2 CDA Refunding						
Lease Revenue Bonds	10/3/2013	12/1/2022	2.5-3.25%	\$ 1,780,000	1,780,000	-
2015 TIF 2 CDA Refunding						
Lease Revenue Bonds	9/2/2015	12/1/2023	.85-2.85%	\$ 1,740,000	1,400,000	170,000
2017 TIF 3 CDA						
Refunding Lease Revenue E	11/15/2017	12/1/2022	1.3% -2.0%	\$ 2,235,000	2,235,000	300,000
Total Governmental Activities -- CDA Lease Revenue Bonds					<u>\$ 7,640,000</u>	<u>\$ 755,000</u>
<b>Total Governmental Activities</b>					<u>\$ 15,765,000</u>	<u>\$ 2,210,000</u>

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
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**9. Long-Term Obligations (Continued)**

**Governmental Debt (Continued)**

Debt service requirements to maturity are as follows:

	Total GO Principal	Total GO Interest	Total CDA Lease Revenue Bonds Principal	Total CDA Lease Revenue Bonds Interest	Total Governmental Activities Debt Service
2018	\$ 1,455,000	\$ 186,725	\$ 755,000	\$ 180,320	\$ 2,577,045
2019	1,230,000	155,096	1,320,000	168,968	2,874,064
2020	1,530,000	125,377	990,000	144,167	2,789,544
2021	1,550,000	89,606	1,010,000	121,765	2,771,371
2022	1,285,000	50,217	1,125,000	96,478	2,556,695
2023-2026	1,075,000	47,680	2,440,000	151,055	3,713,735
	<u>\$ 8,125,000</u>	<u>\$ 654,701</u>	<u>\$ 7,640,000</u>	<u>\$ 862,753</u>	<u>\$ 17,282,454</u>

The Village's general obligation debt limit is equal to 5% of the Village's total equalized value. The Village's debt limit as of December 31, 2017 is \$16,748,525. Debt subject to the limit is \$8,125,000.

Current Refunding

In 2017, the Village issued \$960,000 in TIF #2 General Obligation Refunding Bonds. Proceeds from the bonds were used to refund the 2007A CDA Lease Revenue Bonds. The bonds bear interest rates of 1.20 to 1.55 percent. The refunding will save the Village \$39,254 of debt service expense over the life of the bonds.

Additionally, in 2017, the Village issued \$1,000,000 in TIF #3 General Obligation Refunding Bonds. Proceeds from the bonds were used to refund the 2015 Taxable Note Anticipation Notes. The bonds bear interest rates of 2.0 to 2.4 percent.

Lastly, the Village issued \$2,235,000 in TIF #3 CDA Lease Revenue Bonds. Proceeds from the bonds were used to refund the 2007B CDA Lease Revenue Bonds. The bonds bear interest rates of 1.30 to 2.00 percent. The refunding will save the Village \$103,181 of debt service expense over the life of the bonds.

Prior Debt Defeasance

In 2012, the Village authorized the defeasance of Water System Revenue Refunding Bonds, Series 2007. The Village deposited \$1,845,619 with a bank acting as an escrow agent to purchase United States Treasury Securities – State and Local Government Series. In 2017, \$1,100,000 of this defeasance was paid by the escrow agent.

**VILLAGE OF JOHNSON CREEK**  
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**10. Defined Benefit Pension Plan**

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**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:

**VILLAGE OF JOHNSON CREEK**  
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**10. Defined Benefit Pension Plan (Continued)**

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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)

**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 \$62,552 in contributions from the municipality.

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

***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 \$53,197 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 asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the Village's proportion was 0.00645396%, which was a decrease of 0.00017312% from its proportion measured as of December 31, 2015.

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
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**10. Defined Benefit Pension Plan (Continued)**

For the year ended December 31, 2017, the Village recognized pension expense of \$141,527.

Pension amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the pension plan made by the proprietary funds and business-type activities relative to the total contributions made by the Village.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 20,284	\$ (167,297)
Changes of assumptions	55,619	-
Net difference between projected and actual earnings on pension plan investments	264,793	-
Changes in proportion and difference between Employer contributions and proportionate share of contributions	13,740	-
Employer contributions subsequent to the measurement date	65,710	-
Total	\$ 420,146	\$ (167,297)

\$65,710 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 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:

<b>Year Ended December 31:</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2018	75,189
2019	75,189
2020	51,178
2021	(14,568)
2022	151

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**10. Defined Benefit Pension Plan (Continued)**

*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%

*\* 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.

**VILLAGE OF JOHNSON CREEK**  
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**10. Defined Benefit Pension Plan (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Allocation Targets and Expected Returns</b>						
As of December 31, 2016						
Core Fund Asset Class	Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %		
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		
<b>Total Core Fund</b>	<b>110</b>	<b>120</b>	<b>7.4</b>	<b>4.5</b>		
<b>Variable Fund Asset Class</b>						
U.S. Equities	70	70	7.6	4.7		
International Equities	30	30	8.5	5.6		
<b>Total Variable Fund</b>	<b>100</b>	<b>100</b>	<b>7.9</b>	<b>5</b>		
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%						
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations						

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

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**10. Defined Benefit Pension Plan (Continued)**

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

	<b>1% Decrease to Discount Rate (6.20%)</b>	<b>Current Discount Rate (7.20%)</b>	<b>1% Increase to Discount Rate (8.20%)</b>
Village's proportionate share of the net pension liability (asset)	\$ 699,828	\$ 53,197	\$ (444,740)

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

**11. Net Position/Fund Balances**

Net Position

Net position reported on the government-wide statement of net position at December 31, 2017 include the following:

	<u>Governmental</u>	<u>Water</u>	<u>Sewer</u>
Capital Assets Net of Depreciation	\$ 14,524,515	\$ 7,890,146	\$ 11,160,769
Less: Related Long-Term Debt Outstanding	(15,765,000)	-	-
Plus: Unamortized Debt Expenses	56,958	-	-
Plus: Debt Used for Business-Type Capital Assets	1,830,000	-	-
Plus: Debt Reserves - TIF 2 & 3	1,392,552	-	-
Plus: Debt Proceeds in Restricted Cash	91,751	-	-
Total Net Investment in Capital Assets	2,130,776	7,890,146	11,160,769
Restricted			
General Fund	155,543	-	-
Library	22,948	-	-
Total Restricted	178,491	-	-
Unrestricted	1,213,141	1,519,374	3,512,704
Total Net Position	\$ 3,522,408	\$ 9,409,520	\$ 14,673,473

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**11. Net Position/Fund Balances (Continued)**

Fund Balances

Fund balances on the fund financial statements as of December 31, 2017 include the following:

<b>Nonspendable Fund Balance</b>	
<u>General Fund</u>	
Delinquent Personal Property Taxes	\$ 931
Advances to Other Funds (net of unavailable interest)	780,427
Other Assets	82,394
Total General Fund	863,752
 <u>TIF District #3</u>	
Prepaid Expenses	92,917
Total Nonspendable Fund Balance	\$ 956,669
 <b>Restricted Fund Balance</b>	
<u>General Fund</u>	
Impact / Developer Fees	\$ 148,038
Other	7,506
Total General Fund	155,544
 <u>TIF District #2</u>	
Debt Service	1,107,863
 <u>TIF District #3</u>	
Debt Service	693,794
 <u>Library Fund</u>	
Library Expenditures	48,928
 <u>Room Tax Fund</u>	
Operations	164,137
 <u>Capital Projects Fund</u>	
Unspent Bond Proceeds	91,751
Total Restricted Fund Balance	\$ 2,262,017
 <b>Assigned Fund Balance</b>	
<u>General Fund</u>	
Capital Purchases	\$ 629,106
2018 Budgeted Capital Applied Surplus	290,960
Total General Fund	920,066
 <u>Fire/EMS Fund</u>	
Capital Purchases	304,607
Total Assigned Fund Balance	\$ 1,224,673

**VILLAGE OF JOHNSON CREEK**  
**Notes to Financial Statements**  
**December 31, 2017**

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**11. Net Position/Fund Balances (Continued)**

<b>Unassigned Fund Balance (Deficit)</b>	
<u>General Fund</u>	\$ 622,119
<u>TIF District #3</u>	<u>(1,148,281)</u>
Total Unassigned Fund Balance (Deficit)	<u><u>\$ (526,162)</u></u>

The TIF #3 deficit is anticipated to be replenished with future tax increment revenue.

**12. Commitments and Contingencies**

The Village has a number of agreements in which the tax increment on developments will be used to reduce special assessments. In 2017, the Village had \$61,081 in special assessments paid by tax increments. This amount was recorded as an economic development expense on the government-wide financial statements. Future payments are contingent upon adequate increments.

Developer Commitments and Contingencies

In 2017, the Village approved a developer incentive (economic development grant) to assist in the cost of site preparation and improvements totaling \$35,000. This grant is contingent on completion of site improvements, therefore, the conditions of the agreement have not yet been met and no liability has been accrued. The agreement also states the Village shall pay to the Developer and additional economic development grant in the amount of the impact fee that the Developer would be required to pay under the Village municipal code.

Professional Services and Construction Commitments

In 2017, the Village has also approved professional services for the preliminary design of a Waste Water Treatment Facility Plant upgrade. Total design and engineering costs totaled \$454,974 as of December 31, 2017. The final design and construction project was approved in 2018 totaling \$4,438,000. The Village intends to finance the project with sewer funds on hand, a clean water fund loan and a general obligation borrowing. In May 2018, the Village approved the issuance of \$2,156,245 Sewerage System Revenue Bonds through a Clean Water Fund Loan Program. Draws against this loan are requested as project expenditures are incurred and submitted for reimbursement. The initial terms of the loan include an interest rate of 1.87% with maturity in 2038.

From time to time, the Village may be party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, no provision has been made in the financial statements. The Village has tax refund claims of approximately \$150,000 relating to property assessments. The Village is defending the claims. If unsuccessful, the overlying taxing jurisdictions will be responsible for their portion of taxes. The Village's portion of tax assessments is approximately 25%.

**13. Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Village carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

## REQUIRED SUPPLEMENTARY INFORMATION

Village of Johnson Creek

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (with Variances)  
General Fund  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,324,147	\$ 1,324,147	\$ 1,327,480	\$ 3,333
Other Taxes	51,205	51,205	48,600	(2,605)
Special Assessment Revenue	-	-	10,440	10,440
Intergovernmental	428,794	415,000	443,607	28,607
License and Permits	98,677	98,677	104,619	5,942
Fines, Forfeits and Penalties	21,000	21,000	21,449	449
Public Charges for Services	45,575	36,325	54,771	18,446
Interest Income	2,300	2,300	84,459	82,159
Miscellaneous Income	41,250	32,155	34,912	2,757
Total Revenues	<u>2,012,948</u>	<u>1,980,809</u>	<u>2,130,337</u>	<u>149,528</u>
<b>EXPENDITURES</b>				
Current:				
General Government	388,696	363,176	348,978	14,198
Public Safety	680,411	680,111	663,185	16,926
Public Works	525,972	507,972	498,148	9,824
Health and Human Services	7,538	7,538	7,538	-
Culture, Recreation and Education	101,475	101,475	100,192	1,283
Capital Outlay	18,600	18,600	27,865	(9,265)
Debt Service:				
Principal Repayment	262,564	262,564	262,564	-
Interest Expense	37,157	37,157	43,844	(6,687)
Total Expenditures	<u>2,022,413</u>	<u>1,978,593</u>	<u>1,952,314</u>	<u>26,279</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,465)</u>	<u>2,216</u>	<u>178,023</u>	<u>175,807</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	424,443	424,443	448,407	23,964
Transfers Out	(432,978)	(432,978)	(432,978)	-
Total Other Financing Sources and Uses	<u>(8,535)</u>	<u>(8,535)</u>	<u>15,429</u>	<u>23,964</u>
Net Change in Fund Balances	(18,000)	(6,319)	193,452	199,771
Fund Balances - Beginning	2,368,029	2,368,029	2,368,029	-
Fund Balances - Ending	<u>\$ 2,350,029</u>	<u>\$ 2,361,710</u>	<u>\$ 2,561,481</u>	<u>\$ 199,771</u>

Village of Johnson Creek

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (with Variances)  
TIF #2  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,392,972	\$ 1,392,972	\$ 1,378,104	\$ (14,868)
Special Assessment Revenue	-	-	23,611	23,611
Intergovernmental	27,727	27,727	22,974	(4,753)
Interest Income	3,000	3,000	9,768	6,768
Total Revenues	<u>1,423,699</u>	<u>1,423,699</u>	<u>1,434,457</u>	<u>10,758</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	1,380	(1,380)
Debt Service:				
Principal Repayment	945,400	945,400	475,400	470,000
Interest Expense	211,488	211,488	251,146	(39,658)
Total Expenditures	<u>1,156,888</u>	<u>1,156,888</u>	<u>727,926</u>	<u>428,962</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>266,811</u>	<u>266,811</u>	<u>706,531</u>	<u>439,720</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Refunding Bonds	-	-	960,000	(960,000)
Principal Payments on Refunding Bonds	-	-	(1,510,000)	1,510,000
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>(550,000)</u>	<u>550,000</u>
Net Change in Fund Balances	266,811	266,811	156,531	989,720
Fund Balances - Beginning	951,332	951,332	951,332	-
Fund Balances - Ending	<u>\$ 1,218,143</u>	<u>\$ 1,218,143</u>	<u>\$ 1,107,863</u>	<u>\$ 989,720</u>

Village of Johnson Creek

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (with Variances)  
TIF #3  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,350,540	\$ 1,350,540	\$ 1,367,922	\$ 17,382
Special Assessment Revenue	149,000	139,000	174,697	35,697
Intergovernmental	7,205	7,205	10,114	2,909
License and Permits	-	10,000	2,100	(7,900)
Interest Income	2,500	2,500	11,289	8,789
Total Revenues	<u>1,509,245</u>	<u>1,509,245</u>	<u>1,566,122</u>	<u>56,877</u>
<b>EXPENDITURES</b>				
Current:				
General Government	175,875	174,375	96,923	77,452
Conservation and Development	720,000	720,000	552,799	167,201
Capital Outlay	162,000	162,000	228,618	(66,618)
Debt Service:				
Principal Repayment	619,600	619,600	619,600	-
Interest Expense	219,449	219,449	377,491	(158,042)
Total Expenditures	<u>1,896,924</u>	<u>1,895,424</u>	<u>1,875,431</u>	<u>19,993</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(387,679)</u>	<u>(386,179)</u>	<u>(309,309)</u>	<u>76,870</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Refunding Bonds	620,000	620,000	3,235,000	(2,615,000)
Principal Payments on Refunding Bonds	-	-	(3,520,000)	3,520,000
Transfers Out	(232,321)	(172,321)	(172,322)	(1)
Total Other Financing Sources and Uses	<u>387,679</u>	<u>447,679</u>	<u>(457,322)</u>	<u>904,999</u>
Net Change in Fund Balances	-	61,500	(766,631)	981,869
Fund Balances - Beginning	405,060	405,060	405,060	-
Fund Balances - Ending	<u>\$ 405,060</u>	<u>\$ 466,560</u>	<u>\$ (361,571)</u>	<u>\$ 981,869</u>

Village of Johnson Creek

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (with Variances)  
Fire/EMS Fund  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 181,860	\$ 181,860	\$ 181,860	\$ -
Intergovernmental	16,000	16,000	31,530	15,530
Public Charges for Services	180,500	180,500	170,041	(10,459)
Interest Income	1,500	1,500	1,793	293
Miscellaneous Income	14,277	14,277	18,645	4,368
Total Revenues	<u>394,137</u>	<u>394,137</u>	<u>403,869</u>	<u>9,732</u>
<b>EXPENDITURES</b>				
Current:				
General Government	65,710	65,710	67,687	(1,977)
Public Safety	448,410	448,410	416,661	31,749
Capital Outlay	81,500	81,500	54,672	26,828
Debt Service				
Principal Repayment	147,436	147,436	147,436	-
Interest Expense	8,673	8,673	25,640	(16,967)
Total Expenditures	<u>751,729</u>	<u>751,729</u>	<u>712,096</u>	<u>39,633</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(357,592)</u>	<u>(357,592)</u>	<u>(308,227)</u>	<u>49,365</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Long-Term Debt	81,500	81,500	-	(81,500)
Transfers In	278,410	278,410	278,410	-
Transfers Out	(2,318)	(2,318)	(2,318)	-
Total Other Financing Sources and Uses	<u>357,592</u>	<u>357,592</u>	<u>276,092</u>	<u>(81,500)</u>
Net Change in Fund Balances	-	-	(32,135)	(32,135)
Fund Balances - Beginning	336,742	336,742	336,742	-
Fund Balances - Ending	<u>\$ 336,742</u>	<u>\$ 336,742</u>	<u>\$ 304,607</u>	<u>\$ (32,135)</u>

**VILLAGE OF JOHNSON CREEK  
WISCONSIN RETIREMENT SYSTEM  
December 31, 2017**

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

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2016	0.00645396%	\$ 53,196	\$ 862,316	6.17%	99.12%
2015	0.00662708%	107,689	850,888	12.66%	98.20%
2014	0.00676213%	(166,051)	795,592	(20.87%)	102.74%

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

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2017	\$ 65,710	\$ 65,710	\$ -	\$ 863,071	7.61%
2016	62,734	(62,734)	-	862,316	7.28%
2015	63,185	(63,185)	-	850,888	7.43%

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Required Supplementary Information**  
**December 31, 2017**

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**1. Annual Operation Budget**

The operation budget for all funds is prepared annually by the Village Board. The budget is prepared and presented on the same basis of accounting as the financial statements.

The budget was passed in November 2016 and was amended by the Village board as needed during the year. For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Tentative budget is prepared and made available for public inspection before November 1.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to December 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Village Board may make transfers between the various items in any fund not exceeding the 10% of the total of such fund as set forth in the budget.
6. The Village Board may amend the budget (in other ways) by the same procedures required of its original adoption.

Excess Expenditures over Appropriations

The Village controls expenditures at the department level. Some individual line items experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

The Village incurred expenditures in excess of budget as follows:

Fund	Department	Final Budget	Actual Expenditures	Variance
General	Capital Outlay	\$ 18,600	\$ 27,865	\$ (9,265)
General	Interest Expense	37,157	43,844	(6,687)
TIF #2	General Government	-	1,380	(1,380)
TIF #2	Interest Expense	211,488	251,146	(39,658)
TIF #3	Capital Outlay	162,000	228,618	(66,618)
TIF #3	Interest Expense	219,449	377,491	(158,042)
Fire/EMS	General Government	65,710	67,687	(1,977)
Fire/EMS	Interest Expense	8,673	25,640	(16,967)

In total, general fund expenditures were under budget by \$26,279.

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Required Supplementary Information**  
**December 31, 2017**

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**2. Wisconsin Retirement System**

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 7 preceding years.

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

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

## SUPPLEMENTARY INFORMATION

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>
	<u>Library Fund</u>	<u>Room Tax Fund</u>	<u>General Capital Projects</u>	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 28,195	\$ 128,738	\$ -	\$ 156,933
Receivables:				
Accounts	-	35,399	-	35,399
Restricted Cash	22,948	-	91,751	114,699
Total Assets	<u>\$ 51,143</u>	<u>\$ 164,137</u>	<u>\$ 91,751</u>	<u>\$ 307,031</u>
<b>LIABILITIES</b>				
Accrued Liabilities	<u>\$ 2,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,215</u>
Total Liabilities	<u>2,215</u>	<u>-</u>	<u>-</u>	<u>2,215</u>
<b>FUND BALANCES</b>				
Restricted	48,928	164,137	91,751	304,816
Total Fund Balances	<u>48,928</u>	<u>164,137</u>	<u>91,751</u>	<u>304,816</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 51,143</u>	<u>\$ 164,137</u>	<u>\$ 91,751</u>	<u>\$ 307,031</u>

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

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

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>
	<u>Library Fund</u>	<u>Room Tax Fund</u>	<u>General Capital Projects</u>	
<b>REVENUES</b>				
Other Taxes	\$ -	\$ 154,700	\$ -	\$ 154,700
Intergovernmental	51,589	-	-	51,589
Fines, Forfeits and Penalties	4,201	-	-	4,201
Interest Income	235	442	529	1,206
Miscellaneous Income	8,265	-	-	8,265
Total Revenues	<u>64,290</u>	<u>155,142</u>	<u>529</u>	<u>219,961</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,198	500	-	2,698
Culture, Recreation and Education	187,423	-	-	187,423
Conservation and Development	-	29,946	-	29,946
Capital Outlay	2,250	-	22,329	24,579
Total Expenditures	<u>191,871</u>	<u>30,446</u>	<u>22,329</u>	<u>244,646</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(127,581)</u>	<u>124,696</u>	<u>(21,800)</u>	<u>(24,685)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	154,568	-	-	154,568
Transfers Out	(22,097)	(45,413)	(8,203)	(75,713)
Total Other Financing Sources and Uses	<u>132,471</u>	<u>(45,413)</u>	<u>(8,203)</u>	<u>78,855</u>
Net Change in Fund Balances	4,890	79,283	(30,003)	54,170
Fund Balances - Beginning	44,038	84,854	121,754	250,646
Fund Balances - Ending	<u>\$ 48,928</u>	<u>\$ 164,137</u>	<u>\$ 91,751</u>	<u>\$ 304,816</u>