

Village of Greendale, Wisconsin
ANNUAL FINANCIAL REPORT

December 31, 2017

Village of Greendale, Wisconsin

DECEMBER 31, 2017

Table of Contents

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	20
Statement of Net Position - Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	25
Notes to Basic Financial Statements	29
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress - Other Postemployment Benefit Plan	56
Schedule of Employer Contributions - Other Postemployment Benefit Plan	57
Schedule of Proportionate Share of Net Pension Liability (Asset) - Wisconsin Retirement System	58
Schedule of Contributions - Wisconsin Retirement System	58
Notes to Required Supplementary Information	58
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	61
ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	63
Schedule of Findings and Responses	65

Independent auditors' report

To the Village Board
Village of Greendale, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the schedules relating to pensions and other postemployment benefits on pages 53 through 55 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

REPORT ON SUMMARIZED FINANCIAL INFORMATION

We have previously audited the Village's 2016 financial statements, and our report dated May 25, 2017, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2018, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Schenck SL

Certified Public Accountants

Sheboygan, Wisconsin
May 11, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2017

As management of the Village of Greendale, we offer readers of the Village of Greendale's financial statements this narrative overview and analysis of the financial activities of the Village of Greendale for the fiscal year ended December 31, 2017. A comparison with prior year data is also presented.

Financial Highlights

- ◆ The assets and deferred outflows of resources of the Village of Greendale exceeded its liabilities and deferred inflows of resources as of December 31, 2016 by \$28,865,590 (net position).
- ◆ Net position from governmental activities decreased by \$1,450,002 due to a decrease in revenues and increases in public safety and conservation and development expense.
- ◆ Net position from business type activities decreased by \$670,665.
- ◆ As of the close of the current fiscal year, the Village of Greendale's governmental funds reported a combined ending fund balance of \$7,833,316.
- ◆ At the end of the current year, unassigned fund balance for the general fund was \$3,453,239 or approximately 30% of total general fund expenditures compared to \$3,432,303 or approximately 32% at the end of 2016. 2017 general fund revenues were above budgeted amounts by \$113,955. 2017 general fund expenditures also came in below budget. The result was \$903 increase in fund balance.
- ◆ The Village of Greendale had \$22,390,000 in general obligation debt outstanding at year end.

Overview of the Financial Statements. This discussion and analysis are intended to serve as an introduction to the Village of Greendale's basic financial statements. The Village of Greendale's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains both required supplementary information and supplemental information in addition to the basic financial statements.

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

The *statement of net position* presents information on all of the Village of Greendale's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 Greendale is improving or deteriorating.

The *statement of activities* presents information showing how the Village's net position changed during the most recent completed 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 future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave, etc.).

Both of the government-wide financial statements distinguish functions of the Village of Greendale that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Greendale include general government, public safety, public works, health and human services, culture and recreation, and conservation and development. The business-type activities of the Village of Greendale include the Water Utility, Stormwater Utility, and Sewer Utility.

Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2017

The government-wide financial statements include the activities of the Village of Greendale itself (known as the *primary government*). The Water, Sewer, and Stormwater Utilities, although legally separate, function for all practical purposes as departments of the Village of Greendale, and therefore have been included as integral parts of the primary government.

The Government-wide financial statements can be found on pages 11 - 13.

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 Greendale, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Greendale can be divided into two categories: governmental funds, and proprietary funds.

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

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

The Village of Greendale maintains fifteen 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 fund balances for the General Fund, Debt Service Fund, Tax Incremental District No. 2 Capital Projects Fund, and the 2016 Bond Fund Capital Projects Fund, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 14 - 20.

Proprietary funds. The Village of Greendale maintains three different proprietary funds. *Enterprise funds* are used to report the same function presented as *business-type activities* in the government-wide financial statements. The Village of Greendale uses enterprise funds to account for its Water Utility, Sewer Utility, and Stormwater Utility.

The basic proprietary fund financial statements can be found on pages 21 - 28.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 29 - 55.

Required supplementary information. A schedule of funding progress and a schedule of employer contributions of the Village's other post-employment benefits are presented on pages 56 - 57.

Additional information related to the Wisconsin Retirement System can be seen on page 58.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents the combining statements referred to earlier in connection with non-major governmental funds and is presented immediately following the notes to the financial statements.

Combining financial statements can be found on pages 59 - 62.

Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2017

Government-wide Financial Analysis. 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 Greendale, year-end 2017 assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$28,865,590.

Village of Greendale's Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 46,625,097	\$ 52,535,082	\$ 2,018,983	\$ 2,716,584	\$ 48,644,080	\$ 55,251,666
Capital assets	32,149,643	28,622,539	19,441,236	19,869,306	51,590,879	48,491,845
Total Assets	78,774,740	81,157,621	21,460,219	22,585,890	100,234,959	103,743,511
Deferred outflows of resources	3,976,666	5,692,270	-	-	3,976,666	5,692,270
Long-term liabilities	30,162,724	32,348,792	4,370,677	4,599,736	34,533,401	36,948,528
Current liabilities	26,376,167	26,959,958	321,659	547,606	26,697,826	27,507,564
Total Liabilities	56,538,891	59,308,750	4,692,336	5,147,342	61,231,227	64,456,092
Deferred inflows of resources	14,114,808	13,993,432	-	-	14,114,808	13,993,432
Net position:						
Net investment in capital assets	23,150,505	23,312,680	15,070,559	15,269,570	38,221,064	38,582,250
Restricted	3,142,320	4,339,152	521,179	517,475	3,663,499	4,856,627
Unrestricted (deficit)	(14,195,118)	(14,104,123)	1,176,145	1,651,503	(13,018,973)	(12,452,620)
Total Net Position	\$ 12,097,707	\$ 13,547,709	\$ 16,767,883	\$ 17,438,548	\$ 28,865,590	\$ 30,986,257

The largest portion of the Village of Greendale's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment, less any related debt used to acquire those assets that is still outstanding). Although the Village of Greendale's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village of Greendale's net position represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the Village of Greendale is able to report positive balances in all but one category of net position. Unrestricted net position is negative as the Village has issued debt to provide incentives to developers. Future tax revenues generated by the developments will be used to repay the outstanding debt which will eliminate a portion of the deficit balance.

The Village's net position decreased by \$2,120,667 during the current year.

Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2017

Changes in Net Position. Governmental activities decreased the Village of Greendale's net position by \$1,450,002 and business type activities decreased net position by \$670,665. Key elements of these changes are as follows:

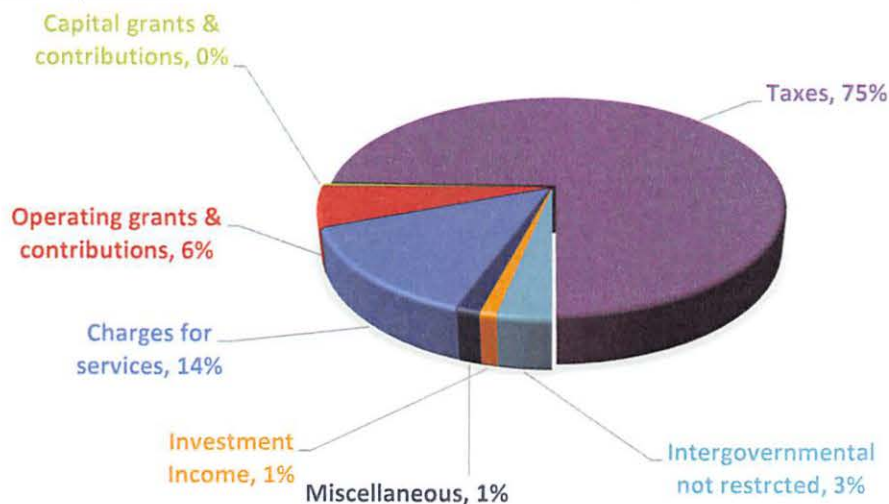
Village of Greendale's Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues						
Charges for services	\$ 2,142,918	\$ 2,088,755	\$ 4,182,315	\$ 3,957,072	\$ 6,325,233	\$ 6,045,827
Operating grants & contributions	933,556	803,979	-	-	933,556	803,979
Capital grants & contributions	57,126	5,598	-	129,642	57,126	135,240
General Revenues						
Taxes	11,835,216	11,672,929	-	-	11,835,216	11,672,929
Intergovernmental revenues not restricted to specific programs	507,407	507,832	-	-	507,407	507,832
Investment Income	153,419	63,282	-	-	153,419	63,282
Miscellaneous	220,387	17,685	10,528	-	230,915	17,685
Total revenues	<u>15,850,029</u>	<u>15,160,060</u>	<u>4,192,843</u>	<u>4,086,714</u>	<u>20,042,872</u>	<u>19,246,774</u>
Expenses:						
General government	1,639,552	1,906,382	-	-	1,639,552	1,906,382
Public safety	9,382,724	8,828,070	-	-	9,382,724	8,828,070
Public works	3,639,448	3,107,856	-	-	3,639,448	3,107,856
Health & human services	930,462	802,329	-	-	930,462	802,329
Culture & recreation	417,114	801,784	-	-	417,114	801,784
Conservation & development	1,771,860	1,465,584	-	-	1,771,860	1,465,584
Interest & fiscal charges	779,118	569,652	-	-	779,118	569,652
Water utility	-	-	1,698,679	1,724,364	1,698,679	1,724,364
Sewer utility	-	-	1,220,672	1,175,748	1,220,672	1,175,748
Stormwater utility	-	-	683,910	430,141	683,910	430,141
Total expenses	<u>18,560,278</u>	<u>17,481,657</u>	<u>3,603,261</u>	<u>3,330,253</u>	<u>22,163,539</u>	<u>20,811,910</u>
Change in net position before transfers	(2,710,249)	(2,321,597)	589,582	756,461	(2,120,667)	(1,565,136)
Transfers	1,260,247	268,117	(1,260,247)	(268,117)	-	-
Net position - January 1	<u>13,547,709</u>	<u>15,601,189</u>	<u>17,438,548</u>	<u>16,950,204</u>	<u>30,986,257</u>	<u>32,551,393</u>
Net position - December 31	<u>\$12,097,707</u>	<u>\$13,547,709</u>	<u>\$16,767,883</u>	<u>\$17,438,548</u>	<u>\$28,865,590</u>	<u>\$30,986,257</u>

Village of Greendale, Wisconsin

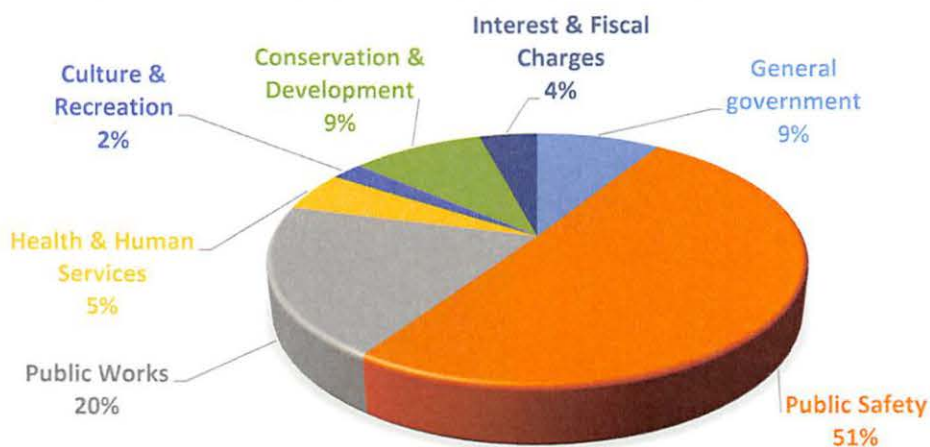
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2017

- ♦ Property tax receipts increased by \$162,287 due to the 1% levy increase. Taxes continue to be the largest revenue source for the governmental activities accounting for approximately 75% of total revenues.
- ♦ The net pension liability at December 31, 2017 totaled \$515,942 compared to \$1,016,379 as of the prior year.
- ♦ Interest earnings increased by \$90,137 due to higher interest rates.

Revenues by Source



Expenditures by Function

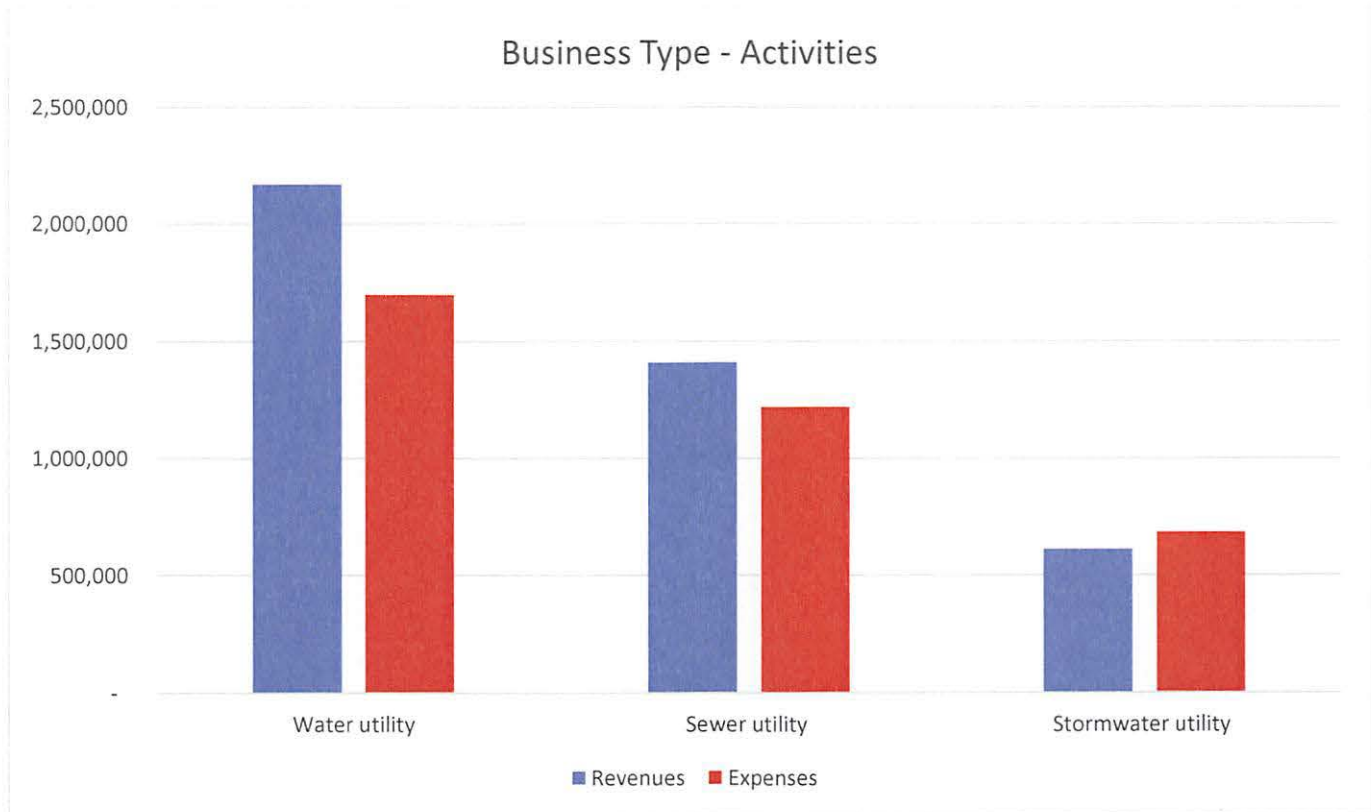


Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2017

Business-type activities. Business-type activities decreased the Village of Greendale's net position by \$670,665. Key elements of this increase are as follows.

- ◆ Net position in the Sewer Utility increased by \$174,180 due to the new rates set in place for 2017.
- ◆ Net position in the Water Utility increased by \$222,227 due to the purchased water adjustment of 3% and the rates.
- ◆ Net position in the Stormwater Utility decreased by \$1,067,072 due to a transfer out of \$995,000.



Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2017

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

Governmental funds. The focus of the Village of Greendale's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of 2017, the combined fund balances for the Village's governmental funds was \$7,833,316. Of this total, \$696,145 is nonspendable, \$3,217,168 is restricted, \$53,971 is committed, and \$543,746 is assigned. The balance of unassigned governmental fund balances is \$3,322,286.

The equipment replacement fund has a total fund balance of \$142,621 all of which is assigned for equipment replacements identified to satisfy the Village's equipment replacement needs.

Proprietary funds. The Village of Greendale's 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 a deficit of (\$255,751), those for the Sewer Utility amounted to \$1,464,324, and those for the Stormwater Utility amounted to a deficit of (\$32,428). Other factors concerning the finances of these funds have already been addressed in the discussion of the Village of Greendale's business-type activities.

General fund budgetary highlights. The general fund is the primary operating fund of the Village.

- Actual revenues exceeded budgeted amounts by \$113,955. Actual expenditures were under the budgeted amounts by \$352,375.
- Unassigned fund balance increased from \$3,432,303 at December 31, 2016 to \$3,453,239 at December 31, 2017.

Capital Assets and Debt Administration

Capital assets. The Village of Greendale's investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounts to \$51,590,879 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, and system improvements, machinery and equipment, parks facilities, roads and bridges. The total increase in the Village of Greendale's investment in capital assets for the current fiscal year was 6.9%.

Additional information on the Village of Greendale's capital assets can be found in Note 3.C. on pages 40 - 41 of this report.

Village of Greendale's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Non-depreciable capital assets	\$ 1,037,889	\$ 1,037,889	\$ 999,391	\$ 999,391	\$ 2,037,280	\$ 2,037,280
Construction in progress	-	3,349,709	-	3,569	-	3,353,278
Buildings and System	10,695,515	4,133,647	314,710	330,320	11,010,225	4,463,967
Machinery and Equipment	2,107,158	2,630,725	510,689	594,783	2,617,847	3,225,508
Infrastructure	18,309,081	17,470,569	17,616,446	17,941,243	35,925,527	35,411,812
	<u>\$32,149,643</u>	<u>\$28,622,539</u>	<u>\$19,441,236</u>	<u>\$19,869,306</u>	<u>\$51,590,879</u>	<u>\$48,491,845</u>

Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2017

Long-term debt. At the end of the current fiscal year, the Village of Greendale had \$22,390,000 of bonded debt outstanding. The Village maintains an "Aa3" rating from Moody's for general obligation debt. The Water Utility also had \$4,370,677 in outstanding Safe Water Drinking Loans.

Village of Greendale's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$22,390,000	\$24,100,000	\$ -	\$ -	\$22,390,000	\$24,100,000
Revenue Debt	-	-	4,370,677	4,599,736	4,370,677	4,599,736
	<u>\$22,390,000</u>	<u>\$24,100,000</u>	<u>\$ 4,370,677</u>	<u>\$ 4,599,736</u>	<u>\$26,760,677</u>	<u>\$28,699,736</u>

State Statutes limit the amount of general obligation debt a government entity may issue up to 5% of its total equalized valuation. The current debt limitation for the Village of Greendale is \$70,579,930 which significantly exceeds the Village's current outstanding general obligation debt of \$22,390,000.

Additional information on the Village of Greendale's long-term debt can be found in Note 3.E. on pages 43 - 44 of this report.

Economic Factors and the 2018 Budget and Rates

- ◆ The 2018 Budget is supported by a tax levy of \$9,717,455, which is an increase of 1.8% over the 2017 amount.
- ◆ The 2018 Budget anticipated a .70% increase in Assessed Value while increasing the tax levy by 1.8% from last year's total. The combination increased the 2018 Budget Assessed Tax Rate by approximately 18-cents (2.29%) from \$7.61 to \$7.79 per \$1,000 Assessed Value.
- ◆ Personnel Cost Increases - Includes increase for anticipated wage and benefit increases for Village personnel including General Government, Health Department, Department of Public Works, Library, School-Police Fund, etc. and Police Department and Fire Department per union contracts.
- ◆ Street Rehabilitation Projects (\$550,000) – The Village will continue its annual Street Rehabilitation Program.
- ◆ The Village created three (3) Tax Incremental Financing Districts in 2011, in the Southridge Business Improvement District, for which the Community Development Bonds in 2011 were issued. Tax Increments will continue to be realized during 2018 as projected.
- ◆ The Village created Tax Incremental Financing District No. 4 in 2015, in the Southridge Business Improvement District, for which the Community Development Bonds of \$1,295,000 were issued in 2016. Tax Increments will continue to be realized during 2018 as projected.

Requests for Information

This financial report is designed to provide a general overview of the Village of Greendale's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kristen Victory, Clerk-Treasurer, Village of Greendale, 6500 Northway, Greendale, WI 53129 or email kvictory@greendale.org.

BASIC FINANCIAL STATEMENTS

Village of Greendale, Wisconsin

STATEMENT OF NET POSITION

DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Totals	
			2017	2016
ASSETS				
Cash and investments	\$ 25,671,542	\$ 1,635,459	\$ 27,307,001	\$ 34,895,881
Receivables				
Taxes and special charges	19,570,602	74,338	19,644,940	18,715,387
Delinquent taxes	28,157	-	28,157	31,773
Accounts	458,308	1,011,223	1,469,531	1,266,779
Special assessments	18,900	-	18,900	18,900
Other	-	-	-	359
Internal balances	857,402	(857,402)	-	-
Inventories and prepaid items	20,186	-	20,186	170,176
Restricted assets				
Cash and investments	-	155,365	155,365	152,411
Capital assets, nondepreciable	1,037,889	999,391	2,037,280	5,390,558
Capital assets, depreciable	31,111,754	18,441,845	49,553,599	43,101,287
Total assets	78,774,740	21,460,219	100,234,959	103,743,511
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	3,976,666	-	3,976,666	5,692,270
LIABILITIES				
Accounts payable	1,167,344	294,390	1,461,734	2,260,812
Accrued and other current liabilities	168,309	12,966	181,275	138,383
Due to other governments	24,926,921	-	24,926,921	24,951,294
Accrued interest payable	71,604	14,303	85,907	114,702
Special deposits	32,181	-	32,181	37,985
Unearned revenues	9,808	-	9,808	4,388
Long-term obligations				
Due within one year	1,810,859	233,469	2,044,328	1,875,844
Due in more than one year	21,556,535	4,137,208	25,693,743	28,316,250
Net pension liability	515,942	-	515,942	1,016,379
Other postemployment benefits	6,279,388	-	6,279,388	5,740,055
Total liabilities	56,538,891	4,692,336	61,231,227	64,456,092
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	12,471,468	-	12,471,468	11,835,216
Pension related amounts	1,643,340	-	1,643,340	2,158,216
Total deferred inflows of resources	14,114,808	-	14,114,808	13,993,432
NET POSITION				
Net investment in capital assets	23,150,505	15,070,559	38,221,064	38,582,250
Restricted	3,142,320	521,179	3,663,499	4,856,627
Unrestricted	(14,195,118)	1,176,145	(13,018,973)	(12,452,620)
Total net position	\$ 12,097,707	\$ 16,767,883	\$ 28,865,590	\$ 30,986,257

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

Village of Greendale, Wisconsin

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,639,552	\$ 741,397	\$ 56,566	\$ -
Public safety	9,382,724	1,335,340	110,774	-
Public works	3,639,448	18,565	540,871	-
Health and human services	930,462	28,167	86,047	-
Culture and recreation	417,114	19,449	139,298	-
Conservation and development	1,771,860	-	-	57,126
Interest and fiscal charges	779,118	-	-	-
Total governmental activities	18,560,278	2,142,918	933,556	57,126
BUSINESS-TYPE ACTIVITIES				
Water utility	1,698,679	2,170,324	-	-
Sewer utility	1,220,672	1,410,681	-	-
Stormwater utility	683,910	601,310	-	-
Total business-type activities	3,603,261	4,182,315	-	-
Total	<u>\$ 22,163,539</u>	<u>\$ 6,325,233</u>	<u>\$ 933,556</u>	<u>\$ 57,126</u>
General revenues				
Taxes				
Property taxes				
Federal and state grants and other contributions not restricted to specific functions				
Interest and investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - January 1				
Net position - December 31				

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

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Totals	
		2017	2016
\$ (841,589)	\$ -	\$ (841,589)	\$ (1,026,031)
(7,936,610)	-	(7,936,610)	(7,545,221)
(3,080,012)	-	(3,080,012)	(2,510,989)
(816,248)	-	(816,248)	(751,671)
(258,367)	-	(258,367)	(719,775)
(1,714,734)	-	(1,714,734)	(1,459,986)
(779,118)	-	(779,118)	(569,652)
<u>(15,426,678)</u>	<u>-</u>	<u>(15,426,678)</u>	<u>(14,583,325)</u>
-	471,645	471,645	582,007
-	190,009	190,009	(14,883)
-	(82,600)	(82,600)	189,337
<u>-</u>	<u>579,054</u>	<u>579,054</u>	<u>756,461</u>
<u>(15,426,678)</u>	<u>579,054</u>	<u>(14,847,624)</u>	<u>(13,826,864)</u>
11,835,216	-	11,835,216	11,672,929
507,407	-	507,407	507,832
153,419	-	153,419	63,282
220,387	10,528	230,915	17,685
<u>1,260,247</u>	<u>(1,260,247)</u>	<u>-</u>	<u>-</u>
<u>13,976,676</u>	<u>(1,249,719)</u>	<u>12,726,957</u>	<u>12,261,728</u>
(1,450,002)	(670,665)	(2,120,667)	(1,565,136)
<u>13,547,709</u>	<u>17,438,548</u>	<u>30,986,257</u>	<u>32,551,393</u>
<u>\$ 12,097,707</u>	<u>\$ 16,767,883</u>	<u>\$ 28,865,590</u>	<u>\$ 30,986,257</u>

Village of Greendale, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	General	Debt Service	Tax Incremental District No. 2	2016 Bond Fund
ASSETS				
Cash and investments	\$ 19,871,720	\$ 208,677	\$ 2,367,883	\$ 337,394
Receivables				
Taxes and special charges	17,238,710	231,414	1,069,654	-
Delinquent taxes	28,157	-	-	-
Accounts	397,646	-	-	-
Special assessments	-	-	-	-
Due from other funds	710,171	-	49,425	-
Inventories and prepaid items	9,374	-	-	-
Total assets	<u>\$ 38,255,778</u>	<u>\$ 440,091</u>	<u>\$ 3,486,962</u>	<u>\$ 337,394</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 557,842	\$ -	\$ -	\$ 334,150
Accrued and other current liabilities	157,516	-	-	-
Due to other funds	-	-	-	-
Due to other governments	24,926,921	-	-	-
Special deposits	32,181	-	-	-
Unearned revenues	9,808	-	-	-
Total liabilities	<u>25,684,268</u>	<u>-</u>	<u>-</u>	<u>334,150</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	8,051,069	440,000	2,033,789	-
Special assessments	-	-	-	-
Total deferred inflows of resources	<u>8,051,069</u>	<u>440,000</u>	<u>2,033,789</u>	<u>-</u>
Fund balances				
Nonspendable	685,333	-	-	-
Restricted	-	91	1,453,173	3,244
Committed	-	-	-	-
Assigned	381,869	-	-	-
Unassigned	3,453,239	-	-	-
Total fund balances	<u>4,520,441</u>	<u>91</u>	<u>1,453,173</u>	<u>3,244</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,255,778</u>	<u>\$ 440,091</u>	<u>\$ 3,486,962</u>	<u>\$ 337,394</u>

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

Other Governmental Funds	Totals	
	2017	2016
\$ 2,885,868	\$ 25,671,542	\$ 32,806,314
1,030,824	19,570,602	18,689,906
-	28,157	-
60,662	458,308	349,786
18,900	18,900	18,900
200,000	959,596	584,327
10,812	20,186	170,176
<u>\$ 4,207,066</u>	<u>\$ 46,727,291</u>	<u>\$ 52,619,409</u>

\$ 275,352	\$ 1,167,344	\$ 1,782,080
10,793	168,309	122,547
102,194	102,194	84,327
-	24,926,921	24,951,294
-	32,181	-
-	9,808	4,388
<u>388,339</u>	<u>26,406,757</u>	<u>26,944,636</u>

1,946,610	12,471,468	11,835,216
<u>15,750</u>	<u>15,750</u>	<u>18,900</u>
<u>1,962,360</u>	<u>12,487,218</u>	<u>11,854,116</u>

10,812	696,145	701,949
1,760,660	3,217,168	8,831,498
53,971	53,971	32,678
161,877	543,746	978,032
<u>(130,953)</u>	<u>3,322,286</u>	<u>3,276,500</u>
<u>1,856,367</u>	<u>7,833,316</u>	<u>13,820,657</u>
<u>\$ 4,207,066</u>	<u>\$ 46,727,291</u>	<u>\$ 52,619,409</u>

Village of Greendale, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	<u>2017</u>	<u>2016</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 7,833,316	\$ 13,820,657
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	32,149,643	28,622,539
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	15,750	18,900
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	3,976,666	5,692,270
Deferred inflows related to pensions	(1,643,340)	(2,158,216)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(22,390,000)	(24,100,000)
Premium on debt	(137,718)	(148,047)
Capital lease	-	(267,184)
Compensated absences	(839,676)	(1,077,127)
Net pension liability	(515,942)	(1,016,379)
Other postemployment benefit	(6,279,388)	(5,740,055)
Accrued interest on long-term obligations	(71,604)	(99,649)
Net position of governmental activities as reported on the Statement of Net Position (see page 11)	<u>\$ 12,097,707</u>	<u>\$ 13,547,709</u>

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

Village of Greendale, Wisconsin

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

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	General	Debt Service	Tax Incremental District No. 2	2016 Bond Fund
REVENUES				
Taxes	\$ 7,790,248	\$ 350,000	\$ 1,660,213	\$ -
Special assessments	-	-	-	-
Intergovernmental	1,197,372	-	16,885	-
Licenses and permits	434,194	-	-	-
Fines and forfeits	476,832	-	-	-
Public charges for services	848,381	-	-	-
Miscellaneous	295,007	-	29,814	-
Total revenues	<u>11,042,034</u>	<u>350,000</u>	<u>1,706,912</u>	<u>-</u>
EXPENDITURES				
Current				
General government	1,567,115	-	-	-
Public safety	7,630,211	-	-	-
Public works	1,725,458	-	-	-
Health and human services	289,078	-	-	-
Culture and recreation	148,128	-	-	-
Conservation and development	-	-	32,124	-
Debt service				
Principal	-	1,710,000	-	267,184
Interest and fiscal charges	-	817,492	-	-
Capital outlay	-	-	1,545,000	4,122,269
Total expenditures	<u>11,359,990</u>	<u>2,527,492</u>	<u>1,577,124</u>	<u>4,389,453</u>
Excess of revenues over (under) expenditures	<u>(317,956)</u>	<u>(2,177,492)</u>	<u>129,788</u>	<u>(4,389,453)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Capital lease proceeds	-	-	-	-
Premium on debt issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	335,247	1,983,392	-	-
Transfers out	(16,388)	-	(1,345,382)	-
Total other financing sources (uses)	<u>318,859</u>	<u>1,983,392</u>	<u>(1,345,382)</u>	<u>-</u>
Net change in fund balances	<u>903</u>	<u>(194,100)</u>	<u>(1,215,594)</u>	<u>(4,389,453)</u>
Fund balances - January 1	<u>4,519,538</u>	<u>194,191</u>	<u>2,668,767</u>	<u>4,392,697</u>
Fund balances - December 31	<u>\$ 4,520,441</u>	<u>\$ 91</u>	<u>\$ 1,453,173</u>	<u>\$ 3,244</u>

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

Other Governmental Funds	Totals	
	2017	2016
\$ 2,034,755	\$ 11,835,216	\$ 11,672,929
3,150	3,150	40,741
301,841	1,516,098	1,374,543
-	434,194	529,464
-	476,832	556,107
192,870	1,041,251	836,455
208,326	533,147	321,973
<u>2,740,942</u>	<u>15,839,888</u>	<u>15,332,212</u>
-	1,567,115	1,632,846
114,309	7,744,520	7,200,319
284,261	2,009,719	2,026,068
102,066	391,144	338,427
689,364	837,492	751,429
99,218	131,342	1,475,584
-	1,977,184	1,145,000
-	817,492	679,763
<u>1,957,490</u>	<u>7,624,759</u>	<u>4,472,612</u>
<u>3,246,708</u>	<u>23,100,767</u>	<u>19,722,048</u>
<u>(505,766)</u>	<u>(7,260,879)</u>	<u>(4,389,836)</u>
-	-	9,055,000
-	-	267,184
-	-	154,933
13,291	13,291	23,522
995,000	3,313,639	2,081,371
<u>(691,622)</u>	<u>(2,053,392)</u>	<u>(1,813,254)</u>
<u>316,669</u>	<u>1,273,538</u>	<u>9,768,756</u>
(189,097)	(5,987,341)	5,378,920
<u>2,045,464</u>	<u>13,820,657</u>	<u>8,441,737</u>
<u>\$ 1,856,367</u>	<u>\$ 7,833,316</u>	<u>\$ 13,820,657</u>

Village of Greendale, Wisconsin

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

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	2017	2016
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ (5,987,341)	\$ 5,378,920
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	5,910,019	4,303,776
Depreciation expense reported in the statement of activities	(1,968,113)	(1,892,382)
Net book value of disposals	(414,802)	147,784
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(3,150)	(41,127)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	-	(9,055,000)
Capital leases issued	-	(267,184)
Premium on debt issued	-	(154,933)
Principal repaid	1,710,000	1,145,000
Capital leases paid	267,184	-
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	28,045	(51,707)
Amortization of debt premium	10,329	6,886
Compensated absences	237,451	(28,116)
Net pension liability	500,437	(606,730)
Deferred outflows of resources related to pensions	(1,715,604)	637,929
Deferred inflows of resources related to pensions	514,876	(731,187)
Other postemployment benefits	(539,333)	(549,841)
Change in net position of governmental activities as reported in the statement of activities (see pages 12 - 13)	<u>\$ (1,450,002)</u>	<u>\$ (1,757,912)</u>

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

Village of Greendale, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget			Variance	
	Original	Final	Actual	Final Budget - Positive (Negative)	2016 Actual
REVENUES					
Taxes	\$ 7,790,248	\$ 7,790,248	\$ 7,790,248	\$ -	\$ 7,353,875
Special assessments	-	-	-	-	37,591
Intergovernmental	1,176,328	1,176,328	1,197,372	21,044	1,172,538
Licenses and permits	465,700	465,700	434,194	(31,506)	529,464
Fines and forfeits	620,000	620,000	476,832	(143,168)	556,107
Public charges for services	647,653	647,653	848,381	200,728	638,648
Miscellaneous	228,150	228,150	295,007	66,857	221,372
Total revenues	10,928,079	10,928,079	11,042,034	113,955	10,509,595
EXPENDITURES					
Current					
General government	1,754,592	1,754,592	1,567,115	187,477	1,621,846
Public safety	7,756,690	7,756,690	7,630,211	126,479	7,094,598
Public works	1,675,257	1,675,257	1,725,458	(50,201)	1,719,869
Health and human services	353,623	353,623	289,078	64,545	288,943
Culture and recreation	172,203	172,203	148,128	24,075	168,127
Total expenditures	11,712,365	11,712,365	11,359,990	352,375	10,893,383
Excess of revenues over (under) expenditures	(784,286)	(784,286)	(317,956)	466,330	(383,788)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	-	-	-	-	(33,000)
Transfers in	264,000	264,000	335,247	71,247	310,213
Transfers out	-	-	(16,388)	(16,388)	-
Total other financing sources (uses)	264,000	264,000	318,859	54,859	277,213
Net change in fund balance	(520,286)	(520,286)	903	521,189	(106,575)
Fund balance - January 1	4,519,538	4,519,538	4,519,538	-	4,626,113
Fund balance - December 31	<u>\$ 3,999,252</u>	<u>\$ 3,999,252</u>	<u>\$ 4,520,441</u>	<u>\$ 521,189</u>	<u>\$ 4,519,538</u>

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

Village of Greendale, Wisconsin

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Water Utility	Sewer Utility	Stormwater Utility	Totals	
				2017	2016
ASSETS					
Current assets					
Cash and investments	\$ -	\$ 1,620,808	\$ 14,651	\$ 1,635,459	\$ 2,089,567
Receivables					
Taxes and special charges	35,940	28,542	9,856	74,338	57,255
Customer accounts	451,643	398,892	160,688	1,011,223	916,993
Other	-	-	-	-	358
Due from other funds	-	-	-	-	347,802
Total current assets	487,583	2,048,242	185,195	2,721,020	3,411,975
Noncurrent assets					
Restricted assets					
Cash and investments	155,365	-	-	155,365	152,411
Capital assets					
Nondepreciable	999,391	-	-	999,391	1,002,960
Depreciable	9,710,992	3,441,016	5,289,837	18,441,845	18,866,346
Total capital assets	10,710,383	3,441,016	5,289,837	19,441,236	19,869,306
Total assets	11,353,331	5,489,258	5,475,032	22,317,621	23,433,692

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

Village of Greendale, Wisconsin

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Water Utility	Sewer Utility	Stormwater Utility	Totals	
				2017	2016
LIABILITIES					
Current liabilities					
Accounts payable	\$ 75,765	\$ 202,333	\$ 16,292	\$ 294,390	\$ 516,717
Accrued and other current liabilities	10,167	1,468	1,331	12,966	15,836
Accrued interest payable	14,303	-	-	14,303	15,053
Due to other funds	657,402	-	200,000	857,402	847,802
Current portion of long-term debt	233,469	-	-	233,469	229,059
Total current liabilities	991,106	203,801	217,623	1,412,530	1,624,467
Long-term obligations, less current portion					
Revenue bonds	4,137,208	-	-	4,137,208	4,370,677
Total liabilities	5,128,314	203,801	217,623	5,549,738	5,995,144
NET POSITION					
Net investment in capital assets	6,339,706	3,441,016	5,289,837	15,070,559	15,269,570
Restricted	141,062	380,117	-	521,179	517,475
Unrestricted	(255,751)	1,464,324	(32,428)	1,176,145	1,651,503
Total net position	<u>\$ 6,225,017</u>	<u>\$ 5,285,457</u>	<u>\$ 5,257,409</u>	<u>\$ 16,767,883</u>	<u>\$ 17,438,548</u>

Village of Greendale, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Water Utility	Sewer Utility	Stormwater Utility
OPERATING REVENUES			
Charges for services	\$ 2,170,324	\$ 1,410,681	\$ 601,310
OPERATING EXPENSES			
Operation and maintenance	1,316,007	1,092,932	544,423
Depreciation	297,081	127,740	139,487
Total operating expenses	1,613,088	1,220,672	683,910
Operating income (loss)	557,236	190,009	(82,600)
NONOPERATING REVENUES (EXPENSES)			
Interest and fiscal charges	(85,591)	-	-
Other nonoperating revenues (expenses)	-	-	10,528
Total nonoperating revenues (expenses)	(85,591)	-	10,528
Income (loss) before contributions and transfers	471,645	190,009	(72,072)
Capital contributions	-	-	-
Transfers out	(249,418)	(15,829)	(995,000)
Change in net position	222,227	174,180	(1,067,072)
Net position - January 1	6,002,790	5,111,277	6,324,481
Net position - December 31	<u>\$ 6,225,017</u>	<u>\$ 5,285,457</u>	<u>\$ 5,257,409</u>

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

Totals	
2017	2016
<u>\$ 4,182,315</u>	<u>\$ 3,957,072</u>
2,953,362	2,697,378
<u>564,308</u>	<u>543,554</u>
<u>3,517,670</u>	<u>3,240,932</u>
<u>664,645</u>	<u>716,140</u>
(85,591)	(89,321)
<u>10,528</u>	<u>-</u>
<u>(75,063)</u>	<u>(89,321)</u>
589,582	626,819
-	129,642
<u>(1,260,247)</u>	<u>(268,117)</u>
(670,665)	488,344
<u>17,438,548</u>	<u>16,950,204</u>
<u>\$ 16,767,883</u>	<u>\$ 17,438,548</u>

Village of Greendale, Wisconsin

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Water Utility	Sewer Utility	Stormwater Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,172,597	\$ 1,295,514	\$ 603,092
Cash paid for employee wages and benefits	(156,119)	(92,355)	(120,616)
Cash paid to suppliers	(1,181,909)	(1,197,799)	(429,604)
Net cash provided by operating activities	<u>834,569</u>	<u>5,360</u>	<u>52,872</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to / from other funds	(190,400)	-	547,802
Miscellaneous revenues	-	-	10,527
Transfer in (out)	(249,418)	(15,829)	(995,000)
Net cash used by noncapital financing activities	<u>(439,818)</u>	<u>(15,829)</u>	<u>(436,671)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from revenue bonds	-	-	-
Acquisition of capital assets	(102,300)	-	(38,135)
Capital contributions	-	-	-
Disposal of capital assets	629	3,569	-
Principal paid on long-term debt	(229,059)	-	-
Interest paid on long-term debt	(86,341)	-	-
Net cash provided (used) by capital and related financing activities	<u>(417,071)</u>	<u>3,569</u>	<u>(38,135)</u>
Change in cash and cash equivalents	<u>(22,320)</u>	<u>(6,900)</u>	<u>(421,934)</u>
Cash and cash equivalents - January 1	<u>177,685</u>	<u>1,627,708</u>	<u>436,585</u>
Cash and cash equivalents - December 31	<u>\$ 155,365</u>	<u>\$ 1,620,808</u>	<u>\$ 14,651</u>

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

Totals	
2017	2016
\$ 4,071,203	\$ 3,933,653
(369,090)	(334,698)
<u>(2,809,312)</u>	<u>(2,397,804)</u>
892,801	1,201,151
357,402	(250,000)
10,527	-
<u>(1,260,247)</u>	<u>(268,117)</u>
<u>(892,318)</u>	<u>(518,117)</u>
-	234,550
(140,435)	(749,404)
-	129,642
4,198	-
(229,059)	(224,267)
<u>(86,341)</u>	<u>(89,196)</u>
<u>(451,637)</u>	<u>(698,675)</u>
(451,154)	(15,641)
<u>2,241,978</u>	<u>2,257,619</u>
<u>\$ 1,790,824</u>	<u>\$ 2,241,978</u>

Village of Greendale, Wisconsin

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Water Utility	Sewer Utility	Stormwater Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 557,236	\$ 190,009	\$ (82,600)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	297,081	127,740	139,487
Depreciation charged to sewer utility	35,280	(35,280)	-
Change in operating assets and liabilities			
Accounts receivables	(32,850)	(79,887)	1,782
Accounts payable	(20,559)	(195,853)	(5,758)
Accrued and other current liabilities	(1,462)	(1,369)	(39)
Special deposits	(157)	-	-
Net cash provided by operating activities	<u>\$ 834,569</u>	<u>\$ 5,360</u>	<u>\$ 52,872</u>
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents in current assets	\$ -	\$ 1,620,808	\$ 14,651
Cash and cash equivalents in restricted assets	<u>155,365</u>	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 155,365</u>	<u>\$ 1,620,808</u>	<u>\$ 14,651</u>
Noncash capital and related financing activities			
None			

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

Totals	
2017	2016
\$ 664,645	\$ 716,140
564,308	543,554
-	-
(110,955)	(61,341)
(222,170)	(13,038)
(2,870)	15,836
(157)	-
<u>\$ 892,801</u>	<u>\$ 1,201,151</u>
\$ 1,635,459	\$ 2,089,567
155,365	152,411
<u>\$ 1,790,824</u>	<u>\$ 2,241,978</u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The Village is a municipal corporation governed by an elected seven member board. In accordance with GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has identified the following component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

Village of Greendale Community Development Authority

The government-wide financial statements include the Village of Greendale Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the Village board. Wisconsin Statutes provide for circumstances whereby the Village can impose its will on the CDA, and also create a potential financial benefit to or burden on the Village. The CDA is part of the reporting entity of the Village of Greendale. However, the CDA had no financial transactions during 2017 which are material to these financial statements. Also, the CDA does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The CDA does not issue separate financial statements.

Business Improvement District of the Village of Greendale

The government-wide financial statements include the Business Improvement District of the Village of Greendale ("BID") as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the Village board. Wisconsin Statutes provide for circumstances whereby the Village can impose its will on the BID, and also create a potential financial benefit to or burden on the Village. The BID is part of the reporting entity of the Village. However, the BID had no financial transactions during 2017 which are material to these financial statements. Also, the BID does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The BID does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The Village has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Tax Incremental District No. 2 Fund

This fund is used to account for the project plan costs of the Village's Tax Incremental District No. 2.

2016 Bond Fund

This fund is used to account for financial resources that are restricted for the acquisition or construction of capital facilities or equipment funded by the 2016 bond issuance.

The Village reports the following major enterprise funds:

Water Utility Fund

This fund accounts for the provision of water service to Village residents, public authorities, and business entities.

Sewer Utility Fund

This fund accounts for the provision of sewer service to Village residents, public authorities, and business entities.

Stormwater Utility Fund

This fund accounts for the operations of the Village's stormwater system.

Additionally, the Village reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes.

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities or equipment other than those financed by proprietary funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

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

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

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

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Village properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in three equal installments on or before January 31, April 30, and July 31. Real estate taxes not paid by July 31 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village. Special charges not paid by January 31 are held in trust by the County and remitted to the Village, including interest, when collected by the County.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

In addition to its levy, the Village also levies and collects taxes for the Greendale School District, Milwaukee County, Milwaukee Area Technical College and the Milwaukee County Metro Sewer District. Collections and remittances of taxes for other entities are accounted for in the general fund.

3. Accounts Receivable

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

4. Interfund Receivables and Payables

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

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

5. Inventories

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

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

6. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

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

7. Capital Assets

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

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

Assets	Governmental Activities	Business-type Activities
	Years	
Buildings and improvements	30 - 40	20 - 100
Machinery and equipment	3 - 20	4 - 17
Infrastructure	15 - 50	20 - 100

8. Compensated Absences

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

9. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The Village reports unavailable revenues for special assessments. These inflows are recognized as revenues in the government-wide financial statements.

10. Long-term Obligations

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

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

11. Pensions

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

12. Fund Equity

Governmental Fund Financial Statements

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

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the Village Board. These constraints can only be removed or changed by the Village Board using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of Village management. The Village Board, through adoption of the fund balance policy, has authorized the Clerk/Treasurer to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

Government-Wide and Proprietary Fund Statements

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

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

E. USE OF ESTIMATES

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

F. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the Village's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

G. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to November, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, certain special revenue and capital project, and debt service funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general fund, equipment replacement fund, School D.A.R.E fund, debt service fund, 2016 bond fund, recycling fund, library fund, community development block grant fund, and the capital improvement fund. Amendments to the budget during the year are initially reviewed by management and are subsequently authorized by the Village Board. Management does not have authority to amend the legally adopted budget. Supplemental amendments were necessary during the year, but were not material relation to the original appropriation.
4. The budget as enacted includes total expenditures at the organization level. An organization can be a department, division, fund or other activity. Expenditures cannot legally exceed appropriations at this level.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2017.

B. DEFICIT FUND EQUITY

The following funds had deficit fund balance as of December 31, 2017:

Funds	Deficit Fund Balance
Recycling	\$ 30,818
Tax Increment District No. 4	100,135

The Village anticipates funding the above deficits from future revenues of the funds.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

C. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2017 and 2018 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2017 budget was .0157%. The actual limit for the Village for the 2018 budget was 0.435%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

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

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

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

The carrying amount of the Village's cash and investments totaled \$27,462,366 on December 31, 2017 as summarized below:

Petty cash and cash on hand	\$ 8,199
Deposits with financial institutions	7,926,818
Investments	
Federal National Mortgage Association	1,243,288
Federal Farm Credit Bank	245,632
Municipal bonds	1,801,933
Wisconsin Investment Series Cooperative	14,632,084
Local Government Investment Pool	610,837
Certificates of deposit	993,575
	<u>\$ 27,462,366</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 27,307,001
Restricted cash and investments	155,365
	<u>\$ 27,462,366</u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village has the following fair value measurements as of December 31, 2017:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Federal National Mortgage Association	\$ -	\$ 1,243,288	\$ -
Federal Farm Credit Bank	-	245,632	-
Municipal bonds	-	1,801,933	-
Certificates of deposit	-	993,575	-
	<u>\$ -</u>	<u>\$ 4,284,428</u>	<u>\$ -</u>

Deposits and investments of the Village are subject to various risks. Presented below is a discussion of the Village's deposits and investments and the related risks.

Custodial Credit Risk

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

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

As of December 31, 2017, \$6,051,877 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. \$6,051,877 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Village's name.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Credit Risk

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

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Federal National Mortgage Association	\$ 1,243,288	\$ -	\$ 1,243,288	\$ -	\$ -
Federal Farm Credit Bank	245,632	-	245,632	-	-
Municipal bonds	1,801,933	-	498,865	555,143	747,925
Wisconsin Investment Securities					
Cooperative	14,632,084	-	14,632,084	-	-
Certificates of deposit	993,575	-	248,185	-	745,390
Wisconsin local government investment pool	610,837	-	-	-	610,837
Totals	<u>\$ 19,527,349</u>	<u>\$ -</u>	<u>\$ 16,868,054</u>	<u>\$ 555,143</u>	<u>\$ 2,104,152</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its investment policy, to the extent possible, the Village will attempt to match its investments with anticipated cash flow liquidity requirements. Unless matched to a specific cash flow, the Village will not invest in securities maturing more than 5 years from the date of purchase. Reserve funds may be invested in securities exceeding 5 years if the maturity of such investment is made to coincide as nearly as practicable with the expected use of funds. In no event will the Village invest in securities with maturities exceeding 7 years. Because of the inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as Local Government Investment Pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal National Mortgage Association	\$ 1,243,288	\$ 499,585	\$ 495,720	\$ 247,983	\$ -
Federal Farm Credit Bank	245,632	-	-	245,632	-
Municipal bonds	1,801,933	1,303,068	-	498,865	-
Wisconsin Investment Securities					
cooperative	14,632,084	14,632,084	-	-	-
Certificates of deposit	993,575	-	745,390	248,185	-
Wisconsin local government investment pool	610,837	610,837	-	-	-
Totals	<u>\$ 19,527,349</u>	<u>\$ 17,045,574</u>	<u>\$ 1,241,110</u>	<u>\$ 1,240,665</u>	<u>\$ -</u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Investments in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin local government investment pool of \$610,837 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2017, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

Investment in Wisconsin Investment Series Cooperative

The Village has investments in the Wisconsin Investment Series Cooperative (WISC) of \$14,632,084 at year end all of which was invested in the Investment Series. The Investment Series requires a 14 day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less.

WISC is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin intergovernmental Cooperation Statute, Wisconsin Statutes, Section 66.0301. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin law. WISC investments are valued at amortized cost, which approximates market value.

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Village's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 1,488,920

B. RESTRICTED ASSETS

Restricted assets on December 31, 2017 totaled \$155,365 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Enterprise Water Utility Debt retirement	\$ 155,365	To account for retirement of waterworks system revenue bonds

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

C. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 1,037,889	\$ -	\$ -	\$ 1,037,889
Construction in progress	3,349,709	-	3,349,709	-
Total capital assets, nondepreciable	<u>4,387,598</u>	<u>-</u>	<u>3,349,709</u>	<u>1,037,889</u>
Capital assets, depreciable:				
Buildings and improvements	8,926,686	7,007,883	193,343	15,741,226
Machinery and equipment	8,413,718	92,358	43,930	8,462,146
Infrastructure	40,077,613	2,159,487	1,037,132	41,199,968
Subtotals	<u>57,418,017</u>	<u>9,259,728</u>	<u>1,274,405</u>	<u>65,403,340</u>
Less accumulated depreciation for:				
Buildings and improvements	4,793,039	313,409	60,737	5,045,711
Machinery and equipment	5,782,993	601,208	29,213	6,354,988
Infrastructure	22,607,044	1,053,496	769,653	22,890,887
Subtotals	<u>33,183,076</u>	<u>1,968,113</u>	<u>859,603</u>	<u>34,291,586</u>
Total capital assets, depreciable, net	<u>24,234,941</u>	<u>7,291,615</u>	<u>414,802</u>	<u>31,111,754</u>
Governmental activities capital assets, net	<u>\$ 28,622,539</u>	<u>\$ 7,291,615</u>	<u>\$ 3,764,511</u>	<u>32,149,643</u>
Less: Capital related debt				<u>(8,999,138)</u>
Net investment in capital assets				<u>\$ 23,150,505</u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 249,391	\$ -	\$ -	\$ 249,391
Construction in progress	3,569	-	3,569	-
Intangible assets	750,000	-	-	750,000
Total capital assets, nondepreciable	<u>1,002,960</u>	<u>-</u>	<u>3,569</u>	<u>999,391</u>
Capital assets, depreciable:				
Buildings and improvements	487,800	-	-	487,800
Machinery and equipment	1,524,464	9,373	-	1,533,837
Infrastructure	27,510,694	131,062	4,664	27,637,092
Subtotals	<u>29,522,958</u>	<u>140,435</u>	<u>4,664</u>	<u>29,658,729</u>
Less accumulated depreciation for:				
Buildings and improvements	157,480	15,610	-	173,090
Machinery and equipment	929,681	93,467	-	1,023,148
Infrastructure	9,569,451	455,231	4,036	10,020,646
Subtotals	<u>10,656,612</u>	<u>564,308</u>	<u>4,036</u>	<u>11,216,884</u>
Total capital assets, depreciable, net	<u>18,866,346</u>	<u>(423,873)</u>	<u>628</u>	<u>18,441,845</u>
Business-type activities capital assets, net	<u>\$ 19,869,306</u>	<u>\$ (423,873)</u>	<u>\$ 4,197</u>	<u>19,441,236</u>
Less: Capital related debt				<u>(4,370,677)</u>
Net investment in capital assets				<u>\$ 15,070,559</u>

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

Governmental activities	
General government	\$ 48,172
Public safety	624,257
Public works	1,196,654
Culture and recreation	99,030
Total depreciation expense - governmental activities	<u>\$ 1,968,113</u>
Business-type activities	
Water utility	\$ 297,081
Sewer utility	127,740
Stormwater utility	139,487
Total depreciation expense - business-type activities	<u>\$ 564,308</u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2017 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary cash advances to finance operating cash deficits		
Governmental Funds		
General	\$ 16,219	\$ -
Other governmental funds	200,000	6,619
Proprietary Funds		
Water Utility	-	9,600
Stormwater Utility	-	200,000
Subtotal	<u>216,219</u>	<u>216,219</u>
Other operating accounts between funds		
Governmental Funds		
General	46,150	-
Tax Incremental District #2	49,425	-
Other governmental funds	-	95,575
Subtotal	<u>95,575</u>	<u>95,575</u>
Advances between funds		
Governmental Fund		
General	647,802	-
Enterprise Fund		
Water Utility	-	647,802
Subtotal	<u>647,802</u>	<u>647,802</u>
Totals	<u>\$ 959,596</u>	<u>\$ 959,596</u>

Interfund transfers for the year ended December 31, 2017 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds		
General	\$ 335,247	\$ 16,388
Debt Service	1,983,392	-
Tax Incremental District No. 2	-	1,345,382
Other governmental funds	995,000	691,622
Enterprise Funds		
Water Utility	-	249,418
Sewer Utility	-	15,829
Storm Utility	-	995,000
	<u>\$ 3,313,639</u>	<u>\$ 3,313,639</u>

Interfund transfers are used to: (1) move restricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

E. LONG-TERM OBLIGATIONS

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General Obligation Debt					
Bonds	\$ 24,100,000	\$ -	\$ 1,710,000	\$ 22,390,000	\$ 1,735,000
Debt premium	148,047	-	10,329	137,718	10,329
Capital leases	267,184	-	267,184	-	-
Compensated absences	1,077,127	65,530	302,981	839,676	65,530
Governmental activities Long-term obligations	<u>\$ 25,592,358</u>	<u>\$ 65,530</u>	<u>\$ 2,290,494</u>	<u>\$ 23,367,394</u>	<u>\$ 1,810,859</u>
Business-type activities:					
Revenue bonds	<u>\$ 4,599,736</u>	<u>\$ -</u>	<u>\$ 229,059</u>	<u>\$ 4,370,677</u>	<u>\$ 233,469</u>

Total interest paid during the year on long-term debt totaled \$903,831.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>
General obligation bonds	8/23/11	12/1/30	2.75-5.25%	\$ 2,150,000	\$ 1,895,000
General obligation bonds	8/23/11	12/1/26	2.40-4.40%	13,200,000	10,380,000
General obligation bonds	11/22/11	12/1/26	2.00-3.88%	2,155,000	1,585,000
General obligation bonds	5/11/16	11/1/31	2.00-2.10%	7,760,000	7,235,000
General obligation bonds	12/29/16	12/1/36	2.15-4.00%	1,295,000	1,295,000
Total Outstanding General Obligation Debt					<u>\$ 22,390,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$22,390,000 on December 31, 2017 are detailed below:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,735,000	\$ 709,419	\$ 2,444,419
2019	1,780,000	665,858	2,445,858
2020	1,850,000	616,632	2,466,632
2021	1,925,000	561,090	2,486,090
2022	1,995,000	500,528	2,495,528
2023 - 2027	9,565,000	1,416,295	10,981,295
2028-2032	3,200,000	263,585	3,463,585
2033-2036	340,000	34,600	374,600
	<u>\$ 22,390,000</u>	<u>\$ 4,768,007</u>	<u>\$ 27,158,007</u>

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2017 was \$48,190,021 as follows:

Equalized valuation of the Village		\$ 1,411,598,600
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>70,579,930</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 22,390,000	
Less: Amounts available for financing general obligation debt		
Debt service fund	91	
Net outstanding general obligation debt applicable to debt limitation		<u>22,389,909</u>
Legal margin for new debt		<u>\$ 48,190,021</u>

Revenue Bonds

Revenue bonds outstanding on December 31, 2017 totaled \$4,370,677 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/17
Safe water drinking loan	6/26/13	5/1/33	1.93%	\$ 4,279,516	\$ 3,722,170
Safe water drinking loan	5/28/14	5/1/34	1.93%	711,888	<u>648,507</u>
Total Outstanding Revenue Bonds					<u>\$ 4,370,677</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$4,370,677 on December 31, 2017 are detailed below:

Year Ended December 31,	Business-type Activities		
	Principal	Interest	Total
2018	\$ 233,469	\$ 81,888	\$ 315,357
2019	237,963	77,351	315,314
2020	242,544	72,726	315,270
2021	247,213	68,012	315,225
2022	251,972	63,207	315,179
2023 - 2027	1,334,509	240,667	1,575,176
2028-2032	1,467,997	105,895	1,573,892
2033-2034	355,010	4,269	359,279
	<u>\$ 4,370,677</u>	<u>\$ 714,015</u>	<u>\$ 5,084,692</u>

Utility Revenues Pledged

The Village has pledged future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the system. The bonds are payable solely from water customer net revenues and are payable through 2034. The total principal and interest remaining to be paid on the bonds is \$5,084,692. Principal and interest paid for the current year and total customer net revenues were \$315,400 and \$854,317, respectively.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

F. PENSION PLAN

1. 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>.

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

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

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

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

The WRS also provides death and disability benefits for employees.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

2. Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3%	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)

3. 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 ending December 31, 2016, the WRS recognized \$591,087 in contributions from the Village.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

4. 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 \$515,942 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the Village's proportion was 0.06259620%, which was an increase of 0.00004873% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Village recognized pension expense of \$1,324,350.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 196,729	\$ 1,622,593
Net differences between projected and actual earnings on pension plan investments	2,568,196	-
Changes in assumptions	539,437	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,009	20,747
Employer contributions subsequent to the measurement date	665,295	-
Total	<u>\$ 3,976,666</u>	<u>\$ 1,643,340</u>

\$665,295 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year 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:

Year ended December 31,	Expense
2017	\$ 680,936
2018	680,936
2019	461,720
2020	(156,384)
2021	823
Total	<u>\$ 1,668,031</u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability:	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

	Current Asset Allocation %	Destination Target Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>				
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5%	37%	4.2%	1.4%
Inflation Sensitive Assets	15.5%	20%	4.3%	1.5%
Real Estate	8%	7%	6.5%	3.6%
Private Equity/Debt	8%	7%	9.4%	6.5%
Multi-asset	4%	4%	6.6%	3.7%
Total Core Fund	110%	120%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. Equities	70%	70%	7.6%	4.7%
International Equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members 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 Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

Sensitivity of the Village's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 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:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension liability (asset)	\$ 6,787,550	\$ 515,942	\$ (4,313,480)

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>.

6. Payables to the Pension Plan

At December 31, 2017, the Village reported a payable of \$32,539 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2017.

G. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Village administers a single-employer defined benefit healthcare plan. The plan provides health care insurance coverage for eligible retirees and spouses. Benefit provisions are established through personnel policy guidelines. There are currently 85 active and 28 retired employees in the plan. The plan does not issue a publically available financial report.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. Retired plan members and beneficiaries are required to contribute specified amounts monthly towards the cost of health care insurance premiums depending on the employee classification and years of service.

Annual OPEB Cost and Net OPEB Obligation. The Village's other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), and the amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation.

Component	Amount
Annual required contribution	\$ 951,013
Interest on net OPEB	159,444
Adjustment to annual required contribution	(263,259)
Annual OPEB cost (expense)	847,198
Contributions made	307,865
Change in net OPEB obligation	539,333
OPEB obligation - beginning of year	5,740,055
OPEB obligation - end of year	\$ 6,279,388

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as level dollar payments on an open basis. The remaining amortization period at December 31, 2017 is 30 years.

Trend Information. The Village's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/17	\$ 847,198	36%	\$ 6,279,388
12/31/16	827,480	34%	5,740,055
12/31/15	808,112	30%	5,190,214

Funded Status and Funding Progress. The funded status of the plan as of January 1, 2016, the most recent actuarial valuation date, was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a] / c)
1/1/16	\$ -	\$ 8,984,742	\$ 8,984,724	0.00%	\$ 6,577,938	136.59%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far in the future, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future.

Actuarial methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation, the unit credit method was used. The actuarial assumptions include a rate of 3.00% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 4.6% for medical and dental, reduced by decrements to an ultimate rate of 4.4% for medical and dental after nine years. The UAAL is being amortized as level dollar payments on an open basis. The remaining amortization period at December 31, 2017 was 30 years.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

H. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2017, nonspendable fund balance was as follows:

General Fund

Nonspendable

Inventories and prepaid items	\$ 9,374
Delinquent personal property taxes	28,157
Long-term receivables	647,802
Total General Fund Nonspendable Fund Balance	<u>685,333</u>

Special Revenue Funds

Nonspendable

Inventories and prepaids	<u>8,000</u>
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Capital Projects Funds

Nonspendable

Inventories and prepaids	<u>2,812</u>
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Total Nonspendable Fund Balance	<u>\$ 696,145</u>
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Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2017, restricted fund balance was as follows:

Special Revenue Funds

Restricted for

Library operations	\$ 100,993
Future projects or improvements	24,807
	<u>125,800</u>

Debt Service Fund

Restricted for debt service

<u>91</u>

Capital Projects Funds

Restricted for

Future projects or improvements	<u>3,091,277</u>
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Total Restricted Fund Balance	<u>\$ 3,217,168</u>
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Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by Village Board action. At December 31, 2017, General Fund balance was committed as follows:

Special Revenue Fund	
Committed for	
School D.A.R.E. program	<u>\$ 53,971</u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2017, fund balance was assigned as follows:

General Fund	
Assigned for subsequent years budget	<u>\$ 381,869</u>
Special Revenue Funds	
Assigned for future projects and improvements	<u>303</u>
Capital Projects Funds	
Assigned for future projects and improvements	<u>161,574</u>
Total	<u>\$ 543,746</u>

Net Position

The Village reports restricted net position at December 31, 2017 as follows:

Governmental Activities

Restricted for	
Debt service	\$ 91
Donations	24,807
Tax incremental financing	3,016,429
Library	<u>100,933</u>
Total Governmental Activities Restricted Net Position	<u>3,142,260</u>

Business-type Activities

Restricted for	
Debt service	141,062
Equipment replacement	<u>380,117</u>
Total Business-type Activities Restricted Net Position	<u>521,179</u>

Total Restricted Net Position	<u>\$ 3,663,439</u>
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Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

NOTE 4: OTHER INFORMATION

A. TAX INCREMENTAL FINANCING DISTRICTS

The Village has established separate capital projects funds for Tax Incremental District (TID) No. 1, No. 2, No. 3 and No. 4 which were created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements.

Since creation of the above Districts, the Village has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the Village from any future excess tax increment revenues. As of December 31, 2017, the Village can recover \$12,167,102 from future excess tax increment revenues of the following:

	Recoverable Costs
TID No. 1	\$ 1,137,306
TID No. 2	8,926,827
TID No. 3	707,834
TID No. 4	1,395,135

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the Village prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 1	2030
TID No. 2	2030
TID No. 3	2038
TID No. 4	2043

B. 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 government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage. A description of the County's risk management programs is presented below:

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Public Entity Risk Pool

The Village is a member of the Wisconsin Municipal Insurance Commission (WMIC) and Cities and Villages Mutual Insurance Company (CVMIC).

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC. The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The Village does not exercise any control over the activities of the agencies beyond the election of the officers and board. Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

C. CONTINGENCIES

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

D. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2015, the GASB issued a new standard addressing accounting and financial reporting for postemployment benefits other than pensions (OPEB). GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. The Village will, after adoption of GASB No. 75, recognize on the face of the financial statements its OPEB liability. GASB No. 75 is effective for fiscal years beginning after June 15, 2017. The Village is currently evaluating the impact this standard will have on the financial statements when adopted.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after June 15, 2018. The Village is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The Village is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Greendale, Wisconsin

SCHEDULE OF FUNDING PROGRESS OTHER POSTEMPLOYMENT BENEFIT PLAN FOR THE YEAR ENDED DECEMBER 31, 2017

Actual Valuation Date January 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2016	\$ -	\$ 8,984,742	0.00%	\$ 8,984,742	\$ 6,577,938	136.59%
2013	-	10,838,485	0.00%	10,838,485	5,814,624	186.40%
2008	-	7,212,000	0.00%	7,212,000	5,515,406	130.76%

See notes to required supplementary information.

Village of Greendale, Wisconsin

SCHEDULE OF EMPLOYER CONTRIBUTIONS OTHER POSTEMPLOYMENT BENEFIT PLAN FOR THE YEAR ENDED DECEMBER 31, 2017

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 250,866	\$ 718,000	34.94%
2009	223,774	718,000	31.17%
2010	231,546	718,000	32.25%
2011	282,286	718,000	39.32%
2012	281,310	1,197,607	23.49%
2013	248,751	1,256,185	19.80%
2014	237,658	1,256,185	18.92%
2015	244,113	898,477	27.17%
2016	277,639	924,605	30.03%
2017	307,865	951,013	32.37%

See notes to required supplementary information.

Village of Greendale, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll (plan year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/15	0.06181192%	\$ (1,518,270)	\$ 6,283,656	24.16%	102.74%
12/31/16	0.06254747%	1,016,379	6,577,938	15.45%	98.20%
12/31/17	0.06259620%	515,942	6,491,236	7.95%	99.12%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll (fiscal year)	Contributions as a Percentage of Covered-Employee Payroll
12/31/15	\$ 610,788	\$ 610,788	\$ -	\$ 6,577,938	9.29%
12/31/16	591,087	591,087	-	6,491,236	9.11%
12/31/17	665,295	665,295	-	6,617,740	10.05%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

SUPPLEMENTARY INFORMATION

Village of Greendale, Wisconsin

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Special Revenue					Community Dev. Block Grant Fund
	School D.A.R.E. (Liason Officer)	Recycling	Health Grants	Donations	Library	
ASSETS						
Cash and investments	\$ 68,391	\$ 9,483	\$ -	\$ 40,204	\$ 398,433	\$ 303
Receivables						
Taxes and special charges	13,674	14,391	-	-	294,730	-
Accounts	-	39,937	7,961	-	2,764	10,000
Special assessments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Inventories and prepaid items	-	-	-	-	8,000	-
Total assets	\$ 82,065	\$ 63,811	\$ 7,961	\$ 40,204	\$ 703,927	\$ 10,303
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ 28,479	\$ 1,620	\$ 15,397	\$ 25,849	\$ 10,000
Accrued and other current liabilities	2,094	-	-	-	8,699	-
Due to other funds	-	46,150	6,341	-	-	-
Total liabilities	2,094	74,629	7,961	15,397	34,548	10,000
Deferred inflows of resources						
Property taxes levied for subsequent year	26,000	20,000	-	-	560,386	-
Special assessments	-	-	-	-	-	-
Total deferred inflows of resources	26,000	20,000	-	-	560,386	-
Fund balances						
Nonspendable	-	-	-	-	8,000	-
Restricted	-	-	-	24,807	100,993	-
Committed	53,971	-	-	-	-	-
Assigned	-	-	-	-	-	303
Unassigned	-	(30,818)	-	-	-	-
Total fund balances	53,971	(30,818)	-	24,807	108,993	303
Total liabilities, deferred inflows of resources, and fund balances	\$ 82,065	\$ 63,811	\$ 7,961	\$ 40,204	\$ 703,927	\$ 10,303

Village of Greendale, Wisconsin

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Capital Projects					Totals	
	Equipment Replacement	Capital Improvement	Tax Incremental District No. 1	Tax Incremental District No. 3	Tax Incremental District No. 4	2017	2016
ASSETS							
Cash and investments	\$ 231,120	\$ 212,078	\$ 890,685	\$ 1,035,171	\$ -	\$ 2,885,868	\$ 3,202,799
Receivables							
Taxes and special charges	78,891	250,342	147,547	175,298	55,951	1,030,824	1,106,887
Accounts	-	-	-	-	-	60,662	44,622
Special assessments	-	18,900	-	-	-	18,900	18,900
Due from other funds	-	200,000	-	-	-	200,000	-
Inventories and prepaid items	-	2,812	-	-	-	10,812	-
Total assets	<u>\$ 310,011</u>	<u>\$ 684,132</u>	<u>\$ 1,038,232</u>	<u>\$ 1,210,469</u>	<u>\$ 55,951</u>	<u>\$ 4,207,066</u>	<u>\$ 4,373,208</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 17,390	\$ 176,617	\$ -	\$ -	\$ -	\$ 275,352	\$ 182,447
Accrued and other current liabilities	-	-	-	-	-	10,793	8,907
Due to other funds	-	-	-	-	49,703	102,194	82,735
Total liabilities	<u>17,390</u>	<u>176,617</u>	<u>-</u>	<u>-</u>	<u>49,703</u>	<u>388,339</u>	<u>274,089</u>
Deferred inflows of resources							
Property taxes levied for subsequent year	150,000	470,000	280,538	333,303	106,383	1,946,610	2,034,755
Special assessments	-	15,750	-	-	-	15,750	18,900
Total deferred inflows of resources	<u>150,000</u>	<u>485,750</u>	<u>280,538</u>	<u>333,303</u>	<u>106,383</u>	<u>1,962,360</u>	<u>2,053,655</u>
Fund balances							
Nonspendable	-	2,812	-	-	-	10,812	-
Restricted	-	-	757,694	877,166	-	1,760,660	1,575,843
Committed	-	-	-	-	-	53,971	32,678
Assigned	142,621	18,953	-	-	-	161,877	592,746
Unassigned	-	-	-	-	(100,135)	(130,953)	(155,803)
Total fund balances	<u>142,621</u>	<u>21,765</u>	<u>757,694</u>	<u>877,166</u>	<u>(100,135)</u>	<u>1,856,367</u>	<u>2,045,464</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 310,011</u>	<u>\$ 684,132</u>	<u>\$ 1,038,232</u>	<u>\$ 1,210,469</u>	<u>\$ 55,951</u>	<u>\$ 4,207,066</u>	<u>\$ 4,373,208</u>

Village of Greendale, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue					
	School D.A.R.E. (Liason Officer)	Recycling	Health Grants	Donations	Library	Community Dev. Block Grant
REVENUES						
Taxes	\$ 60,000	\$ 205,000	\$ -	\$ -	\$ 560,386	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	62,003	-	84,267	5,974	24,631	57,126
Public charges for services	-	167,461	-	5,960	19,449	-
Miscellaneous	-	-	-	42,136	84,785	-
Total revenues	122,003	372,461	84,267	54,070	689,251	57,126
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Public safety	100,710	-	-	13,599	-	-
Public works	-	284,261	-	-	-	-
Health and human services	-	-	100,655	1,411	-	-
Culture and recreation	-	-	-	30,770	658,594	-
Conservation and development	-	-	-	-	-	62,421
Debt service						
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	96,322	-
Total expenditures	100,710	284,261	100,655	45,780	754,916	62,421
Excess of revenues over (under) expenditures	21,293	88,200	(16,388)	8,290	(65,665)	(5,295)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	16,388	-	-	-
Total other financing sources (uses)	-	-	16,388	-	-	-
Net change in fund balances	21,293	88,200	-	8,290	(65,665)	(5,295)
Fund balances - January 1	32,678	(119,018)	-	16,517	174,658	5,598
Fund balances - December 31	\$ 53,971	\$ (30,818)	\$ -	\$ 24,807	\$ 108,993	\$ 303

Village of Greendale, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	Capital Projects					Totals	
	Equipment Replacement	Capital Improvement	Tax Incremental District No. 1	Tax Incremental District No. 3	Tax Incremental District No. 4	2017	2016
REVENUES							
Taxes	\$ 14,000	\$ 566,000	\$ 322,760	\$ 306,609	\$ -	\$ 2,034,755	\$ 2,625,914
Special assessments	-	3,150	-	-	-	3,150	3,150
Intergovernmental	64,312	-	-	3,528	-	301,841	184,054
Public charges for services	-	-	-	-	-	192,870	197,807
Miscellaneous	42,653	15,000	10,985	12,767	-	208,326	100,010
Total revenues	120,965	584,150	333,745	322,904	-	2,740,942	3,110,935
EXPENDITURES							
Current							
General government	-	-	-	-	-	-	1,000
Public safety	-	-	-	-	-	114,309	105,721
Public works	-	-	-	-	-	284,261	306,199
Health and human services	-	-	-	-	-	102,066	49,484
Culture and recreation	-	-	-	-	-	689,364	583,302
Conservation and development	-	-	7,149	7,148	22,500	99,218	1,294,824
Debt service							
Interest and fiscal charges	-	-	-	-	-	-	43,862
Capital outlay	125,191	1,735,977	-	-	-	1,957,490	1,632,012
Total expenditures	125,191	1,735,977	7,149	7,148	22,500	3,246,708	4,016,404
Excess of revenues over (under) expenditures	(4,226)	(1,151,827)	326,596	315,756	(22,500)	(505,766)	(905,469)
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	1,761,110
Capital lease proceeds	-	-	-	-	-	-	267,184
Proceeds from sale of capital assets	13,291	-	-	-	-	13,291	56,522
Transfers in	-	995,000	-	-	-	995,000	10,000
Transfers out	(75,000)	(200,000)	(182,804)	(209,356)	(40,850)	(691,622)	(480,224)
Total other financing sources (uses)	(61,709)	795,000	(182,804)	(209,356)	(40,850)	316,669	1,614,592
Net change in fund balances	(65,935)	(356,827)	143,792	106,400	(63,350)	(189,097)	709,123
Fund balances - January 1	208,556	378,592	613,902	770,766	(36,785)	2,045,464	1,336,341
Fund balances - December 31	\$ 142,621	\$ 21,765	\$ 757,694	\$ 877,166	\$ (100,135)	\$ 1,856,367	\$ 2,045,464

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS

Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the Village Board
Village of Greendale, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Greendale, Wisconsin (the "Village") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 11, 2018.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2017-001 that we consider to be a significant deficiency.

COMPLIANCE AND OTHER MATTERS

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

VILLAGE OF GREENDALE, WISCONSIN'S RESPONSE TO FINDING

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

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

A handwritten signature in black ink, appearing to read "S. Schenk" followed by a stylized mark.

Certified Public Accountants

Sheboygan, Wisconsin
May 11, 2018

Village of Greendale, Wisconsin

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION I. INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING NO.	CONTROL DEFICIENCIES
2017-001	Preparation of Annual Financial Report Repeat of Finding 2016-001
Condition:	Current Village staff maintains accounting records which reflect the Village's financial transactions; however, preparing the Village's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Village contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. For the same reasons, the Village contracts with us to compile the Wisconsin Municipal Report Form C.
Criteria:	The preparation and review of the annual financial report and Municipal Financial Report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required State Financial reports.
Cause:	Village management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, the Village may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the Village continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Village is necessary to obtain a complete and adequate understanding of the Village's annual financial report and Municipal Financial Report.
Management Response:	Village management has reviewed and approved the financial reports prior to issuance.

SECTION II. COMPLIANCE AND OTHER MATTERS

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2017.