

CITY OF ONALASKA, WISCONSIN

**SUMMARY FINANCIAL REPORT
WITH INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2017

CITY OF ONALASKA, WISCONSIN
SUMMARY FINANCIAL REPORT

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DECEMBER 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Common Council
City of Onalaska, Wisconsin

The accompanying summary financial reports of the City of Onalaska, Wisconsin (the "City") as of and for the year ended December 31, 2017, as listed in the table of contents, are derived from the audited basic financial statements of governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Onalaska, Wisconsin, as of and for the year ended December 31, 2017. We expressed an unmodified audit opinion on those audited financial statements in our report dated May 3, 2018.

The summary financial reports do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial reports, therefore, is not a substitute for reading the audited financial statements of the City.

Management's Responsibility for the Summary Financial Reports

Management is responsible for the preparation of the summary financial reports on the basis described in the other financial information.

Auditor's Responsibility

Our responsibility is to express an opinion about whether the summary financial reports are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary financial reports with the related information in the audited financial statements from which the summary financial reports have been derived, and evaluating whether the summary financial reports are prepared in accordance with the basis described in the other financial information.

Opinion

In our opinion, the summary financial reports of the City of Onalaska, Wisconsin as of and for the year ended December 31, 2017 referred to above are consistent, in all material respects, with the audited financial statements from which they have been derived, on the basis described in the other financial information.

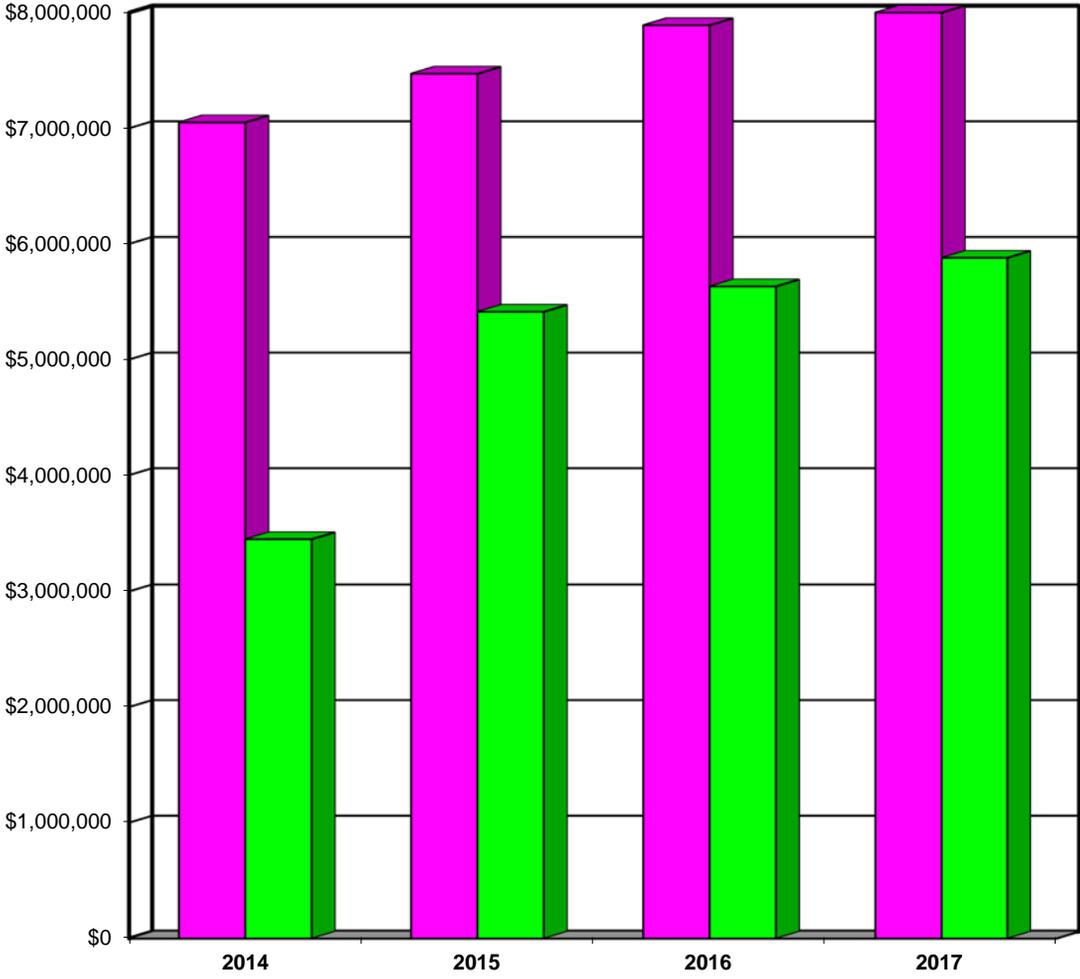
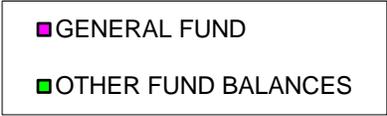
Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
May 3, 2018

CITY OF ONALASKA, WISCONSIN
COMBINED BALANCE SHEET
INCLUDING COMPONENT UNIT

| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | DECEMBER 31, | |
|---|-----------------------|-----------------------|
| | 2017 | 2016 |
| ASSETS | | |
| Cash and investments | \$ 37,897,371 | \$ 36,610,157 |
| Restricted cash | 1,267,167 | 1,259,433 |
| Receivables | | |
| Taxes | 21,769,772 | 23,235,614 |
| Special assessments | 598,404 | 613,813 |
| Customers and other | 1,401,796 | 1,572,375 |
| Interfund | 1,767,490 | 2,399,146 |
| Intergovernmental | 172,693 | 142,780 |
| Inventories and prepaids | 155,973 | 157,660 |
| Capital assets, less accumulated depreciation | 53,474,416 | 53,533,734 |
| TOTAL ASSETS | 118,505,082 | 119,524,712 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Wisconsin Retirement System pension | 435,657 | 581,616 |
| Loss on refunding | 435,431 | 451,918 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 871,088 | 1,033,534 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 119,376,170 | \$ 120,558,246 |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND EQUITY</u> | | |
| LIABILITIES | | |
| Payables | \$ 1,557,357 | \$ 1,487,045 |
| Accrued interest expense | 127,402 | 154,423 |
| Interfund payables | 1,767,490 | 2,399,146 |
| Taxes and special assessments | | |
| Due to other governments | 28,914,243 | 28,900,851 |
| Deferred revenue until next year | 10,794,228 | 11,188,573 |
| Net pension liability (Wisconsin Retirement System) | 48,263 | 102,077 |
| Compensated absences | 177,451 | 176,567 |
| Long-term debt | 19,093,123 | 19,645,353 |
| Premium on long-term debt | 76,125 | 65,101 |
| TOTAL LIABILITIES | 62,555,682 | 64,119,136 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Wisconsin Retirement System pension | 201,967 | 216,960 |
| Unavailable revenue | 314,329 | 324,891 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 516,296 | 541,851 |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | 63,071,978 | 64,660,987 |
| EQUITY | | |
| Net position | 42,120,726 | 42,375,104 |
| General fund balance | 8,304,344 | 7,890,595 |
| Other fund balances | 5,879,122 | 5,631,560 |
| TOTAL EQUITY | 56,304,192 | 55,897,259 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND EQUITY | \$ 119,376,170 | \$ 120,558,246 |

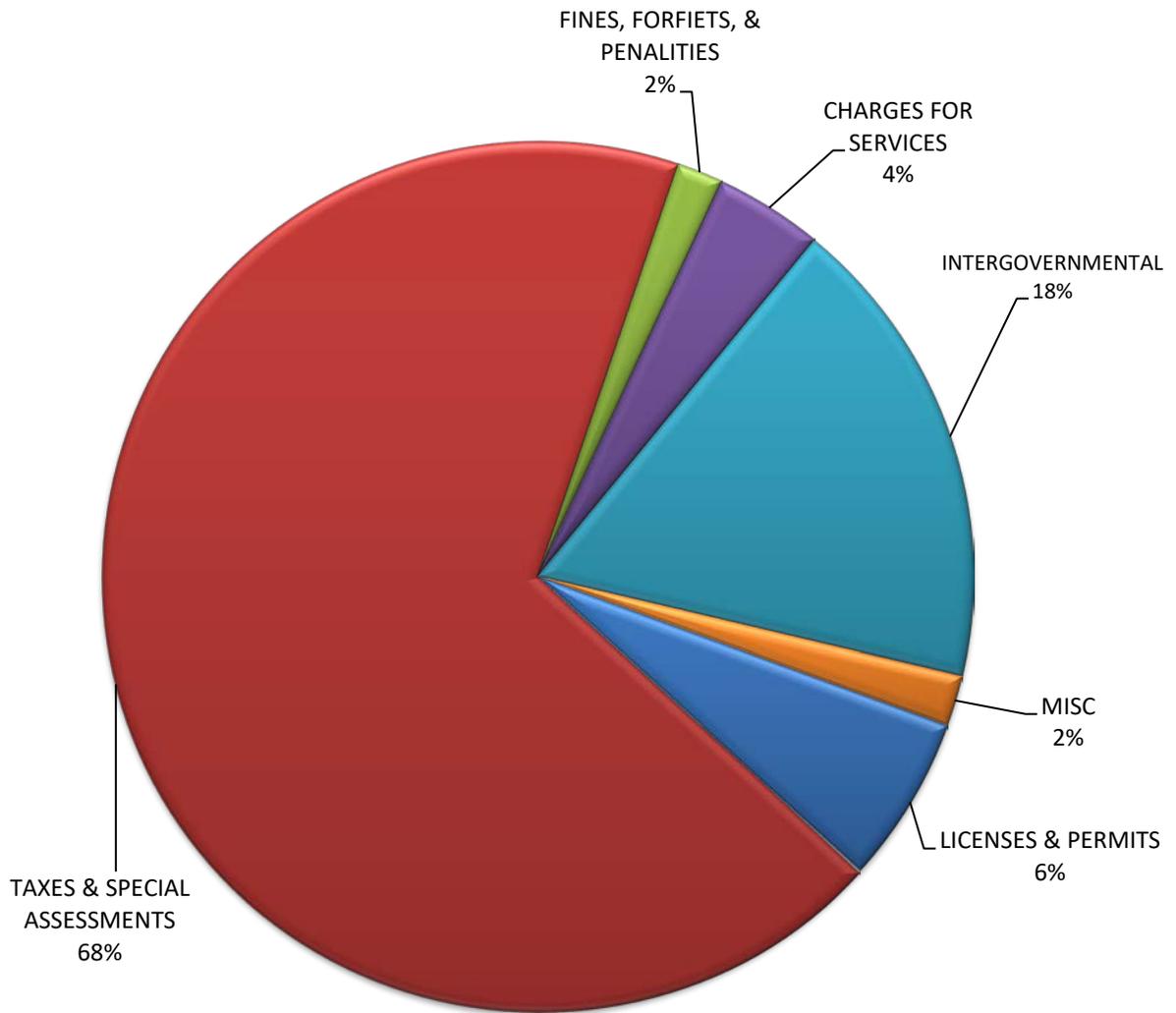
CITY OF ONALASKA, WISCONSIN 2014-2017 FUND BALANCES



CITY OF ONALASKA, WISCONSIN
REVENUE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2017

| | 2017 | | 2016 |
|--|----------------------------|----------------------------|----------------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| REVENUE | | | |
| Taxes | | | |
| Property | \$ 5,879,553 | \$ 5,879,461 | \$ 5,722,093 |
| Payments in lieu of taxes | 121,000 | 135,664 | 146,123 |
| Special Assessments | 15,391 | 34,247 | 54,141 |
| Intergovernmental | | | |
| State shared taxes | 774,554 | 793,488 | 769,505 |
| State grants and payments | 723,900 | 774,182 | 730,759 |
| Licenses and Permits | | | |
| Business and occupational licenses | 227,125 | 226,442 | 230,986 |
| Nonbusiness licenses | 54,800 | 67,111 | 62,275 |
| Building permits and inspection fees | 172,350 | 246,848 | 201,705 |
| Zoning permits and fees | 6,500 | 11,055 | 11,991 |
| Fines, Forfeits, and Penalties | | | |
| Law and ordinance violations | 130,000 | 151,692 | 123,495 |
| Public Charges for Services | | | |
| General government | 9,970 | 13,490 | 12,348 |
| Public safety | 6,000 | 7,762 | 12,500 |
| Culture, recreation, and education | 188,848 | 211,608 | 210,639 |
| Other | 700 | 451 | 880 |
| Intergovernmental Charges for Services | | | |
| Other local governments | 56,700 | 121,590 | 143,011 |
| Miscellaneous | | | |
| Interest | 62,436 | 87,400 | 70,680 |
| Insurance recoveries | 12,500 | 35,038 | 41,613 |
| Donations/contributions | 21,000 | 21,785 | 16,659 |
| Miscellaneous | 13,000 | 23,850 | 26,174 |
| Operating Transfer In | <u>380,000</u> | <u>438,350</u> | <u>444,519</u> |
| TOTAL REVENUE | <u>\$ 8,856,327</u> | <u>\$ 9,281,514</u> | <u>\$ 9,032,096</u> |

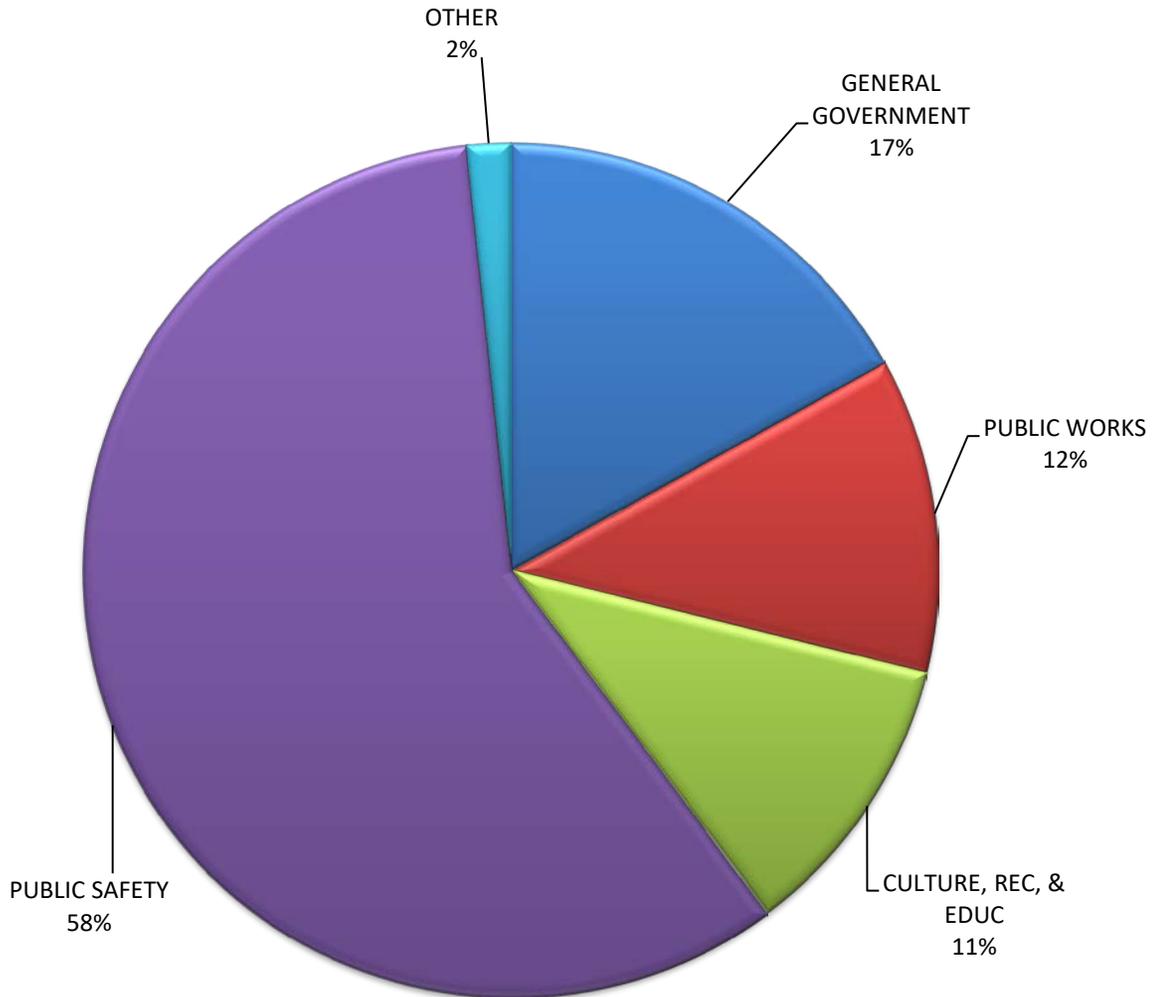
CITY OF ONALASKA, WISCONSIN 2017 GENERAL FUND REVENUE



CITY OF ONALASKA, WISCONSIN
EXPENDITURES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2017

| EXPENDITURES | 2017 | | 2016 |
|-------------------------------------|----------------------------|----------------------------|----------------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| General Government | | | |
| Common council | \$ 58,704 | \$ 47,448 | \$ 47,543 |
| Municipal court | 525 | 704 | 963 |
| City attorney | 110,000 | 102,837 | 140,558 |
| Mayor | 16,062 | 15,705 | 29,961 |
| Finance | 205,731 | 194,914 | 172,417 |
| Clerk and elections | 183,395 | 177,180 | 229,809 |
| Auditing, personnel, and management | 87,848 | 88,998 | 91,083 |
| Assessor | 343,977 | 339,002 | 358,990 |
| City hall | 170,209 | 160,851 | 161,332 |
| Other general government | 375,594 | 336,131 | 228,780 |
| Public Safety | | | |
| Police department | 2,863,245 | 2,871,319 | 2,712,912 |
| Fire department | 1,779,345 | 1,751,104 | 1,648,086 |
| Inspections | 440,322 | 430,881 | 443,554 |
| Other | 8,200 | 8,512 | 7,000 |
| Public Works | | | |
| Engineering | 115,976 | 115,430 | 115,469 |
| Street department | 693,549 | 681,009 | 659,742 |
| Street signs and markings | 19,100 | 18,802 | 23,053 |
| Street lighting | 243,405 | 215,963 | 230,058 |
| Health and Human Services | | | |
| Animal pound | 65,232 | 65,232 | 44,313 |
| Culture, Recreation, and Education | | | |
| Library | 93,150 | 86,209 | 88,027 |
| Parks | 322,845 | 311,451 | 295,031 |
| Recreation | 388,070 | 370,380 | 364,655 |
| Swimming pool | 176,947 | 174,744 | 176,121 |
| Conservation and Development | | | |
| Planning | 94,896 | 77,959 | 85,063 |
| Operating Transfers Out | - | 225,000 | 258,000 |
| TOTAL EXPENDITURES | <u>\$ 8,856,327</u> | <u>\$ 8,867,765</u> | <u>\$ 8,612,520</u> |

CITY OF ONALASKA, WISCONSIN 2017 GENERAL FUND EXPENDITURES

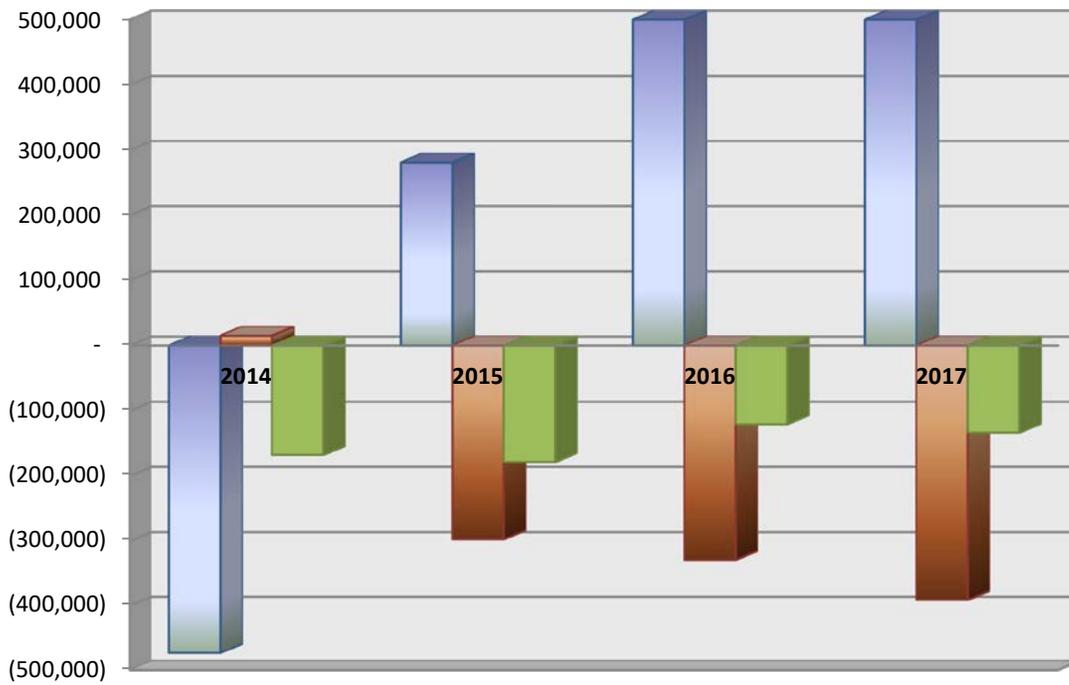


CITY OF ONALASKA, WISCONSIN
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
WATER, SEWER, AND STORM WATER UTILITY

| | YEAR ENDED DECEMBER 31, | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | WATER | | SEWER | | STORM WATER | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| OPERATING REVENUE | | | | | | |
| Charges for services | <u>\$ 2,378,978</u> | <u>\$ 2,231,701</u> | <u>\$ 1,841,435</u> | <u>\$ 1,844,276</u> | <u>\$ 789,494</u> | <u>\$ 771,590</u> |
| OPERATING EXPENSES | | | | | | |
| Operations | 565,147 | 551,297 | 374,548 | 345,271 | 290,445 | 283,912 |
| Maintenance | 56,297 | 47,222 | 28,000 | 16,031 | 25,948 | 22,795 |
| General and administration | 463,356 | 439,513 | 1,273,827 | 1,318,924 | 70,577 | 57,338 |
| Depreciation | 692,608 | 628,809 | 529,887 | 459,011 | 524,511 | 517,873 |
| Taxes | 35,760 | 36,287 | 26,242 | 23,993 | 11,707 | 10,263 |
| TOTAL OPERATING EXPENSES | <u>1,813,168</u> | <u>1,703,128</u> | <u>2,232,504</u> | <u>2,163,230</u> | <u>923,188</u> | <u>892,181</u> |
| OPERATING INCOME (LOSS) | <u>565,810</u> | <u>528,573</u> | <u>(391,069)</u> | <u>(318,954)</u> | <u>(133,694)</u> | <u>(120,591)</u> |
| NONOPERATING (EXPENSES) REVENUE | | | | | | |
| Intergovernmental grants | 10,634 | - | - | - | 28,696 | 30,058 |
| Interest income | 10,158 | 4,814 | 20,248 | 5,707 | 884 | 696 |
| Contributions | - | - | 12 | 159 | 17,910 | 9,400 |
| Interest expense | (150,694) | (136,371) | (63,648) | (65,421) | (153,893) | (143,443) |
| Miscellaneous revenue | - | - | - | - | 4,641 | 9,559 |
| Loss on disposal of capital assets | - | - | - | - | (6,837) | (1,516) |
| Debt issuance costs | 5,407 | (6,993) | 3,314 | (3,490) | (340) | - |
| Amortization expense | (11,732) | (12,278) | (4,001) | (1,720) | - | - |
| Capital contributions | 232,754 | 17,875 | - | 9,200 | - | - |
| Transfer out | (408,252) | (414,820) | (30,098) | (29,699) | - | - |
| TOTAL NONOPERATING (EXPENSES) | <u>(311,725)</u> | <u>(547,773)</u> | <u>(74,173)</u> | <u>(85,264)</u> | <u>(108,939)</u> | <u>(95,246)</u> |
| CHANGE IN NET POSITION | 254,085 | (19,200) | (465,242) | (404,218) | (242,633) | (215,837) |
| NET POSITION AT BEGINNING OF YEAR | <u>15,433,522</u> | <u>15,452,722</u> | <u>11,325,899</u> | <u>11,730,117</u> | <u>14,105,588</u> | <u>14,321,425</u> |
| NET POSITION AT END OF YEAR | <u>\$ 15,687,607</u> | <u>\$ 15,433,522</u> | <u>\$ 10,860,657</u> | <u>\$ 11,325,899</u> | <u>\$ 13,862,955</u> | <u>\$ 14,105,588</u> |

CITY OF ONALASKA, WISCONSIN WATER, SEWER, AND STORM WATER UTILITY OPERATING INCOME (LOSS)

- WATER
- SEWER
- STORM WATER



CITY OF ONALASKA, WISCONSIN
STATEMENT OF REVENUE, EXPENDITURES, AND FUND EQUITY
OTHER FUNDS

| | FUND BALANCES/ NET POSITION | | | FUND BALANCES/ NET POSITION |
|---------------------------------|--------------------------------|-----------------------------|-----------------------------|--------------------------------|
| | JANUARY 1, 2017 | REVENUE | EXPENDITURES | DECEMBER 31, 2017 |
| Special Revenue | | | | |
| Nonresident and park | \$ 507,627 | \$ 96,580 | \$ 295,739 | \$ 308,468 |
| Special projects/donations | 1,816,880 | 312,707 | 329,163 | 1,800,424 |
| Refuse and recycling | 368,013 | 983,877 | 988,642 | 363,248 |
| Shared ride taxi | 236,603 | 725,621 | 698,628 | 263,596 |
| Equipment replacement | 963,456 | 319,590 | 57,527 | 1,225,519 |
| Police reserves | 3,422 | 9,930 | 9,343 | 4,009 |
| Municipal court | 156,035 | 334,871 | 326,625 | 164,281 |
| Debt Service | 615,890 | 6,229,527 | 6,077,764 | 767,653 |
| Capital Projects | | | | |
| 1990, 1996-2005 Projects | 74,632 | 560 | - | 75,192 |
| 2006 Projects | 9,807 | - | - | 9,807 |
| 2007 Projects | 287 | 1 | - | 288 |
| 2008 Projects | 259,143 | 1 | - | 259,144 |
| 2009 Projects | (37,390) | - | 1 | (37,391) |
| 2010 Projects | 10 | - | - | 10 |
| 2011 Projects | (5,199) | 90,036 | 62,327 | 22,510 |
| 2012 Projects | (19,292) | - | - | (19,292) |
| 2013 Projects | (31,857) | 1 | - | (31,856) |
| 2014 Projects | 44,598 | 89 | 8,686 | 36,001 |
| 2015 Projects | 109,980 | 169 | 112,856 | (2,707) |
| 2016 Projects | 558,914 | 23,595 | 266,928 | 315,581 |
| 2017 Projects | - | 3,075,923 | 2,721,286 | 354,637 |
| Enterprise | | | | |
| Tourism | 668,512 | 667,897 | 628,085 | 708,324 |
| Cemetery | 557,791 | 78,950 | 92,544 | 544,197 |
| Gundersen Lutheran Parking Ramp | 72,366 | 251,550 | 79,683 | 244,233 |
| Omni Center | (95,558) | 634,878 | 634,209 | (94,889) |
| TOTAL | <u>\$ 6,834,670</u> | <u>\$ 13,836,353</u> | <u>\$ 13,390,036</u> | <u>\$ 7,280,987</u> |

CITY OF ONALASKA, WISCONSIN
OTHER FINANCIAL INFORMATION
DECEMBER 31, 2017

Independent Auditors' Report - An unmodified "clean" auditors' opinion was issued on the City's financial statements. Our opinion states that we found that your statements present fairly, in all material respects, the financial activity of the City.

Basis of Accounting - The combined balance sheet, general fund revenue, general fund expenditures, and statement of revenue, expenditures, and fund equity summary financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. The statement of revenue, expenses, and changes in net position financial statement is presented using the economic resources measurement focus and the accrual basis of accounting.

General Capital Assets - The City added \$2,952,466 of general capital assets during 2017, of which \$1,306,963 was infrastructure, \$151,746 was for vehicles, \$164,458 was for a single axle plow truck, \$256,328 was for the Skogen parking lot, and \$96,705 for the Nathan Hill playground.

| | Balances <u>1/1/17</u> | <u>Additions</u> | <u>Retirements</u> | Balances <u>12/31/17</u> |
|-------------------------------|---------------------------|------------------|--------------------|-----------------------------|
| General Capital Assets | \$ 82,885,435 | \$ 2,952,466 | \$ (763,936) | \$ 85,073,965 |
| Less Accumulated Depreciation | <u>37,758,709</u> | <u>2,859,497</u> | <u>(751,040)</u> | <u>39,867,166</u> |
| General Capital Assets, net | <u>\$ 45,126,726</u> | <u>\$ 92,969</u> | <u>\$ (12,896)</u> | <u>\$ 45,206,799</u> |

Water, Sewer, and Storm Water Utilities - The City added \$1,909,696 of water, sewer, and storm water fixed assets during 2017, of which \$250,664 was contributed by developers.

Long-Term Debt - General obligation long-term debt decreased \$1,108,875 to an outstanding general obligation debt balance of \$40,953,013, at December 31, 2017. The City is well below its debt limit of \$95,538,420.

| | Balances <u>1/1/17</u> | <u>Additions</u> | <u>Retirements</u> | Balances <u>12/31/17</u> |
|-----------------------------------|---------------------------|---------------------|-----------------------|-----------------------------|
| General Obligation Long-Term Debt | <u>\$ 42,061,888</u> | <u>\$ 6,522,355</u> | <u>\$ (6,631,230)</u> | <u>\$ 41,953,013</u> |

Auditors' Reports on Compliance and Internal Control Over Financial Reporting - These reports conclude that the City's internal control appears adequate for a City of your size and we did not identify any material compliance violations.

Communications With the Those Charge With Governance - This report discusses the scope and limitations of a financial audit and communicates any problems we had during the audit process. No significant problems were identified.