

# CITY OF WISCONSIN DELLS MEETING AGENDA

**MEETING DESCRIPTION:** FINANCE COMMITTEE

**DATE:** Monday, September 17, 2018 **TIME:** 6:15 P.M. **LOCATION:** MUNICIPAL BUILDING COUNCIL CHAMBERS - 300 LA CROSSE STREET, WISCONSIN DELLS, WI 53965

AGENDA ITEMS	
	<b>COMMITTEE MEMBERS</b>
	Ald. Brian Holzem Chair
	Ald. Mike Freel
	Mayor Ed Wojnicz
	Ald. Terry Marshall
1	CALL TO ORDER, ATTENDANCE NOTED
2	APPROVAL OF THE AUGUST 20, 2018 MEETING MINUTES
3	DISCUSSION AND DECISION ON SCHEDULE OF BILLS PAYABLE DATED SEPTEMBER 17, 2018; AND ANY OTHER RELATED FINANCIAL INFORMATION
4	REVIEW AND DISCUSSION ON THE 12/31/2017 ANNUAL AUDIT REPORTS FOR GENERAL OPERATIONS AND THE UTILITIES AS PRESENTED BY JOHNSON BLOCK AND COMPANY
5	DISCUSSION AND DECISION TO APPROVE THE 2018 AUDIT ENGAGEMENT LETTER FROM JOHNSON BLOCK & COMPANY
6	CONVENE INTO CLOSED SESSION PURSUANT TO WISCONSIN STATE STATUTES 19.85(1)(e) FOR DISCUSSION, DELIBERATION AND DECISION ON NEGOTIATING A CONTRACT
7	RECONVENE INTO OPEN SESSION FOR DISCUSSION AND DECISION IF APPLICABLE
8	ITEMS FOR REFERRAL TO FUTURE MEETINGS
9	ADJOURN
	ALD. BRIAN HOLZEM, CHAIRMAN
	POSTED AND DISTRIBUTED: 09/14/2018
	<p><b>Open Meetings Notice:</b> If this meeting is attended by one or more members of the Common Council who are not members of this committee, their attendance may create a quorum of another city commission, board or committee under the Wisconsin Open Meetings Law; However, no formal action will be taken by any governmental body at the above stated meeting other than the body, committee, commission, or board identified in this meeting notice. Please be advised that upon reasonable notice, the City of Wisconsin Dells will furnish appropriate auxiliary aids and services to afford individuals with disabilities an equal opportunity to participate in meeting activities.</p>

SCHEDULE OF BILLS PAYABLE  
SEPTEMBER 17, 2018  
MONDAY  
COMMON COUNCIL

10	GENERAL FUND	\$ 126,168.34
13	DEBT SERVICE FUND	\$ -
14	CAPITAL PROJECTS FUND	\$ 2,118.50
22	ROOM TAX FUND	
24	PRT FUND	\$ 16,775.43
26	FIRE SERVICE FUND	\$ 10,483.07
27	RIVER & BAY FUND	\$ 792.95
28	RIVER ARTS DISTRICT	
50	PARKING UTILITY FUND	\$ 7,348.86
53	SEWER FUND	\$ 69,610.09
52	WATER FUND	\$ 7,658.36
59	ELECTRIC FUND	\$ 880,254.14

Total Payables: \$ 1,121,209.74

# CITY OF WISCONSIN DELLS

Audit Presentation  
to the Finance Committee

For the Year Ended  
December 31, 2017

September 17, 2018

Prepared by:  
Johnson Block & Company, Inc.  
Certified Public Accountants

# CITY OF WISCONSIN DELLS

## 2017 AUDIT OVERVIEW

### **Content of Audit Report**

- Independent Auditor's Report – Our report is unmodified
- Fund Financial Statements
  - Contains financial statements on individual funds
  - Difference in fund types
    - Governmental Funds – Measures resources available for current use. Major funds include General Fund, TIF Districts, Capital Reserve, Room Tax, and Debt Service Funds.
    - Business-Type Funds – Accounted for similar to businesses. Includes Electric, Water, Sewer, and Parking Utilities.
    - Major differences in accounting
      - Debt (Proceeds vs. expenditures in governmental funds)
      - Capital assets (Long-term asset vs. expenditure) Depreciation on utilities.
- Government-Wide Financial Statements
  - Report Governmental and Business-Type Activities
  - Full-accrual basis of accounting
  - Governmental Fund Financial Statements identified above are converted
- Notes to the Financial Statements
  - Contains Summary of Significant Accounting Policies
    - Modified accrual basis
  - Footnotes related to significant financial statement accounts (Cash, Plant, Debt)

# CITY OF WISCONSIN DELLS

## BALANCE SHEET – GOVERNMENTAL FUNDS

	General Fund	Debt Service	Capital Reserve	Room Tax	Tax Increment Districts	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 2,197,078	\$ 1,276,437	\$ 325,912	\$ -	\$ 4,571,424	\$ 1,680,028	\$ 10,050,879
Receivables:							
Taxes	3,373,549	293,025	629	-	2,378,750	327,363	6,373,316
Special Assessments	182,162	1,500,934	1,095	-	1,024,801	-	2,708,992
Other	347,141	-	-	-	-	1,092	348,233
Notes	144,773	-	-	-	-	-	144,773
Due from Other Funds	42,846	-	-	-	-	-	42,846
Restricted Cash	50,689	5,289	-	-	1,533,608	-	1,589,586
Total Assets	<u>\$ 6,338,238</u>	<u>\$ 3,075,685</u>	<u>\$ 327,636</u>	<u>\$ -</u>	<u>\$ 9,508,583</u>	<u>\$ 2,008,483</u>	<u>\$ 21,258,625</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 241,773	\$ -	\$ 6,761	\$ -	\$ -	\$ 111,648	\$ 360,182
Accrued Liabilities	2	-	-	-	-	2	4
Due to Other Funds	12,250	-	-	-	-	96	12,346
Total Liabilities	<u>254,025</u>	<u>-</u>	<u>6,761</u>	<u>-</u>	<u>-</u>	<u>111,746</u>	<u>372,532</u>
Deferred Inflows:							
Tax Levy	3,368,776	-	-	-	2,201,607	327,363	5,897,746
Special Assessments	2,712	1,500,933	1,095	-	1,024,801	-	2,529,541
Total Deferred Inflows	<u>3,371,488</u>	<u>1,500,933</u>	<u>1,095</u>	<u>-</u>	<u>3,226,408</u>	<u>327,363</u>	<u>8,427,287</u>
Fund Balances:							
Nonspendable	326,935	-	-	-	-	-	326,935
Restricted for:							
Debt Service	-	1,574,752	-	-	1,533,608	-	3,108,360
Library	50,689	-	-	-	-	-	50,689
BID	-	-	-	-	-	102,459	102,459
Capital Projects	-	-	-	-	4,748,567	-	4,748,567
River Arts	-	-	-	-	-	94,374	94,374
Housing Program	-	-	-	-	-	35,990	35,990
Revolving Loan Fund	-	-	-	-	-	8,757	8,757
Fire Services	-	-	-	-	-	41,868	41,868
Economic Development	128,499	-	-	-	-	-	128,499
Committed	-	-	-	-	-	150,276	150,276
Assigned	2,206,602	-	319,780	-	-	1,135,650	3,662,032
Total Fund Balances	<u>2,712,725</u>	<u>1,574,752</u>	<u>319,780</u>	<u>-</u>	<u>6,282,175</u>	<u>1,569,374</u>	<u>12,458,806</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 6,338,238</u>	<u>\$ 3,075,685</u>	<u>\$ 327,636</u>	<u>\$ -</u>	<u>\$ 9,508,583</u>	<u>\$ 2,008,483</u>	<u>\$ 21,258,625</u>

# CITY OF WISCONSIN DELLS

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

	General Fund	Debt Service	Capital Reserve	Room Tax	Tax Increment Districts	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 5,365,489	\$ 880,385	\$ -	\$ 1,967,178	\$ 2,489,843	\$ 294,234	\$ 10,997,129
Special Assessment Revenue	1,140	203,972	547	-	125,340	547	331,546
Intergovernmental	1,427,396	-	-	-	6,623	184,794	1,618,813
License and Permits	133,993	-	-	-	-	52,087	186,080
Fines, Forfeits and Penalties	150,813	-	-	-	-	385	151,198
Public Charges for Services	543,839	-	-	-	-	6,888	550,727
Interest/Investment Income	67,786	90,367	82	-	93,932	798	252,965
Miscellaneous Income	209,336	-	-	-	-	39,518	248,854
Total Revenues	<u>7,899,792</u>	<u>1,174,724</u>	<u>629</u>	<u>1,967,178</u>	<u>2,715,738</u>	<u>579,251</u>	<u>14,337,312</u>
<b>EXPENDITURES</b>							
Current:							
General Government	550,778	-	-	-	18,004	91,160	659,942
Public Safety	2,277,865	-	-	-	-	259,825	2,537,690
Public Works	1,138,134	-	-	-	-	-	1,138,134
Health and Human Services	153,537	-	-	-	-	-	153,537
Culture, Recreation and Education	1,219,780	-	-	-	-	52,568	1,272,348
Conservation and Development	116,355	-	-	1,967,178	30,590	331,312	2,445,435
Capital Outlay:							
General	156,892	-	2,733	-	-	-	159,625
Public Safety	549,642	-	-	-	-	43,462	593,104
Public Works	234,114	-	-	-	-	458,200	692,314
Culture, Recreation and Education	49,805	-	-	-	-	-	49,805
Debt Service:							
Principal Repayment	42,850	950,000	31,862	-	4,055,000	-	5,079,712
Interest and Fiscal Charges	-	142,323	11,942	-	831,413	-	985,678
Total Expenditures	<u>6,489,752</u>	<u>1,092,323</u>	<u>46,537</u>	<u>1,967,178</u>	<u>4,935,007</u>	<u>1,236,527</u>	<u>15,767,324</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,410,040</u>	<u>82,401</u>	<u>(45,908)</u>	<u>-</u>	<u>(2,219,269)</u>	<u>(657,276)</u>	<u>(1,430,012)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from Refunding Bonds	-	-	-	-	13,575,000	-	13,575,000
Payments on Refunded Debt	-	(1,560,000)	-	-	(15,172,500)	-	(16,732,500)
Transfers In	325,800	-	43,804	-	500	1,021,552	1,391,656
Transfers Out	(926,210)	-	(69,374)	-	(126,410)	(170,272)	(1,292,266)
Total Other Financing Sources (Uses)	<u>(600,410)</u>	<u>(1,560,000)</u>	<u>(25,570)</u>	<u>-</u>	<u>(1,723,410)</u>	<u>851,280</u>	<u>(3,058,110)</u>
Net Change in Fund Balances	809,630	(1,477,599)	(71,478)	-	(3,942,679)	194,004	(4,488,122)
Fund Balances - Beginning	<u>1,903,095</u>	<u>3,052,351</u>	<u>391,258</u>	<u>-</u>	<u>10,224,854</u>	<u>1,375,370</u>	<u>16,946,928</u>
Fund Balances - Ending	<u>\$ 2,712,725</u>	<u>\$ 1,574,752</u>	<u>\$ 319,780</u>	<u>\$ -</u>	<u>\$ 6,282,175</u>	<u>\$ 1,569,374</u>	<u>\$ 12,458,806</u>

# CITY OF WISCONSIN DELLS

## BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<b>Taxes</b>				
Property	\$ 2,499,522	\$ 2,499,022	\$ 2,499,022	\$ -
Trailer parking permits	18,000	18,000	17,552	(448)
Room taxes	175,000	175,000	211,632	36,632
Taxes paid by utilities	326,000	326,000	328,291	2,291
City parking lot tax	27,000	27,000	21,614	(5,386)
Interest on taxes	500	500	586	86
	<u>3,046,022</u>	<u>3,045,522</u>	<u>3,078,697</u>	<u>33,175</u>
Special Assessments	<u>1,197</u>	<u>1,197</u>	<u>1,140</u>	<u>(57)</u>
<b>Intergovernmental</b>				
State shared revenues	273,387	273,387	273,493	106
State transportation aid	424,872	424,872	423,953	(919)
State recycling grant	9,033	9,033	10,570	1,537
State municipal services aid	9,000	9,000	8,542	(458)
State exempt property payment	40,000	40,000	46,018	6,018
County library grants	-	-	90,978	90,978
Other intergovernmental payments	451,825	451,825	453,128	1,303
	<u>1,208,117</u>	<u>1,208,117</u>	<u>1,306,682</u>	<u>98,565</u>
<b>Licenses and Permits</b>				
Liquor and malt beverages	32,000	32,000	21,705	(10,295)
Operator licenses	5,000	5,000	3,280	(1,720)
Business licenses	35,050	35,050	34,872	(178)
Dog licenses	1,300	1,300	1,421	121
DMV services	10,000	10,000	5,495	(4,505)
Building permits	54,777	54,777	62,665	7,888
Sign permits	5,658	5,658	4,555	(1,103)
	<u>143,785</u>	<u>143,785</u>	<u>133,993</u>	<u>(9,792)</u>
<b>Fines, Forfeits and Penalties</b>				
Court penalties and costs	150,000	150,000	113,857	(36,143)
Parking forfeits and fines	30,500	30,500	36,956	6,456
	<u>180,500</u>	<u>180,500</u>	<u>150,813</u>	<u>(29,687)</u>

# CITY OF WISCONSIN DELLS

## BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND - continued

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Charges for Services				
General fees	56,325	56,325	62,100	5,775
Police reports	6,000	6,000	4,775	(1,225)
Planning and Zoning	11,000	11,000	11,710	710
Snow removal	7,500	7,500	7,914	414
Street machinery rental	189	189	-	(189)
Street department jobbing	6,000	6,000	8,461	2,461
Garbage	22,827	22,827	23,809	982
Cemetery	17,000	17,000	17,600	600
Library	12,200	12,200	10,033	(2,167)
Pool	18,000	18,000	25,791	7,791
Community Center	13,200	13,200	14,461	1,261
Parks	114,010	114,010	114,214	204
Business Park	8,030	8,030	7,722	(308)
	<u>292,281</u>	<u>292,281</u>	<u>308,590</u>	<u>16,309</u>
Interest/Investment Income				
Investments	17,900	17,900	57,984	40,084
Special assessments	57	57	9,802	9,745
	<u>17,957</u>	<u>17,957</u>	<u>67,786</u>	<u>49,829</u>
Miscellaneous Income				
Rent	81,900	81,900	81,923	23
Liability insurance	15,000	15,000	15,540	540
Miscellaneous	23,913	23,913	30,016	6,103
	<u>120,813</u>	<u>120,813</u>	<u>127,479</u>	<u>6,666</u>
Total Revenues	<u>5,010,672</u>	<u>5,010,172</u>	<u>5,175,180</u>	<u>165,008</u>

# CITY OF WISCONSIN DELLS

## BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND - continued

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>EXPENDITURES</u>				
<u>Current:</u>				
General Government				
Legislative	\$ 108,750	\$ 108,750	\$ 100,013	\$ 8,737
Mayor	9,035	9,035	8,687	348
Court	104,157	104,157	103,578	579
Legal	75,719	75,719	75,036	683
Administration	84,525	84,025	83,607	418
Elections	25,300	25,300	15,703	9,597
Assessment of taxes	46,525	46,525	48,667	(2,142)
Audit	9,000	9,000	8,600	400
Municipal building	39,225	39,225	39,973	(748)
Uncollectible taxes	1,787	1,787	4,194	(2,407)
Insurance	65,475	65,475	61,721	3,754
Outside/sundry services	1,000	1,000	1,000	-
	<u>570,498</u>	<u>569,998</u>	<u>550,779</u>	<u>19,219</u>
Public Safety				
Police	1,986,246	1,986,246	2,017,290	(31,044)
Fire	70,495	70,495	70,495	-
EMS	75,000	75,000	75,051	(51)
Inspection	61,980	61,980	58,192	3,788
Emergency government	6,600	6,600	5,407	1,193
PST	2,250	2,250	1,628	622
	<u>2,202,571</u>	<u>2,202,571</u>	<u>2,228,063</u>	<u>(25,492)</u>
Public Works				
Administration	83,435	83,435	77,549	5,886
Transportation	594,025	594,025	523,809	70,216
Sidewalk and crosswalk	27,762	27,762	24,286	3,476
Storm sewers	21,333	21,333	20,544	789
Depot	2,500	2,500	3,477	(977)
Garbage and refuse collection	235,909	235,909	196,663	39,246
Sanitary landfill	65,000	65,000	65,000	-
Recycling	94,981	94,981	94,601	380
	<u>1,124,945</u>	<u>1,124,945</u>	<u>1,005,929</u>	<u>119,016</u>

# CITY OF WISCONSIN DELLS

## BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND - continued

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Health and Human Services</b>				
Public health	538	538	-	538
Cemetery	86,145	86,145	140,935	(54,790)
	<u>86,683</u>	<u>86,683</u>	<u>140,935</u>	<u>(54,252)</u>
<b>Culture, Recreation and Education</b>				
Library	548,901	548,901	548,622	279
Community Center	23,025	23,025	23,291	(266)
Pool	56,000	56,000	58,703	(2,703)
Parks	472,495	472,495	448,880	23,615
Celebrations	9,850	9,850	10,326	(476)
	<u>1,110,271</u>	<u>1,110,271</u>	<u>1,089,822</u>	<u>20,449</u>
<b>Conservation and Development</b>				
Zoning	65,365	65,365	70,172	(4,807)
	<u>65,365</u>	<u>65,365</u>	<u>70,172</u>	<u>(4,807)</u>
<b>Miscellaneous</b>				
Contingencies	30,000	30,000	7,347	22,653
<b>Capital Outlay:</b>				
General	2,000	2,000	1,407	593
Police	9,000	9,000	6,169	2,831
EMS	25,000	25,000	25,000	-
Street	3,639	3,639	3,297	342
Park	3,500	3,500	-	3,500
Plan agency	3,000	3,000	-	3,000
	<u>46,139</u>	<u>46,139</u>	<u>35,873</u>	<u>10,266</u>
<b>Total Expenditures</b>	<u>5,236,472</u>	<u>5,235,972</u>	<u>5,128,920</u>	<u>107,052</u>
Excess (deficiency) of revenues over expenditures	(225,800)	(225,800)	46,260	272,060
<b>Other Financing Sources (Uses)</b>				
Operating Transfers in	225,800	225,800	225,800	-
<b>Total other financing sources (uses)</b>	<u>225,800</u>	<u>225,800</u>	<u>225,800</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,060</u>	<u>\$ 272,060</u>

# CITY OF WISCONSIN DELLS

## RECONCILIATION OF BUDGETARY COMPARISON SCHEDULE TO STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other</u>	<u>Net</u>
Amounts on budgetary comparison	\$ 5,175,180	\$ 5,128,920	\$ 225,800	\$ 272,060
Revenues and expenditures posted to carryover accounts:				
Taxes	2,286,792	-	-	2,286,792
Intergovernmental revenue	110,850	-	-	110,850
Public charges for services	235,251	-	-	235,251
Miscellaneous	91,719	-	-	91,719
Public safety	-	49,799	-	(49,799)
Public works	-	132,207	-	(132,207)
Health and Human Services	-	12,602	-	(12,602)
Culture, recreation and education	-	129,957	-	(129,957)
Conservation and development	-	46,183	-	(46,183)
Capital outlay	-	947,234	-	(947,234)
Debt service	-	42,850	-	(42,850)
Transfer out	-	-	(926,210)	(926,210)
Transfer in	-	-	100,000	100,000
Total of reconciling items	<u>2,724,612</u>	<u>1,360,832</u>	<u>(826,210)</u>	<u>537,570</u>
Amounts on Statement of Revenues and Expenditures	<u>\$ 7,899,792</u>	<u>\$ 6,489,752</u>	<u>\$ (600,410)</u>	<u>\$ 809,630</u>

# CITY OF WISCONSIN DELLS

## GOVERNMENTAL 12/31/2017 FUND BALANCES

### Nonspendable:

#### General Fund:

Noncurrent receivables	\$ 326,935
Total	<u>\$ 326,935</u>

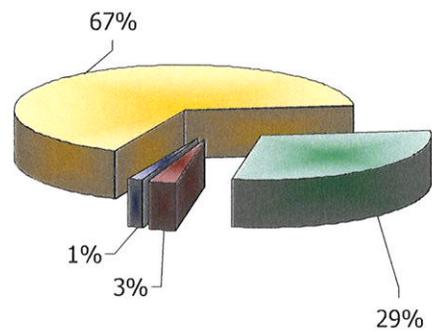
### Restricted:

#### General Fund:

Library bequest	\$ 50,689
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#### Other Funds:

CDA - debt reserve	1,533,608
TID	4,748,567
Debt service	1,574,752
Housing grant	35,990
River arts	94,374
Fire services	41,868
BID	102,459
Economic Development	128,499
Revolving loan	8,757
Total	<u>\$ 8,319,563</u>



### Committed

Rivers and Bays	\$ 150,276
Total	<u>\$ 150,276</u>

### Assigned:

#### General Fund:

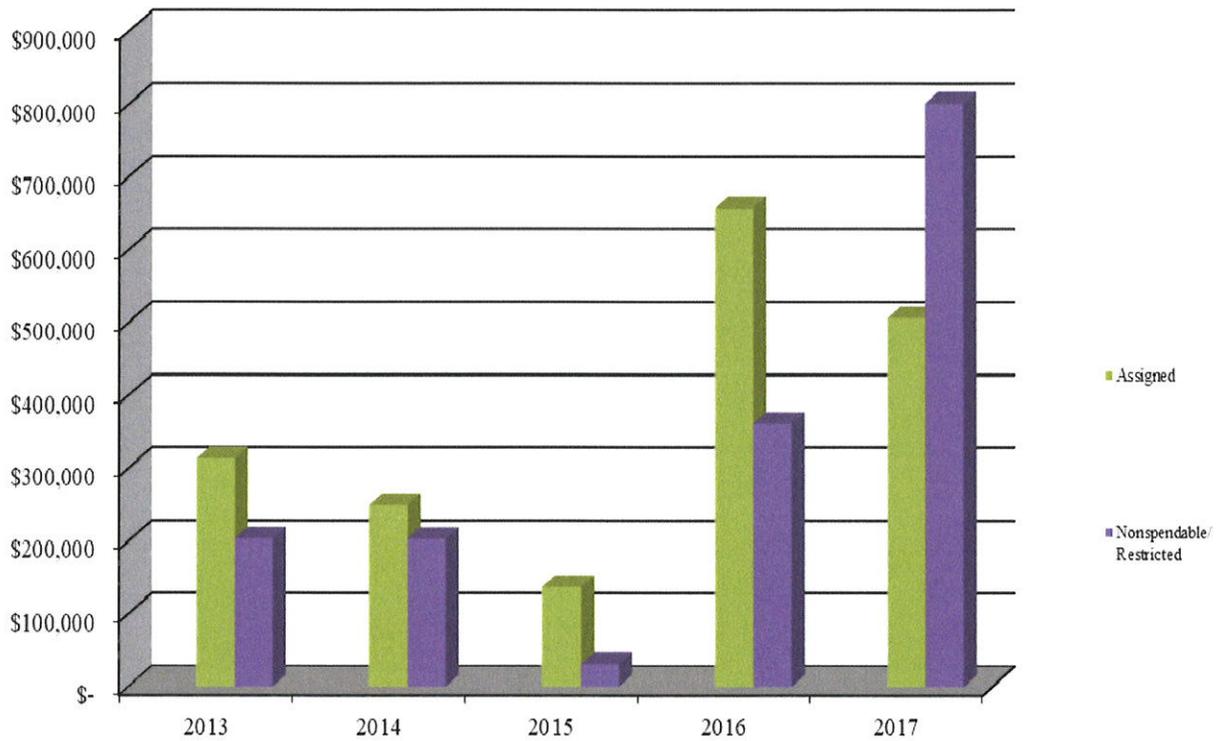
Other	\$ 2,206,602
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#### Other Funds:

Capital projects	319,780
Building	54,478
PW improvements	1,081,172
Total	<u>\$ 3,662,032</u>

# CITY OF WISCONSIN DELLS

TREND IN GENERAL FUND BALANCE (Excluding PRT)



## General Fund Balances as of December 31

	2013	2014	2015	2016	2017
Assigned	\$ 312,892	\$ 249,356	\$ 136,986	\$ 656,834	\$ 506,123
Nonspendable/ Restricted	203,298	202,837	30,923	360,818	801,026
<b>Total</b>	<b>\$ 516,190</b>	<b>\$ 452,193</b>	<b>\$ 167,909</b>	<b>\$ 1,017,652</b>	<b>\$ 1,307,149</b>

# CITY OF WISCONSIN DELLS

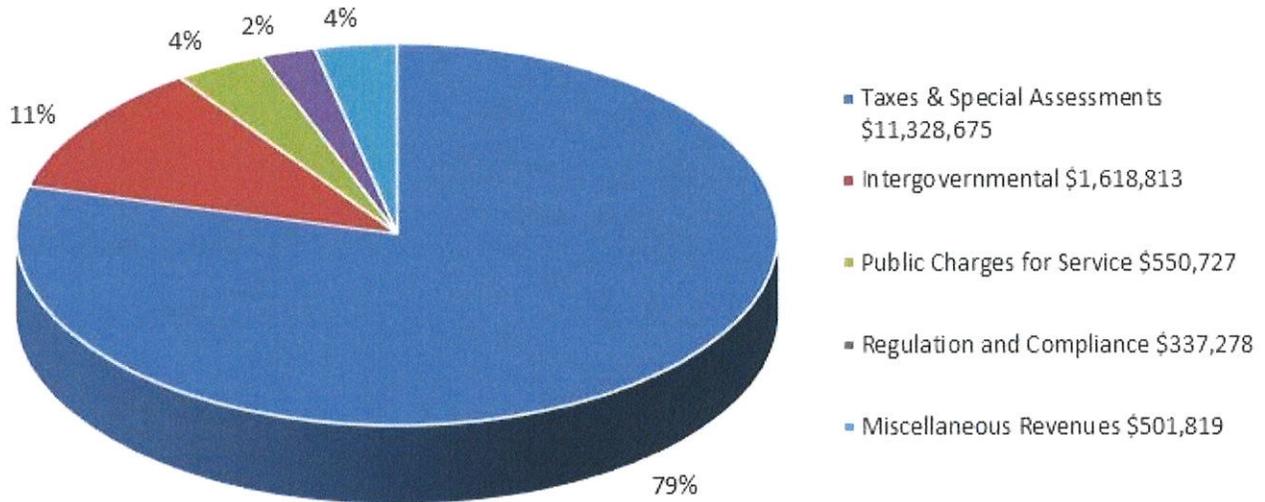
	Balance	
	<u>December 31</u>	
	<u>2017</u>	<u>2016</u>
Police Canine Fund	\$ 29,727	\$ 18,997
Police Drug Fund	8,754	13,409
Garage Fund	371,364	400,101
Municipal Building Rent	2,705	2,705
Parks & Pool	34,679	33,462
Parks Building	287,699	295,253
Tribute Trees	15,567	14,018
Library	152,120	177,436
Cemetery Operations	85,308	155,590
Premier Resort Tax	<u>1,405,576</u>	<u>885,443</u>
Totals	<u>\$ 2,393,499</u>	<u>\$ 1,996,414</u>

Reconciliation to Balance Sheet:

Total assigned fund balances	\$ 2,393,499
Less: deficit unassigned fund balance	<u>(186,897)</u>
Assigned general fund balance per balance sheet	<u>\$ 2,206,602</u>

# CITY OF WISCONSIN DELLS

## GOVERNMENTAL FUNDS – 2017 REVENUES

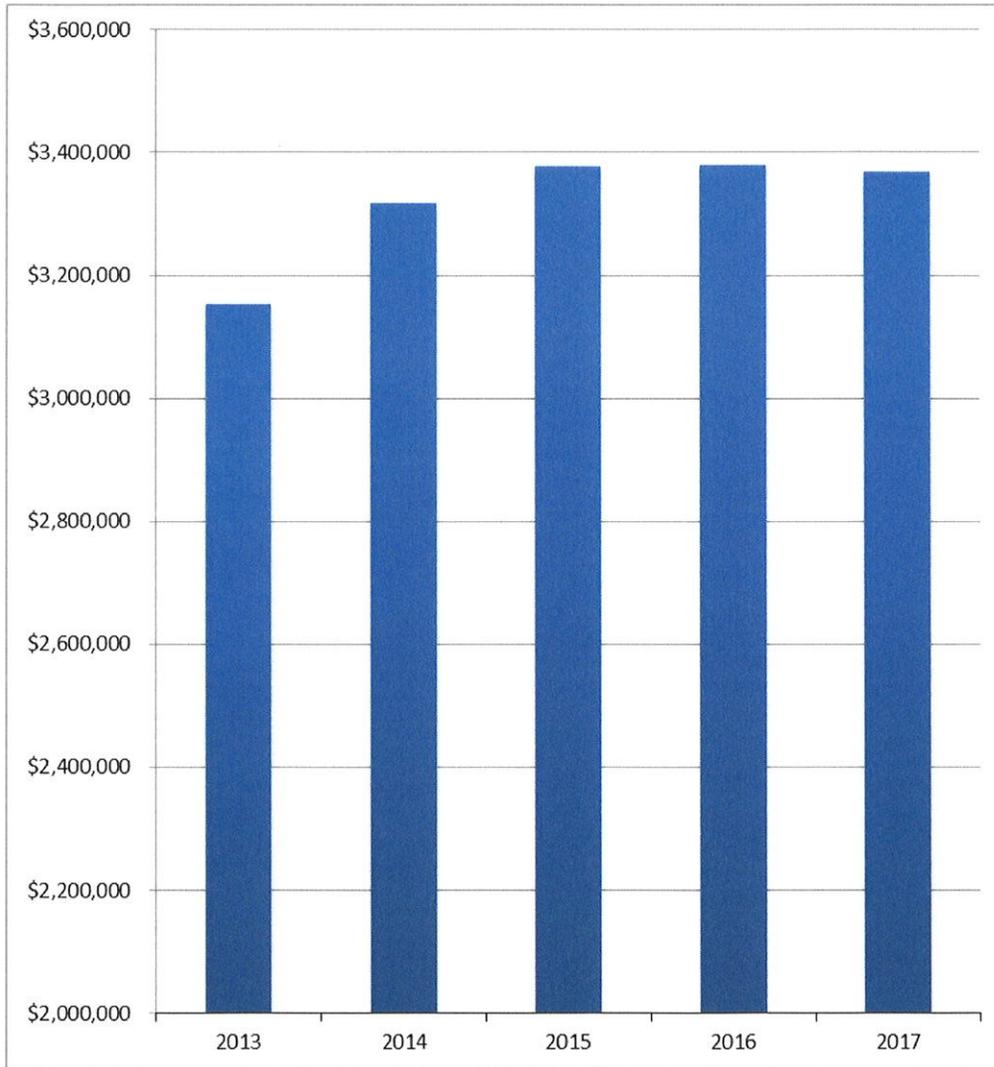


### OBSERVATIONS AND COMMENTS:

- Property taxes are collected in January and July.
- The most significant intergovernmental revenues are:
  - Highway aids \$ 423,953 Paid quarterly
  - Shared taxes \$ 273,493 Payable in July & November

# CITY OF WISCONSIN DELLS

## PROPERTY TAXES

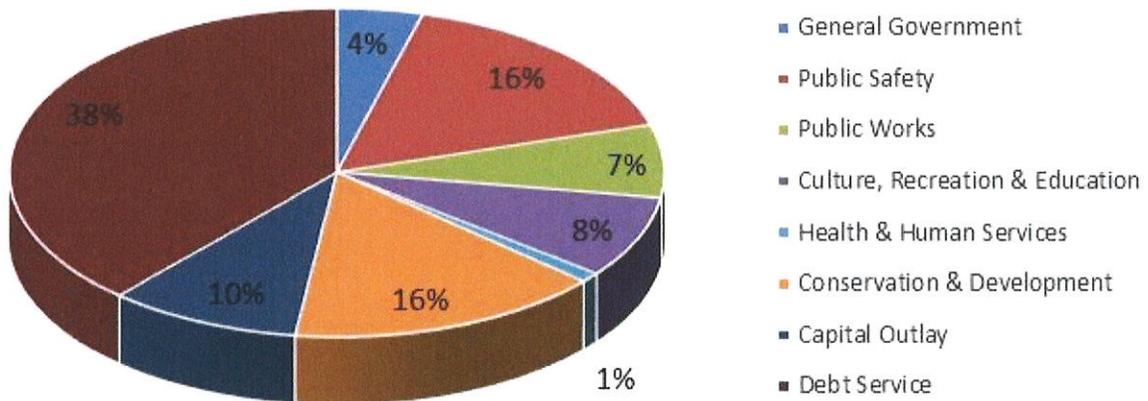


### City Tax Levy (Excluding TIF)

2013 for 2014	\$ 3,152,961
2014 for 2015	\$ 3,317,941
2015 for 2016	\$ 3,376,634
2016 for 2017	\$3,379,907
2017 for 2018	\$3,368,776

# CITY OF WISCONSIN DELLS

## GOVERNMENTAL FUNDS – 2017 EXPENDITURES



General Government	\$ 659,942	4%
Public Safety	\$ 2,537,690	16%
Public Works	\$ 1,138,134	7%
Culture, Recreation & Education	\$ 1,272,348	8%
Health & Human Services	\$ 153,537	1%
Conservation & Development	\$ 2,445,435	16%
Capital Outlay	\$ 1,494,848	9%
Debt Service	\$ 6,065,390	38%

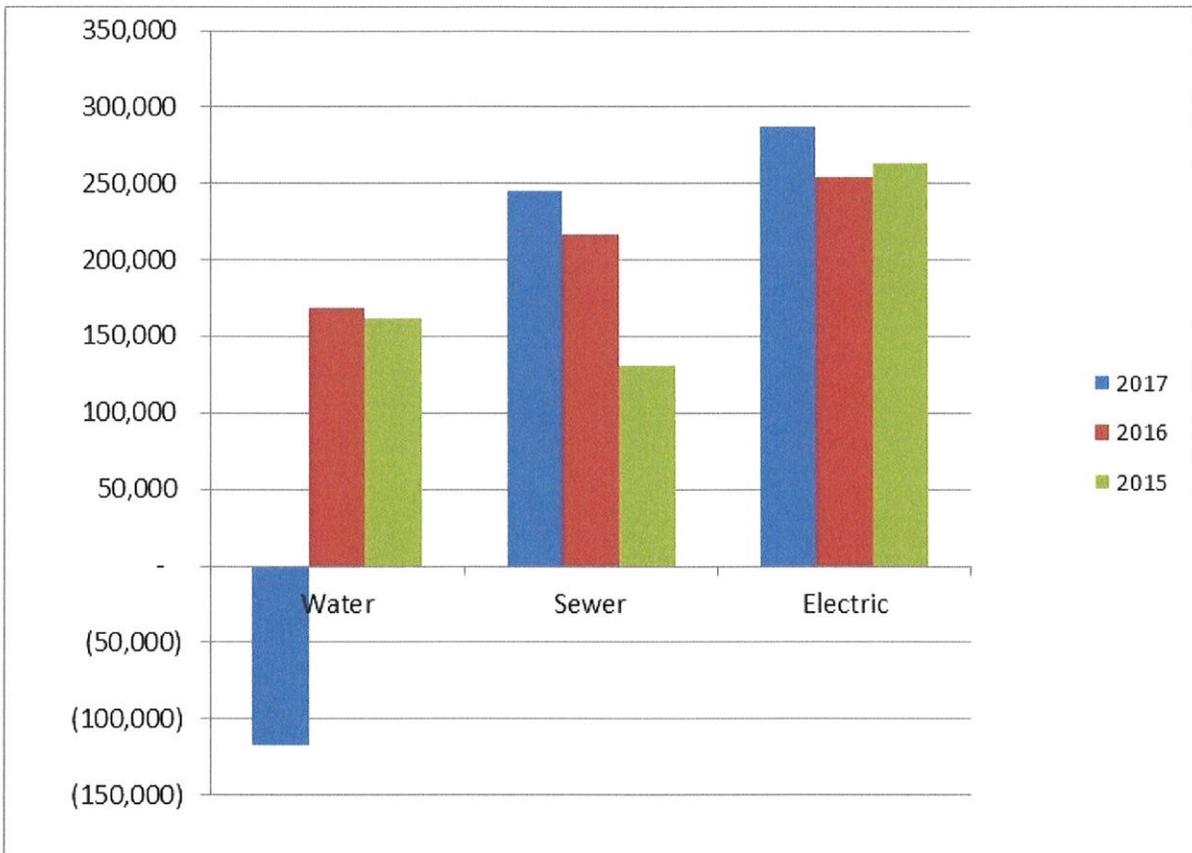
# CITY OF WISCONSIN DELLS

## FINANCIAL HIGHLIGHTS UTILITY OPERATIONS

	Enterprise Funds				Total
	Water	Sewer	Electric	Parking	
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 846,450	\$ 1,369,340	\$ 6,892,398	\$ 550,350	\$ 9,658,538
Other Operating Revenues	-	-	-	135,270	135,270
Total Operating Revenues	<u>846,450</u>	<u>1,369,340</u>	<u>6,892,398</u>	<u>685,620</u>	<u>9,793,808</u>
<b>OPERATING EXPENSES</b>					
Operation and Maintenance	804,778	704,264	6,166,672	199,687	7,875,401
Depreciation	159,102	420,000	438,100	25,967	1,043,169
Total Operating Expenses	<u>963,880</u>	<u>1,124,264</u>	<u>6,604,772</u>	<u>225,654</u>	<u>8,918,570</u>
Operating Income (Loss)	<u>(117,430)</u>	<u>245,076</u>	<u>287,626</u>	<u>459,966</u>	<u>875,238</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest and Investment Revenue	5,330	14,346	10,793	-	30,469
Interest Expense	-	(52,401)	(112,895)	-	(165,296)
Other	26,311	14,400	34,315	-	75,026
Amortization of Capacity Charges	-	(65,138)	-	-	(65,138)
Miscellaneous Amortization	14,053	-	10,256	-	24,309
Total Nonoperating Revenue (Expenses)	<u>45,694</u>	<u>(88,793)</u>	<u>(57,531)</u>	<u>-</u>	<u>(100,630)</u>
Income (Loss) Before Contributions and Transfers	(71,736)	156,283	230,095	459,966	774,608
Capital Grants and Contributions	83,280	42,267	-	-	125,547
Transfers In	-	-	126,410	-	126,410
Transfers Out	-	-	-	(225,800)	(225,800)
Change in Net Position	<u>11,544</u>	<u>198,550</u>	<u>356,505</u>	<u>234,166</u>	<u>800,765</u>
Total Net Position - Beginning	6,700,543	9,143,232	2,469,952	854,193	19,167,920
Total Net Position - Ending	<u>\$ 6,712,087</u>	<u>\$ 9,341,782</u>	<u>\$ 2,826,457</u>	<u>\$ 1,088,359</u>	<u>\$ 19,968,685</u>

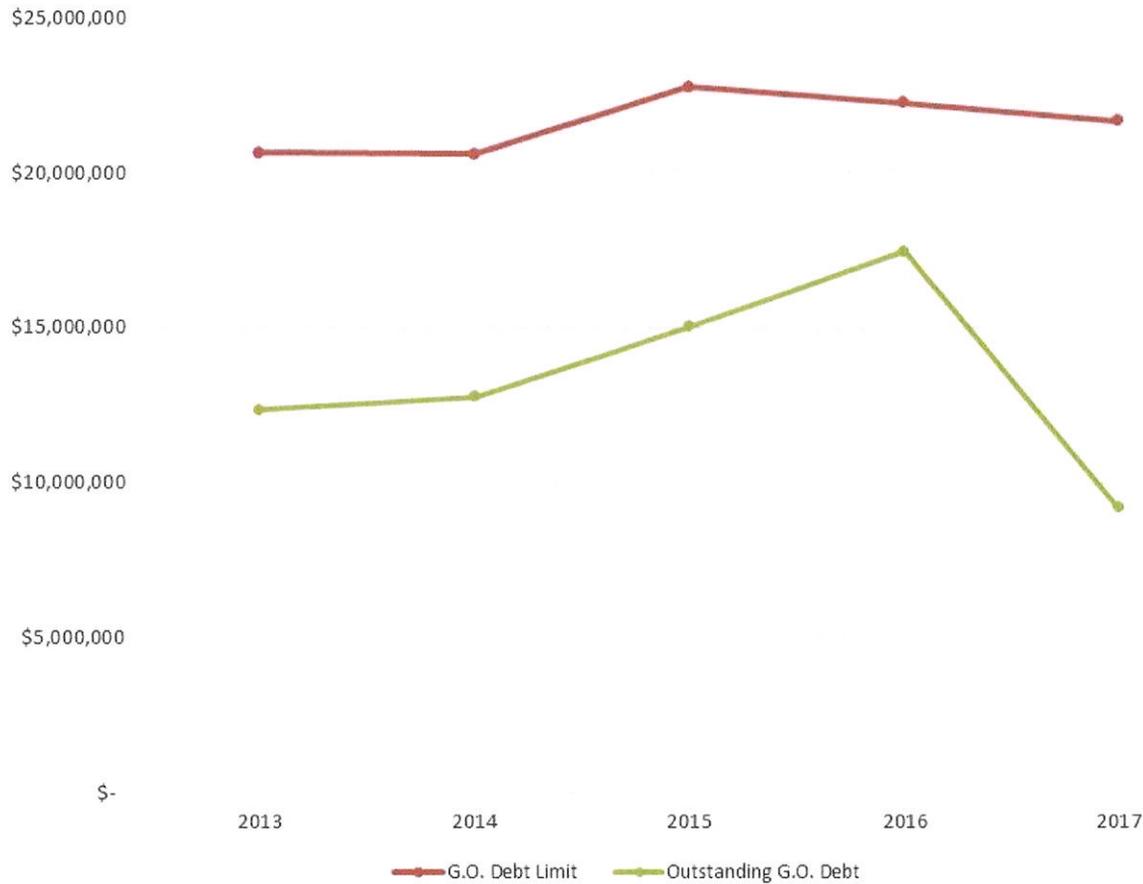
# CITY OF WISCONSIN DELLS

## UTILITY OPERATING INCOME (LOSS) 2015 - 2017



# CITY OF WISCONSIN DELLS

## GENERAL OBLIGATION DEBT LIMIT 2013 - 2017



	2013	2014	2015	2016	2017
G.O. Debt Limit	\$ 20,648,165	\$ 20,598,875	\$ 22,760,675	\$ 22,254,280	\$ 21,669,620
Outstanding G.O. Debt	12,342,991	12,775,646	15,036,436	17,472,500	9,190,000
Difference	\$ 8,305,174	\$ 7,823,229	\$ 7,724,239	\$ 4,781,780	\$ 12,479,620
% Available	40.22%	37.98%	33.94%	21.49%	57.59%
Equalized Value	\$ 412,963,300	\$ 411,977,500	\$ 455,213,500	\$ 445,085,600	\$ 433,392,400
Growth	\$ 2,682,400	\$ (985,800)	\$ 43,236,000	\$ (10,127,900)	\$ (11,693,200)
% Growth	0.70%	-0.24%	10.49%	-2.22%	-2.63%

# CITY OF WISCONSIN DELLS

## Management Letter Comments

### Deficit General Fund Balance

For reporting purposes, the general fund is combined with the premier resort tax fund (PRT). The combined fund balance for both funds increased \$809,630, to a total combined fund balance of \$2,712,725. Of this, \$1,307,149 is from the general fund and \$1,405,576 is from the PRT. Because a portion of the general fund balance is nonspendable due to several long-term receivables, the general fund has an unassigned balance of \$0.

Parts of the general fund have been assigned for specific purposes and carried over to fund future years' expenditures. These assignments total \$2,393,499. Insufficient current assets are available in the general fund to support these carryovers. Because expenditures from these carryover accounts are not included in the current budget, they increase the City's deficit even when the budget is balanced.

The City has begun removing the assignment of some fund balances and reducing spending from the carryover accounts in order to remedy this.



September 12, 2018

To the City Council and City Treasurer  
 City of Wisconsin Dells  
 300 La Crosse Street  
 Wisconsin Dells, Wisconsin 53965

We are pleased to confirm our understanding of the services we are to provide for the City of Wisconsin Dells for the year ended December 31, 2018.

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Wisconsin Dells as of and for the year ended December 31, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Wisconsin Dells' basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Wisconsin Dells' RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI (if prepared) is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedule for the general fund
3. Wisconsin Retirement System Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Wisconsin Dells' financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Schedule of assigned general fund balances
2. Combining statements of non-major governmental funds

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the additional information referred to in the previous paragraph when considered in relation to the basic financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City of Wisconsin Dells' financial statements. Our report will be addressed to the City Council of the City of Wisconsin Dells. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

### **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.



### **Audit Procedures – Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Wisconsin Dells' compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Other Services**

We will also assist in preparing the financial statements of the City of Wisconsin Dells in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.



**Management Responsibilities (Continued)**

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

**Engagement Administration, Fees and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Johnson Block & Company, Inc. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulator or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Johnson Block & Company, Inc. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulator or its designee. The regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit by the end of March 2019 and to prepare our draft audit reports by June 15, 2019. Carrie Leonard, CPA is the engagement partner and is responsible for supervising the engagement and signing the report. We will also prepare the Department of Revenue financial report form, the Public Service Commission annual reports, and the TID annual reports. We will meet with the City Finance Committee at the conclusion of the audit to discuss our findings.



**Engagement Administration, Fees and Other (Continued)**

Our fees for the audit and other services will not exceed \$31,300. Fees related to individual parts are estimated as follows:

General City	\$ 8,850
Electric Utility	6,350
Water Utility	4,700
Sewer Utility	4,350
TIDs and CDA	5,450
BID	<u>1,300</u>
	<u>\$31,000</u>

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. If additional services are necessary, we will discuss them with you and arrive at a fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to City of Wisconsin Dells and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the letter and return it to us.

Very truly yours,

*Johnson Block & Company, Inc.*

JOHNSON BLOCK & COMPANY, INC.  
CERTIFIED PUBLIC ACCOUNTANTS  
MADISON, WISCONSIN

**RESPONSE:**

This letter correctly sets forth the understanding of the City of Wisconsin Dells.

Management Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## **ADDENDUM A**

We will perform the following services:

We will compile, from information you provide, the annual Financial Report Form to the Wisconsin Department of Revenue, for the year ended December 31, 2018. Upon completion of the compilation of the annual Financial Report Form, we will provide the City with our accountant's compilation report. If, for any reason caused by or relating to affairs or management of the City, we are unable to complete the compilation or if we determine in our professional judgement the circumstances necessitate, we may withdraw and decline to submit the annual Financial Report Form to you as a result of this engagement.

### **Our Responsibilities and Limitations**

We will be responsible for performing the compilation in accordance with *Statements on Standards for Accounting and Review Services* established by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements. We will utilize information that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

Our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist and, because of the limited nature of our work, detection is highly unlikely. However, we will inform the appropriate level of management of any material errors, and of any evidence that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

### **Management's Responsibilities**

The City's management is responsible for the financial statements referred to above. In this regard, management is responsible for (i) the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, (ii) designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements, (iii) preventing and detecting fraud, (iv) identifying and ensuring that the entity complies with the laws and regulations applicable to its activities, and (v) making all financial records and related information available to us. Management also is responsible for identifying and ensuring that the City complies with the laws and regulation applicable to its activities.

Management is responsible for providing us with the information necessary for the compilation of the financial statements and the completeness and the accuracy of that information and for making City personnel available to whom we may direct inquiries regarding the compilation. We may make specific inquiries of management and others about the representations embodied in the financial statements.



## **ADDENDUM B**

We will perform the following services:

We will compile, from information you provide, the Public Service Commission Annual Reports, including the balance sheets of the water utility and the electric utility, enterprise funds of the City of Wisconsin Dells, as of December 31, 2018 and 2017, and the related statements of income and retained earnings for the years then ended and the supplemental schedules as of and for the year ended December 31, 2018. Upon completion of the Public Service Commission Annual Reports, we will provide the City with our accountant's compilation reports. If, for any reason caused by or relating to affairs or management of the City, we are unable to complete the compilation or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to submit the Public Service Commission Annual Report to you as a result of this engagement.

### **Our Responsibilities and Limitations**

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