

Comprehensive Annual Financial Report  
City of Sheboygan, Wisconsin  
For the Fiscal Year Ended December 31, 2017





City of Sheboygan, Wisconsin

**ANNUAL FINANCIAL REPORT**

December 31, 2017

## INTRODUCTORY SECTION

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# City of Sheboygan, Wisconsin

DECEMBER 31, 2017

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May 4, 2018

TO: The Mayor, Common Council members and the residents of Sheboygan

The Comprehensive Annual Financial Report (CAFR) for the City of Sheboygan, Wisconsin for the fiscal year ending December 31, 2017 is hereby submitted. The report consists of management's representation concerning the finances of the City of Sheboygan. Consequently, responsibility for both the accuracy of the data and the completeness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data accurately presents the financial position and results of operations of the various completeness. All disclosures necessary to enable the reader to gain an understanding of the activities of the City of Sheboygan have been included.

## **COMMUNITY PROFILE**

The City of Sheboygan was incorporated as a city on April 5, 1846. Located in Sheboygan County, the boundary encompasses 14.814 miles and has a population of 48,402. The city provides the full range of municipal services, including police and fire protection, parks and cultural activities, public works operations, parking and transit utilities, water and sewer utilities, community development and general administrative services.

The City of Sheboygan is a municipal corporation operating under a "Council/Mayor" form of government, with a City Administrator responsible for the day-to-day responsibilities of supervision, coordination, and administration of the city departmental activities, formulation, presentation and administration of the budget. Policy making and legislative authority are vested in a Common Council consisting of 16 members. The city is in the process of reducing the Common Council members from 16 to ten. The council members elect the president of the council at the annual organizational meeting. The standing committees of the council are: Finance and Personnel, Public Safety, Public Works and Law and Licensing. The Common Council is responsible for enacting ordinances, resolutions, and regulations governing the city as well as the appointment of members of various statutory and advisory boards.

The annual budget serves as the foundation for the City of Sheboygan's financial planning and control. All departments of the city are required to submit requests for appropriations for all government activities to the City Administrator. The departmental requests are used to develop the proposed budget, which is presented to the Common Council. The Common Council committees review proposed budgets with department leaders. A public hearing is held on the proposed budget prior to adoption by the Common Council. The tax levy is established based on the adopted budget.

## **Factors Affecting the Local Economy**

Recent industrial and commercial developments in the city have added substantial net new construction. Construction by Sheboygan Paper Box expansion to their facility added \$8 million, while Old World Creamery purchased and upgraded a facility at a value of \$3.5 million. Residential housing units totaling \$48.4 million are in various phases of construction to address the need for market rate housing. Ten single-family homes were constructed in 2017 at a value of \$5.9 million.

### **FINANCE DEPARTMENT**

828 Center Avenue,  
Suite 205  
Sheboygan, WI 53081

920-459-3311 (Phone)  
[www.sheboyganwi.gov](http://www.sheboyganwi.gov)

The median household income for the city as of 2017 was \$44,406 in comparison to \$54,392 for the State of Wisconsin per the American Community Survey. Median home value in the City is \$108,927, significantly less than the State of Wisconsin value of \$165,800. The unemployment rate as of March, 2018 is 2.8 percent, less than the State of Wisconsin rate of 3.2 percent per the Wisconsin Department of Workforce Development.

The City is experiencing substantial growth in residential development. Young professionals entering the job market has spurred interest in additional downtown residential development. Oakbrook Corporation completed construction of 81 market rate apartments units. LCM Funds began construction on 90 luxury market apartments on South 8<sup>th</sup> Street, occupancy in 88 new waterfront market rate townhomes began in April, 2017, Gorman Company completed the conversion of a vacant elementary school into 42 units of Section 42 housing and city staff is working with a developer to convert a former 1920 tannery building into 115 apartments in the downtown corridor.

Sheboygan Paper Box completed construction of a 30,000 square foot expansion to their facility with plans to add 30 new full-time employees by 2019 as a result of the expansion. Kiernan West, LLC received approval for a distribution facility in the business center to construct a 30,000 square foot distribution facility. The John Michael Kohler Art Center acquired land to build a 60,000 square foot state of the art visual storage facility to house their vernacular artist environments. Prevea will construct a 61,000 square foot medical office building on the St. Nicholas Hospital in 2019. Meijer foods will begin construction in April, 2018 on a new 159,000 square foot department store and Marriott will construct a new 160 room hotel under the flagship Fairfield Inn and Suites.

### **Policies affecting the current financial position**

The City of Sheboygan is fiscally conservative, typically budgeting modest revenue expectations and actual expenditures below budgeted appropriations. The 2017 property tax levy increased .18 cents for city residents. State reimbursement for state mandated programs and revenue sharing continue at level amounts. The city participates and receives expenditure restraint funding annually. Revenues are estimated to remain stable. Constant monitoring and emphasis on the budget ensured that overall expenditures were within budget, overall revenues exceeded budgets in the General Fund increasing the Unassigned Fund Balance.

The city bargains with four unions and associations, the Sheboygan Professional Police Officers Association; Sheboygan Professional Police Officers Supervisory Association, International Association of Firefighters Local 483 and Amalgamated Transit Union #998. All of the contract terms expired on December 31, 2017.

The city maintains a Aa2 credit rating by Moody's rating service. General obligation outstanding debt at year end 2017 is \$35.2 million. The ratio of net outstanding debt to debt capacity is 19.92 percent. The city's debt policy has established a limit of an amount not to exceed 60 percent of the city's aggregate statutory borrowing limit as prescribed by State Statute 67.03 (1)(a), in order to maintain a borrowing appropriate with credit rating objectives and the city's desire to preserve its financial flexibility by maintaining an adequate unused margin to be available for extreme emergencies. The capital improvement program for 2018 includes \$5 million of debt to be issued.

The General Fund Unassigned balance as of December 31, 2017 is \$20.5 million, or 54.35 percent of the 2018 General Fund budget expenditures. The Common Council by resolution established to maintain the amount at 25 percent. For a more detailed examination of fund balance and results of operations consult the Management Discussion and Analysis section in the Financial Section.



## Financial Information

The City of Sheboygan is required to prepare financial statements in conformity with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Major federal and state programs impose additional audit requirements.

Financial planning and control is maintained through the annual budget process. The city tax levy includes operation of the General Fund, Mead Public Library, General Obligation Debt Service, Capital Projects and Transit Utility. All departments are required to submit a requested budget to the City Administrator. The City Administrator's budget is presented to the Common Council in September for review by the Standing Committees and Committee of the Whole prior to the public hearing and formal adoption of the budget. Budget amendments during the year require approval by the Common Council for transfers between departments or from fund reserves. Approval requires two thirds majority vote of the Common Council. Transfers within a department may not require Common Council approval depending on the amount. Internal controls protect the assets from loss, theft of misuse and to compile sufficient, reliable data for the presentation of financial statements. Internal controls are designed not to outweigh the benefit; therefore controls have been designed to provide reasonable but not absolute assurance.

Cash temporarily idle during the year is invested with the objectives of safeguarding assets, maintaining liquidity for cash flow requirements, and return on investments. All investments must be insured and/or collateralized. Investments are generally within money market accounts, certificates of deposit, repurchase agreements, the State of Wisconsin Investment Pool, and US government agency obligations.

The City Administrator monitors all borrowing plans of the city. All new indebtedness requires a simple majority vote of the Common Council for budgeted borrowing passage. Non-budgeted borrowing requires a two third majority vote for passage. Wisconsin state statute limits general obligation borrowing to an amount equivalent to five percent of the equalized valuation of taxable property. At December 31, 2017, the city had 80.08 percent of the limit available. Equalized value for all property within the city was \$2.620 billion. The statutory debt limit is \$131 million and City net debt outstanding (less funds available for debt service) is \$26.1 million.

The city self-insures for workers compensation and health insurance. The city is a member of Cities and Villages Mutual Insurance Company, an organization uniquely designed to overcome the challenges facing Wisconsin municipalities in relation to diverse insurance and service needs. Members utilize insurance products, human resources, safety training and numerous other risk management services to build a successful program. All insurance is funded at the departmental level.

The city annually establishes a five-year Capital Improvement Plan to identify and fund capital projects. Departments submit requests to the City Administrator, who presents his recommendations to the Capital Improvement Commission. The commission rates the projects on a variety of measurements. The Common Council approves the final Capital Improvement Program for funding.

The fund balance in the General Fund includes nonspendable, restricted, committed, assigned and unassigned. Fund balance in the Special Revenue, Debt Service, Capital Projects and Fiduciary funds are categorized as nonspendable, restricted, assigned or unassigned (deficit). Net position in the Business-type activities is either restricted or unrestricted. Unassigned funds are available for use and assigned funds are management's intended use, both accounted for separately from committed, includes self-imposed legal restrictions and restricted funds which are imposed by an outside party.

## **Other Information**

The accounting firm of Schenck SC was engaged to conduct an audit of the basic financial statements and to issue a report on internal controls. The goal of the independent audit was to provide reasonable assurance the financial statements of the City of Sheboygan are free of material misrepresentation. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and any significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concludes, based on the audit, there was a reasonable basis for rendering an unmodified opinion that the City of Sheboygan's financial statements for the fiscal year ending December 31, 2017, are fairly presented in conformity with GAAP and GASB. The independent auditor's report is presented as the first component of the financial section of the CAFR.

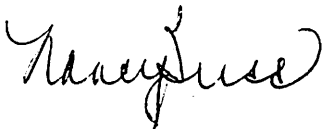
The city is required by federal mandate to undergo a "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require not only a report on the fair presentation of the financial statements but also on the internal controls and compliance with the legal requirements pertaining to internal controls and the administration of federal and state awards.

GAAP and GASB require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A is designed to complement this letter of transmittal and should be read in conjunction with it. The City of Sheboygan's MD&A can be found immediately following the report of the independent auditor.

## **Acknowledgement**

The preparation of this report would not have been possible without the dedicated service of the staff of the city, and especially the City Administrator and Common Council members for their support and commitment to maintaining the highest standards of professionalism.

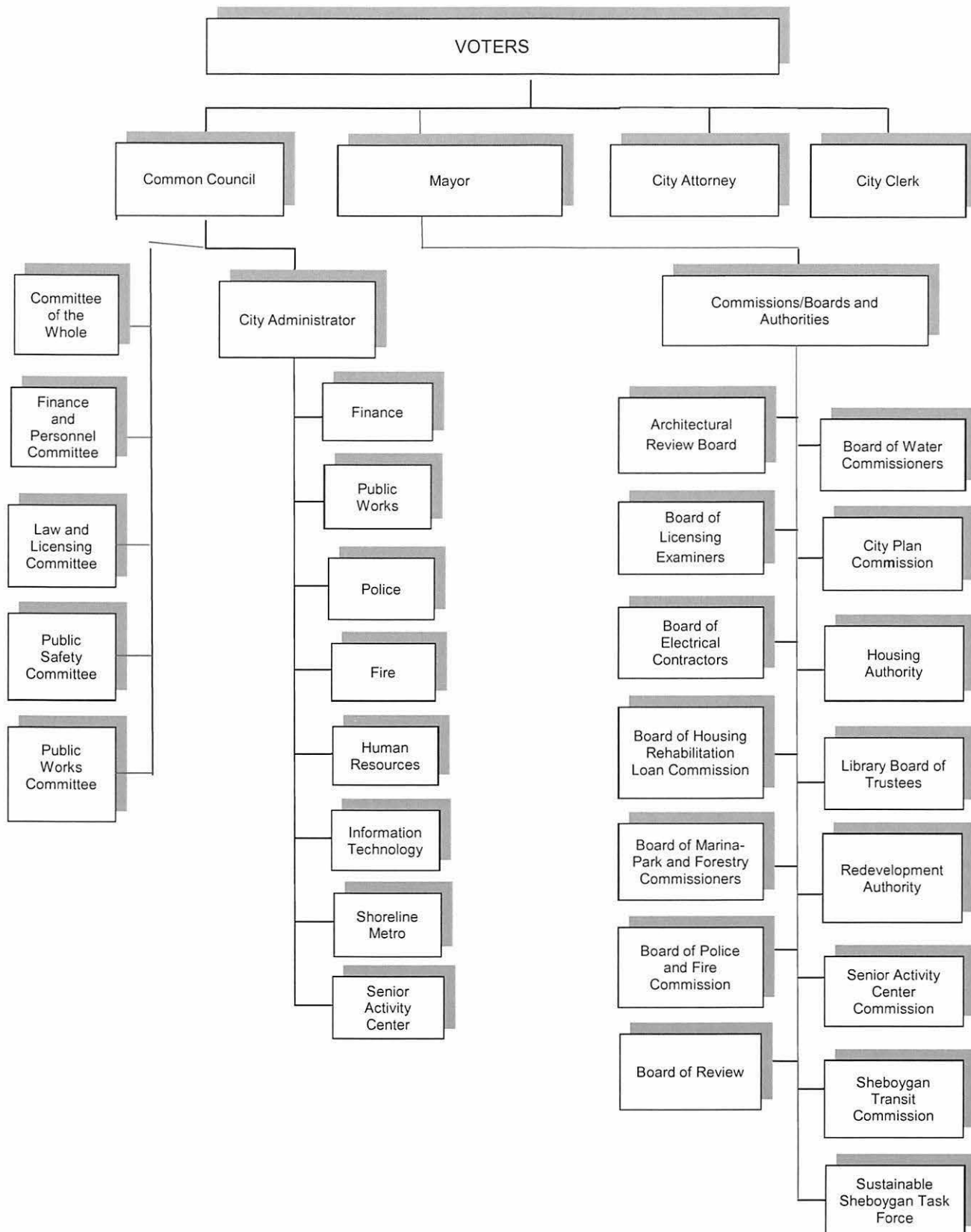
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Nancy Buss". The signature is fluid and cursive, with the first name "Nancy" written in a larger, more prominent script than the last name "Buss".

Nancy Buss  
Finance Director, City of Sheboygan

CITY OF SHEBOYGAN, WISCONSIN

TABLE OF ORGANIZATION  
December 31, 2017



# CITY OF SHEBOYGAN, WISCONSIN

## MAYOR AND COMMON COUNCIL ALDERPERSONS STANDING COMMITTEES 2017- 2018

Todd Wolf, Council President  
Roman Draughon, Council Vice-President  
Mary Lynne Donohue, Committee of the Whole Chair

Michael Vandersteen, Mayor

### **Finance and Personnel Committee**

Mary Lynne Donohue, Chair  
James Bohren, Vice Chair  
Ronald Rindfleisch  
Andrew Ross  
Todd Wolf

### **Public Safety Committee**

Roman Draughon, Chair  
Ryan Sorenson, Vice Chair  
Michael Damrow  
Susan Holzschuh  
Markus Savaglio

### **Law and Licensing Committee**

Susan Holzschuh, Chair  
Mary Lynne Donohue, Vice Chair  
Scott Lewandoske  
Ronald Rindfleisch  
Rosemarie Trester

### **Public Works Committee**

Todd Wolf, Chair  
Andrew Schneider, Vice Chair  
John Belanger  
Bryan Bitters  
Henry Nelson

# City of Sheboygan, Wisconsin

## Department Heads December 31, 2017

City Administrator	Darrell Hofland
City Clerk	Susan Richards
City Attorney	Charles Adams
Municipal Court Judge	Natasha Torry
Chief of Police	Christopher Domagalski
Fire Chief	Michael Romas
Director of Public Works	David Biebel
Information Technology Director	Gregory Vertelka
Director of Human Resources	Sandra Rohrick
Director of Planning and Development	Chad Pelishek
Director of Parking and Transit	Derek Muench
Finance Director	Nancy Buss
Library Director	Garrett Erickson
Water Utility Superintendent	Joseph Trueblood



## FINANCIAL STATEMENTS

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## Independent auditors' report

To the Mayor Michael Vandersteen and the Common Council  
City of Sheboygan, Wisconsin

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sheboygan, Wisconsin (the "City") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City'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 did not audit the financial statements of the Water Utility Enterprise fund, which is both a major fund and 59 percent, 60 percent, and 43 percent, respectively, of the assets, net position, and revenues of the City's business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Water Utility Enterprise fund, is based solely on the report of the other auditors. 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. The financial statements of the Harbor Centre Business Improvement District, a discretely presented component unit of the City, were not audited in accordance with *Government Auditing Standards*. 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 City'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 City'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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City 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 14 through 23 and the schedules relating to pensions and other postemployment benefits on pages 82 through 84 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 City's basic financial statements. The introductory section, the financial information listed in the table of contents as supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are also not a required part of the basic financial statements.

The supplementary information and the schedules of expenditures of federal and state awards are the responsibility of management and were 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 and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## **REPORT ON SUMMARIZED FINANCIAL INFORMATION**

We have previously audited the City's 2016 financial statements, and our report dated May 2, 2017, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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 2, 2018, on our consideration of the City'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 City's internal control over financial reporting and compliance.

*Schenck SC*

Certified Public Accountants

Sheboygan, Wisconsin  
May 2, 2018



## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

The management's discussion and analysis and financial statements for the fiscal year December 31, 2017 are designed to assist the reader in focusing on significant fiscal issues; provide an overview of the city's financial activity; identify changes in the city's financial position as well as any material deviations from the financial plan (approved budget) and issues and concerns.

The management's discussion and analysis is designed to focus on the current year's activities, resulting changes and currently known facts.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Sheboygan exceeded liabilities and deferred inflows by \$203,882,857 (total net position) for the fiscal year reported, which is a decrease of \$2,527,666 from the previous year.
- The 2017 results of governmental activities decreased net position by \$3,683,444 and business-type activities increased net position by \$1,155,778.
- As of December 31, 2017, the fund balance for the governmental funds totaled \$42,751,111 and proprietary funds net position totaled \$69,690,462.
- The unassigned fund balance for the general fund was \$20,461,650, which represents 54.3 percent of the total general fund expenditures budgeted in 2018.
- The city's total net general obligation debt at December 31, 2017 was \$35.2 million, an increase of \$340,049 from the December 31, 2016 level of \$34.8 million.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the city's basic financial statements. The basic financial statements include three components: 1) **government-wide** financial statements, 2) **fund** financial statements, 3) **notes** to the basic financial statements. The report also contains other supplementary and required supplementary information in addition to the basic financial statement.

#### Government-Wide Financial Statements

The government-wide financial statements (pages 24 - 26) are designed to be corporate-like in that governmental and business type activities are consolidated for a total of the primary government.

The *statement of net position* presents information on all of the city's assets, liabilities and deferred outflows/inflows of resources with the difference reported as net position. Net position is presented in three categories. The categories listed below are presented in order of increasing liquidity:

- 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.

#### FINANCE DEPARTMENT

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Sheboygan, WI 53081

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[www.sheboyganwi.gov](http://www.sheboyganwi.gov)



Increasing or decreasing trends in net position may represent an indicator of the city's improving or deteriorating financial position.

The *statement of activities* presents information showing how the city's net position changed during the reported year. Both the gross and net cost of various activities (including governmental and business-type) and funding sources are summarized. All changes in net position are matched to the event in the fiscal period in which it occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statements for some events that will result in future cash flows.

Both of these government-wide financial statements distinguish functions of the City of Sheboygan that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a material portion of the costs through user fees and charges (business-type activities). The governmental activities of the city include general government, public safety, public works, health and human services, culture and recreation and conservation and development. The business-type activities include proprietary funds water utility, sewerage system, transit commission, parking facility, and boat facility and internal service funds health self insurance, worker compensation self insurance, motor vehicle, data processing and general liability self insurance.

### Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources segregated for specific activities or objectives. The city, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. This traditional presentation focuses on the sources and uses of liquid resources and represents the basis for development of the financial plan (the budget). All of the funds can be divided into three categories: governmental, proprietary and fiduciary.

**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 fiscal year end. Such information may be meaningful in evaluating the city's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the 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 government-wide activities.

The city maintains 21 active individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the major funds: General Fund and the Debt Service GO Debt Fund. Information from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of the nonmajor government funds is provided in the form of combining statements elsewhere in the report.

The city adopts an annual appropriated budget for governmental funds including the general fund, certain special revenue funds, debt service funds, capital project funds and fiduciary funds. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 27 - 31 in the report.

**Proprietary funds:** The city maintains two different types of proprietary funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. The city uses enterprise funds to account for water utility, sewerage system, transit commission, parking facility, and boat facility. Internal service funds are used to accumulate and allocate funds internally among the city's various functions. Internal service funds are used to account for health self insurance, worker compensation self insurance, motor vehicle, data processing and general liability self insurance. Both the enterprise funds and the internal funds are included in the business-type activities in the government-wide financial statement.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewerage system, water utility and transit commission, which are considered to be major funds. Information on the other enterprise funds are combined in a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 32 - 41 in the report.

**Fiduciary funds:** Fiduciary and Agency funds are used to account for resources held for the benefit of parties outside the government. Fiduciary and agency funds are included in the government-wide financial statements.

The basic agency fund financial statements can be found on page 42 of the report.

**NOTES TO THE BASIC 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 basic financial statements can be found on pages 46 - 81 of the report.

**Other Information:** The required supplementary information relating to pensions and other post-employment benefits and the combining statements are presented immediately following the notes to the basic financial statements. The required supplementary information, combining and individual fund statements and schedules can be found on pages 82 - 118 of the report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The discussion and analysis requires focus on the current-year results in comparison with the prior year and discussion on any positive or negative variance.

The net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Sheboygan, assets and deferred outflows exceed liabilities and deferred inflows by \$203.9 million at the close of the most recent fiscal year.

The largest portion of the city's net position (61 percent) reflects the net investment in capital assets (e.g. land, buildings, improvements, infrastructure, machinery, etc.) at historic cost, less any outstanding related debt used to acquire the assets. The city uses the capital assets to provide services to the citizens: consequently, the assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that resources needed to repay the debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the liabilities.

City of Sheboygan  
Condensed Statements of Net Position  
For the Year Ended December 31, 2017 and 2016  
(in thousand of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 95,756	\$ 95,525	\$ 21,104	\$ 21,146	\$ 116,860	\$ 116,671
Capital assets, net	107,992	106,282	70,992	70,322	178,984	176,604
Total Assets	203,748	201,807	92,096	91,468	295,844	293,275
Deferred outflows of resources	13,017	18,780	2,298	3,215	15,315	21,995
Long-term liabilities outstanding	44,501	45,062	21,496	21,997	65,997	67,059
Other liabilities	6,752	5,885	1,528	2,209	8,280	8,094
Total Liabilities	51,253	50,947	23,024	24,206	74,277	75,153
Deferred inflows of resources	31,534	31,978	1,465	1,728	32,999	33,706
Net Position						
Net investment in capital assets	73,564	72,567	51,043	49,660	124,607	122,227
Restricted	18,798	19,788	366	363	19,164	20,151
Unrestricted	41,616	45,307	18,496	18,726	60,112	64,033
Total Net Position	\$ 133,978	\$ 137,662	\$ 69,905	\$ 68,749	\$ 203,883	\$ 206,411

The city's unrestricted position of \$60.1 million may be used to meet the ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the city is able to report positive balances in all categories of net positions; for the city as a whole, as well as for the separate governmental and business-type activities.

City of Sheboygan  
Statement of Activities and Change in Net Position  
For the Year Ended December 31, 2017 and 2016  
(in thousand of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 7,867	\$ 7,542	\$ 17,073	\$ 17,036	\$ 24,940	\$ 24,578
Operating grants and contributions	5,725	4,128	2,800	2,634	8,525	6,762
Capital grants and contributions	1,125	5,861	327	341	1,452	6,202
General revenues:						
Taxes	24,116	23,538	512	512	24,628	24,050
Other taxes	1,894	2,017			1,894	2,017
Grants and contributions not restricted to specific programs	12,127	12,065			12,127	12,065
Other	1,116	834	206	208	1,322	1,042
Total revenue	<u>53,970</u>	<u>55,985</u>	<u>20,918</u>	<u>20,731</u>	<u>74,888</u>	<u>76,716</u>
<b>Expenses:</b>						
General government	4,708	5,445			4,708	5,445
Public safety	23,940	25,226			23,940	25,226
Public works	14,121	11,717			14,121	11,717
Health and human services	255	227			255	227
Culture and recreation	6,773	6,044			6,773	6,044
Conservation and development	8,172	6,815			8,172	6,815
Interest on long-term debt	1,066	1,500			1,066	1,500
Sewerage system			7,363	6,953	7,363	6,953
Water utility			5,982	5,686	5,982	5,686
Transit commission			4,385	4,249	4,385	4,249
Parking utility			461	448	461	448
Boat facility			190	97	190	97
Total expense	<u>59,035</u>	<u>56,974</u>	<u>18,381</u>	<u>17,433</u>	<u>77,416</u>	<u>74,407</u>
<b>Increase (decrease) in net position   before transfers</b>	<b>(5,065)</b>	<b>(989)</b>	<b>2,537</b>	<b>3,298</b>	<b>(2,528)</b>	<b>2,309</b>
<b>Net transfers</b>	<b>1,381</b>	<b>1,460</b>	<b>(1,381)</b>	<b>(1,460)</b>		
<b>Change in net position</b>	<b>(3,684)</b>	<b>471</b>	<b>1,156</b>	<b>1,838</b>	<b>(2,528)</b>	<b>2,309</b>
<b>Net Position -January 1</b>	<b>137,662</b>	<b>137,191</b>	<b>68,749</b>	<b>66,911</b>	<b>206,411</b>	<b>204,102</b>
<b>Net Position - December 31</b>	<b>\$ 133,978</b>	<b>\$ 137,662</b>	<b>\$ 69,905</b>	<b>\$ 68,749</b>	<b>\$ 203,883</b>	<b>\$ 206,411</b>

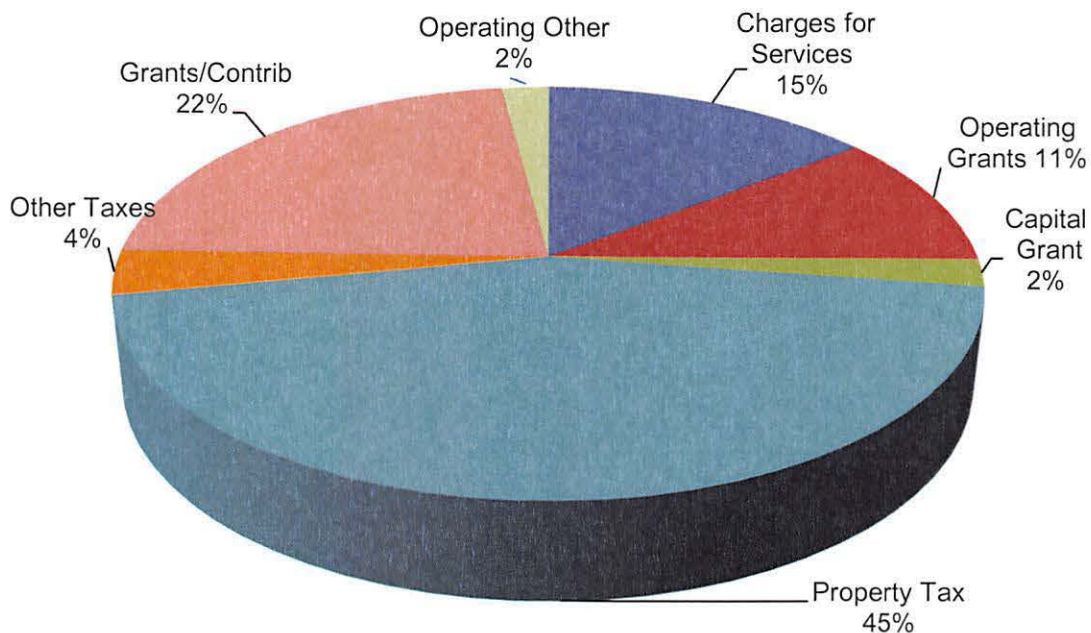
### **Governmental Activities**

Governmental activities decreased the city's net position by \$3.7 million (pages 25 - 26) during the current year. Details of significant changes are listed below.

Key elements of change are as follows:

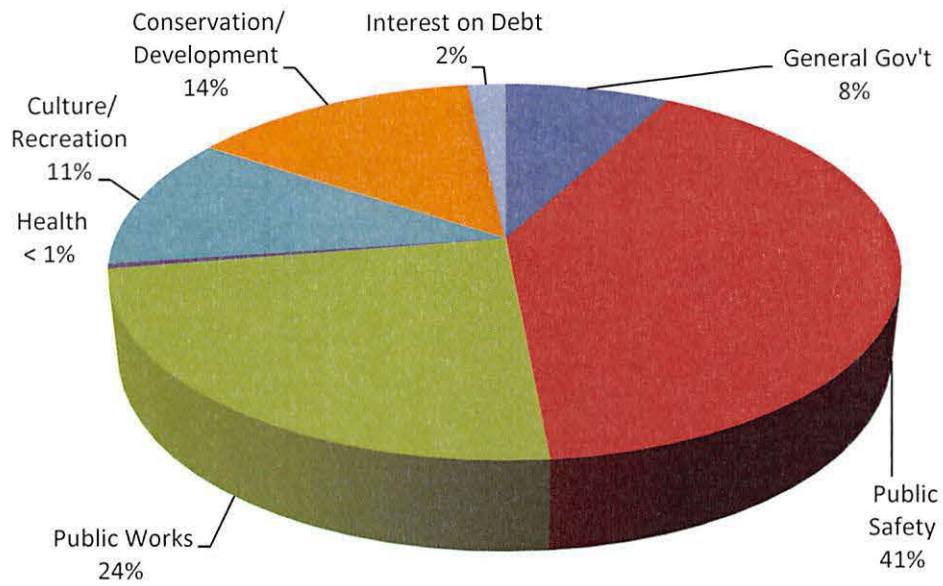
- Governmental activity operating grants and contributions increased \$1.4 million, within public works activities and conservation and development.
- Governmental activity expenses increased \$2.1 million over 2016.
  - Public works activities increased \$2.4 million, largely attributed to noncapital street maintenance and repairs.
  - Conservation and development increased substantially in development project expenses.
  - General government activities decreased as a result of minimal rescinded tax.

Governmental activities operating revenue by source include \$24.1 million of tax revenue or 45 percent of total revenue. Operating grants and contribution revenues total \$5.7 million or 10.7 percent of revenues. The chart below illustrates the revenues by source.





Governmental activities operating expenses totaled \$59 million, an increase of \$2.1 million over 2016. The chart below illustrates the largest expense of the city is 41 percent of total expenses for Public Safety.



### **Business-type Activities**

Business-type activities increased the city's net position by \$664 thousand. Key elements of this change are as follows:

- The Water Utility recorded an increase in net position of \$2 million. Operating revenue exceeded operating expenses by \$3.2 million.
- The Sewerage System recorded an operating profit of \$91 thousand.
- The Transit Commission, Parking Facility and Boat Facility each experienced reductions in net position totaling \$417 thousand.

## **Financial Analysis of the City of Sheboygan's Funds:**

The city utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of city government is to provide information on near-term inflows, outflows and balances of spendable resources. The information is useful to assess financial requirements. The unassigned fund balance serves as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current year, the city's governmental funds reported combined ending fund balances of \$42.8 million, a decrease of \$1.2 million. The unassigned fund balance, net of the Harbor Centre Marina, \$16.3 million is available for spending at the Common Council's discretion. The remainder of the fund balance is categorized as follows:

- Non-spendable balances in the general fund for inventories and prepaid items (\$187 thousand); long-term accounts and interfund receivables (\$2.2 million); inventories and prepaid items in nonmajor governmental funds (\$595 thousand); cemetery perpetual care (\$876 thousand) and library trust (\$600 thousand).
- Restricted in the amount of \$12.4 million as a result of external restrictions or enabling legislation.
- Committed by the Common Council for development purposes in the amount of \$350 thousand.
- Assigned by the Common Council for debt service and other purposes in the amount of \$9.1 million and \$131 thousand for subsequent year expenditures.

The General Fund is the main operating fund of the city. At the end of the current year the assigned and unassigned fund balance of the General Fund was \$21.1 million and the total fund balance was \$23.9 million. As a measure of funds liquidity, it may be useful to compare both assigned and unassigned fund balances and total fund balance to the total fund's expenditures. Liquid fund balance represents 60 percent of the total fund expenditures, while total fund balance represents 68 percent of the same amount.

The Common Council by resolution established a policy to maintain the General Fund unassigned fund balance at an amount of 25 percent of the subsequent years general fund expenditures, not including debt service. The objective of the city is to preserve the credit worthiness of the city for issuing debt at favorable interest rates and to provide working capital to meet cash flow needs during the year.

Proprietary Funds: The statements of the proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net position of all the proprietary operations at the end of the year amounted to \$18.3 million, unchanged from 2016. Factors concerning the operational results of these funds have already been discussed in the discussion of the city's business-type activities.

## **General Fund Budgetary Highlights**

General Fund revenues exceeded the final budget by \$453 thousand, of which \$166 thousand is attributable to licenses and permits. Operating expenditures were \$1.5 million under budgeted, of which \$674 thousand was general government and \$655 thousand was public safety.

## **Capital Assets and Debt Administration**

**Capital assets:** The city's investment in capital assets for the governmental and business-type activities at the end of the current year totaled \$179 million (net of depreciation). The investment in assets include land, building, machinery, equipment and infrastructure. The chart below compares 2017 to 2016 capital assets.

City of Sheboygan Capital Assets  
For the Year Ended December 31, 2017 and 2016  
(in thousand of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 16,364	\$ 15,992	\$ 948	\$ 888	\$ 17,312	\$ 16,880
Building and improvements	16,443	16,440	7,155	7,384	23,598	23,824
Improvements other than buildings	8,131	7,756	6,382	6,403	14,513	14,159
Machinery and equipment	6,938	6,847	7,867	8,315	14,805	15,162
Infrastructure	60,076	59,063	39,480	37,841	99,556	96,904
Construction in progress	40	183	9,160	9,491	9,200	9,674
Total Capital Assets	\$ 107,992	\$ 106,281	\$ 70,992	\$ 70,322	\$ 178,984	\$ 176,603

Additional information on the city's capital assets can be found on Note 3. C of the notes to the financial statements on pages 58 - 59 of the report.

**Long-term Debt:** The City of Sheboygan's total bonded debt outstanding at fiscal year-end 2017 was \$35.2 million, all backed by the full faith and credit of the government. The city maintains a Aa2 credit rating by Moody's Investors Service.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of the total equalized valuation. The outstanding debt limit for the City of Sheboygan as of December 31, 2017 was \$131 million based on the 2017 equalized valuation of \$2.6 billion. The Common Council has established a policy to maintain outstanding debt in an amount not exceeding 60 percent of the city's aggregate statutory borrowing limited prescribed by State Statute.

The city issued \$5 million general obligation debt and a State Trust Fund loan of \$400 thousand for Tax Incremental District 16. General obligation debt and bonds totaled \$35.2 million at fiscal year-end 2017, which is 1.3 percent of the city's equalized valuation.

Additional information on the city's long-term debt can be found in Note 3.E on pages 63 - 66 of the report.

### **Economic Factors and Next Year's Budget Rates**

The city's annual unemployment rate for December 2017 of 2.5 percent is favorably to the State of Wisconsin's rate of 2.7 percent. The economic outlook is slow steady growth.

- The city's anticipates an increase of \$40 million in the equalized property tax base for 2017.
- The housing market has grown significantly with units totaling \$41 million in various phases of construction to address the need for market rate housing. Ten single-family homes were constructed in 2017 at a value of \$5.9 million.
- City wage rates are budgeted to increase two percent in 2018 and the health insurance budgeted two percent increase as the city implemented a high deductible health plan in 2015. All employees contribute to the WI Retirement defined benefit plan, with the city matching the employer share of contribution.
- The city bargains with four unions and associations, the Sheboygan Professional Police Officers Association; Sheboygan Professional Police Officers Supervisory Association, International Association of Firefighters Local 483 and Amalgamated Transit Union #998. All of the contract terms will expired at the same time on December 31, 2017.
- The city anticipates Moody's Investors Service will retain the Aa2 level.
- The capital improvement plan for 2017 anticipates borrowing \$5 million in 2018.

All of the above factors were consideration in preparation of the 2018 budget.

### **Requests for Information**

The financial report is designed to provide a general overview of the City of Sheboygan's finances for all those with an interest. Additional information on items provided in the report can be requested in writing addressed to the City of Sheboygan Finance Department, 828 Center Avenue, Suite 205, Sheboygan WI 53081 or viewed on the city website [sheboyganwi.gov](http://sheboyganwi.gov) under the Finance Department.

# City of Sheboygan, Wisconsin

## STATEMENT OF NET POSITION

DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Totals		Component Units
			2017	2016	
<b>ASSETS</b>					
Cash and investments	\$ 52,667,726	\$ 15,667,999	\$ 68,335,725	\$ 71,857,983	\$ 4,149,201
Receivables					
Taxes and special charges	26,342,880	628,741	26,971,621	25,535,666	-
Delinquent taxes	24,263	-	24,263	33,308	-
Accounts, net	1,649,943	1,973,037	3,622,980	3,263,356	38,433
Special assessments	829,819	493,613	1,323,432	1,390,057	-
Loans	8,751,921	-	8,751,921	8,708,632	-
Other	77,419	29,827	107,246	152,495	-
Internal balances	952,368	(952,368)	-	-	-
Due from other governments	1,424,461	1,992,885	3,417,346	1,928,321	45,439
Inventories and prepaid items	829,615	323,654	1,153,269	635,949	31,667
Investment in CVMIC	2,205,665	-	2,205,665	2,205,665	-
Restricted assets					
Cash and investments	-	947,375	947,375	959,942	85,297
Capital assets, nondepreciable	16,404,187	10,107,397	26,511,584	26,553,932	479,944
Capital assets, depreciable	91,588,285	60,884,139	152,472,424	150,049,394	2,152,200
Total assets	203,748,552	92,096,299	295,844,851	293,274,700	6,982,181
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related amounts	13,017,436	2,298,326	15,315,762	21,995,553	146,217
<b>LIABILITIES</b>					
Accounts payable	2,894,904	1,144,718	4,039,622	3,302,566	28,529
Accrued and other current liabilities	2,828,914	270,892	3,099,806	3,469,981	112,802
Due to other governments	421,967	3,150	425,117	729,616	-
Accrued interest payable	341,016	92,068	433,084	442,043	-
Special deposits	99,473	7,500	106,973	-	78,566
Unearned revenues	166,041	10,682	176,723	149,141	5,038
Long-term obligations					
Due within one year	7,313,717	1,473,526	8,787,243	7,731,248	-
Due in more than one year	33,865,817	19,721,283	53,587,100	53,870,300	-
Net pension liability	1,686,712	301,501	1,988,213	3,952,640	18,948
Other postemployment benefits	1,634,963	-	1,634,963	1,505,861	-
Total liabilities	51,253,524	23,025,320	74,278,844	75,153,396	243,883
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes levied for subsequent year	26,201,686	511,547	26,713,233	25,349,876	-
Pension related amounts	5,332,492	953,187	6,285,679	8,356,458	88,822
Total deferred inflows of resources	31,534,178	1,464,734	32,998,912	33,706,334	88,822
<b>NET POSITION</b>					
Net investment in capital assets	73,564,240	51,042,712	124,606,952	122,226,721	2,632,144
Restricted	18,798,088	365,973	19,164,061	20,151,144	1,693
Unrestricted	41,615,958	18,495,886	60,111,844	64,032,658	4,161,856
Total net position	\$ 133,978,286	\$ 69,904,571	\$ 203,882,857	\$ 206,410,523	\$ 6,795,693

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



# City of Sheboygan, 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	\$ 4,708,434	\$ 1,163,120	\$ 9,982	\$ 600,000
Public safety	23,939,749	2,778,764	492,866	-
Public works	14,121,062	2,111,063	3,008,795	452,517
Health and human services	255,113	106,824	-	-
Culture and recreation	6,772,787	733,808	810,363	72,751
Conservation and development	8,173,750	973,853	1,403,386	-
Interest and fiscal charges	1,066,364	-	-	-
Total governmental activities	59,037,259	7,867,432	5,725,392	1,125,268
BUSINESS-TYPE ACTIVITIES				
Sewerage system	7,362,528	7,130,907	-	77,105
Water utility	5,982,391	8,645,887	198,036	250,000
Transit commission	4,384,859	843,212	2,602,736	-
Parking facility	461,015	391,017	-	-
Boat facility	190,374	62,420	-	-
Total business-type activities	18,381,167	17,073,443	2,800,772	327,105
Total primary government	\$ 77,418,426	\$ 24,940,875	\$ 8,526,164	\$ 1,452,373
Component Units	\$ 2,391,695	\$ 1,255,390	\$ 1,022,431	\$ 212,584
General revenues				
Taxes				
Property taxes				
Tax increments				
Other taxes				
Federal and state grants and other contributions not restricted to specific functions				
Interest and investment earnings				
Miscellaneous				
Gain on sale of assets				
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		Component Units
		2017	2016	
\$ (2,935,332)	\$ -	\$ (2,935,332)	\$ (4,251,312)	\$ -
(20,668,119)	-	(20,668,119)	(22,209,535)	-
(8,548,687)	-	(8,548,687)	(1,392,425)	-
(148,289)	-	(148,289)	(108,876)	-
(5,155,865)	-	(5,155,865)	(4,475,907)	-
(5,796,511)	-	(5,796,511)	(5,505,199)	-
(1,066,364)	-	(1,066,364)	(1,500,390)	-
<u>(44,319,167)</u>	<u>-</u>	<u>(44,319,167)</u>	<u>(39,443,644)</u>	<u>-</u>
-	(154,516)	(154,516)	298,135	-
-	3,111,532	3,111,532	3,198,752	-
-	(938,911)	(938,911)	(800,197)	-
-	(69,998)	(69,998)	(83,401)	-
-	(127,954)	(127,954)	(35,492)	-
-	<u>1,820,153</u>	<u>1,820,153</u>	<u>2,577,797</u>	<u>-</u>
<u>(44,319,167)</u>	<u>1,820,153</u>	<u>(42,499,014)</u>	<u>(36,865,847)</u>	<u>-</u>
-	-	-	-	<u>98,710</u>
21,638,802	511,547	22,150,349	21,728,810	-
2,477,794	-	2,477,794	2,320,822	-
1,894,134	-	1,894,134	2,016,650	-
12,127,317	-	12,127,317	12,065,160	-
714,243	138,866	853,109	631,119	911
175,520	58,209	233,729	239,682	-
226,451	8,465	234,916	171,668	-
<u>1,381,462</u>	<u>(1,381,462)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>40,635,723</u>	<u>(664,375)</u>	<u>39,971,348</u>	<u>39,173,911</u>	<u>911</u>
(3,683,444)	1,155,778	(2,527,666)	2,308,064	99,621
<u>137,661,730</u>	<u>68,748,793</u>	<u>206,410,523</u>	<u>204,102,459</u>	<u>6,696,072</u>
<u>\$ 133,978,286</u>	<u>\$ 69,904,571</u>	<u>\$ 203,882,857</u>	<u>\$ 206,410,523</u>	<u>\$ 6,795,693</u>

# City of Sheboygan, Wisconsin

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

	General	Debt Service GO Debt	Other Governmental Funds	Totals	
				2017	2016
<b>ASSETS</b>					
Cash and investments	\$ 21,111,529	\$ 4,284,320	\$ 16,345,766	\$ 41,741,615	\$ 43,746,325
Receivables					
Taxes and special charges	16,381,899	3,196,889	6,764,092	26,342,880	24,967,954
Delinquent taxes	24,263	-	-	24,263	-
Accounts, net	389,520	-	1,231,313	1,620,833	1,204,303
Special assessments	140,401	-	689,418	829,819	810,006
Loans	10,000	-	8,741,921	8,751,921	8,708,632
Other	35,238	10,096	18,725	64,059	101,204
Due from other funds	2,011,681	2,811,581	600,000	5,423,262	4,772,082
Advance to other funds	2,572,400	-	472,563	3,044,963	882,862
Due from other governments	39,682	-	1,384,779	1,424,461	1,581,302
Inventories and prepaid items	186,787	-	595,405	782,192	264,547
Total assets	<u>\$ 42,903,400</u>	<u>\$ 10,302,886</u>	<u>\$ 36,843,982</u>	<u>\$ 90,050,268</u>	<u>\$ 87,039,217</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 830,375	\$ -	\$ 1,917,862	\$ 2,748,237	\$ 1,615,183
Accrued and other current liabilities	1,720,850	-	105,642	1,826,492	1,802,960
Due to other funds	-	-	4,256,785	4,256,785	3,620,282
Advance from other funds	-	-	3,044,963	3,044,963	1,328,775
Due to other governments	5,202	-	416,765	421,967	726,637
Special deposits	39,743	-	59,730	99,473	-
Unearned revenues	34,377	-	131,664	166,041	138,664
Total liabilities	<u>2,630,547</u>	<u>-</u>	<u>9,933,411</u>	<u>12,563,958</u>	<u>9,232,501</u>
Deferred inflows of resources					
Property taxes levied for subsequent year	16,240,705	3,196,889	6,764,092	26,201,686	24,838,329
Accounts receivable	-	-	168,512	168,512	215,344
Loans receivable	-	-	7,545,156	7,545,156	7,974,306
Special assessments	131,243	-	688,602	819,845	801,678
Total deferred inflows of resources	<u>16,371,948</u>	<u>3,196,889</u>	<u>15,166,362</u>	<u>34,735,199</u>	<u>33,829,657</u>
Fund balances					
Nonspendable	2,404,375	-	2,072,293	4,476,668	2,995,466
Restricted	-	7,105,997	5,319,363	12,425,360	15,041,081
Committed	350,000	-	-	350,000	350,000
Assigned	684,880	-	8,546,300	9,231,180	8,249,401
Unassigned	20,461,650	-	(4,193,747)	16,267,903	17,341,111
Total fund balances	<u>23,900,905</u>	<u>7,105,997</u>	<u>11,744,209</u>	<u>42,751,111</u>	<u>43,977,059</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,903,400</u>	<u>\$ 10,302,886</u>	<u>\$ 36,843,982</u>	<u>\$ 90,050,268</u>	<u>\$ 87,039,217</u>

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

# City of Sheboygan, Wisconsin

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

	<u>2017</u>	<u>2016</u>
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION</b>		
Total fund balances as shown on previous page	\$ 42,751,111	\$ 43,977,059
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.	103,041,392	101,450,244
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	8,533,513	8,991,328
Net position of the internal service fund is reported in the statement of net position as governmental activities	16,985,746	17,258,411
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	12,624,709	18,222,336
Deferred inflows related to pensions	(5,167,993)	(6,930,212)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(36,198,965)	(35,844,553)
Premium on debt	(296,050)	(218,453)
Discount on debt	52,896	59,739
Capital leases	(928,938)	(1,131,924)
Compensated absences	(3,808,477)	(3,043,949)
Net pension liability	(1,634,679)	(3,278,021)
Other postemployment benefit	(1,634,963)	(1,505,861)
Accrued interest on long-term obligations	<u>(341,016)</u>	<u>(344,414)</u>
Net position of governmental activities as reported on the Statement of Net Position (see page 24)	<u>\$ 133,978,286</u>	<u>\$ 137,661,730</u>

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

# City of Sheboygan, 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 GO Debt	Other Governmental Funds	Totals	
				2017	2016
<b>REVENUES</b>					
Taxes	\$ 15,617,479	\$ 2,886,889	\$ 8,251,734	\$ 26,756,102	\$ 26,233,311
Special assessments	-	-	434,350	434,350	208,188
Intergovernmental	14,258,858	-	3,577,543	17,836,401	15,833,146
Licenses and permits	1,069,635	-	569,961	1,639,596	1,801,012
Fines and forfeits	354,853	-	705,477	1,060,330	1,041,267
Public charges for services	1,690,374	-	2,492,614	4,182,988	3,638,828
Intergovernmental charges for services	243,797	-	-	243,797	227,937
Miscellaneous	430,267	556,797	1,173,686	2,160,750	2,085,307
Total revenues	33,665,263	3,443,686	17,205,365	54,314,314	51,068,996
<b>EXPENDITURES</b>					
Current					
General government	3,221,641	450	436,597	3,658,688	5,149,710
Public safety	20,153,962	-	614,173	20,768,135	22,485,711
Public works	8,359,079	-	748,950	9,108,029	8,486,569
Health and human services	221,626	-	12,139	233,765	233,901
Culture and recreation	2,502,128	-	3,528,293	6,030,421	5,575,667
Conservation and development	646,478	-	4,168,937	4,815,415	4,559,225
Debt service					
Principal	-	3,424,312	1,824,262	5,248,574	5,141,963
Interest and fiscal charges	-	838,670	264,332	1,103,002	1,534,676
Capital outlay	-	-	11,356,340	11,356,340	6,263,323
Total expenditures	35,104,914	4,263,432	22,954,023	62,322,369	59,430,745
Excess of revenues under expenditures	(1,439,651)	(819,746)	(5,748,658)	(8,008,055)	(8,361,749)
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	-	-	5,400,000	5,400,000	13,645,000
Capital lease proceeds	-	-	-	-	664,000
Premium on debt issued	-	118,130	-	118,130	108,350
Payment to current noteholder	-	-	-	-	(6,940,000)
Proceeds from sale of capital assets	10,065	-	696,450	706,515	1,102,587
Transfers in	2,811,255	1,101,426	3,406,050	7,318,731	5,242,639
Transfers out	(7,860)	(745,913)	(6,007,496)	(6,761,269)	(4,657,858)
Total other financing sources (uses)	2,813,460	473,643	3,495,004	6,782,107	9,164,718
<b>Net change in fund balances</b>	1,373,809	(346,103)	(2,253,654)	(1,225,948)	802,969
<b>Fund balances - January 1</b>	22,527,096	7,452,100	13,997,863	43,977,059	43,174,090
<b>Fund balances - December 31</b>	<u>\$ 23,900,905</u>	<u>\$ 7,105,997</u>	<u>\$ 11,744,209</u>	<u>\$ 42,751,111</u>	<u>\$ 43,977,059</u>

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

# City of Sheboygan, 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
<b>RECONCILIATION TO THE STATEMENT OF ACTIVITIES</b>		
Net change in fund balances as shown on previous page	\$ (1,225,948)	\$ 802,969
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	6,286,753	2,709,251
Contributed capital assets	-	5,427,000
Depreciation expense reported in the statement of activities	(4,178,205)	(4,209,387)
Net book value of disposals	(517,400)	(459,158)
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.	(457,815)	585,069
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	(5,400,000)	(13,645,000)
Capital leases issued	-	(664,000)
Premium on debt issued	(118,130)	(108,350)
Principal repaid	5,045,588	11,872,209
Capital leases paid	202,986	196,239
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	3,398	15,056
Amortization of premiums, discounts and loss on advance refunding	33,690	18,726
Compensated absences	(764,528)	(60,229)
Net pension liability	1,643,342	(8,324,488)
Deferred outflows of resources related to pensions	(5,597,627)	13,077,709
Deferred inflows of resources related to pensions	1,762,219	(6,930,212)
Other postemployment benefits	(129,102)	(55,157)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(272,665)	222,136
Change in net position of governmental activities as reported in the statement of activities (see pages 25 - 26)	<u>\$ (3,683,444)</u>	<u>\$ 470,383</u>

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

# City of Sheboygan, 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**

	<b>Budget</b>			<b>Variance Final Budget - Positive (Negative)</b>	<b>2016 Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>		
<b>REVENUES</b>					
Taxes	\$ 15,605,762	\$ 15,605,762	\$ 15,617,479	\$ 11,717	\$ 15,164,406
Intergovernmental	14,179,401	14,251,674	14,258,858	7,184	14,207,490
Licenses and permits	902,990	902,990	1,069,635	166,645	1,202,492
Fines and forfeits	284,850	293,021	354,853	61,832	309,263
Public charges for services	1,502,760	1,502,760	1,690,374	187,614	1,721,047
Intergovernmental charges for services	288,375	288,375	243,797	(44,578)	227,937
Miscellaneous	281,150	367,550	430,267	62,717	294,161
Total revenues	<u>33,045,288</u>	<u>33,212,132</u>	<u>33,665,263</u>	<u>453,131</u>	<u>33,126,796</u>
<b>EXPENDITURES</b>					
Current					
General government	3,867,629	3,895,828	3,221,641	674,187	4,689,064
Public Safety	20,666,502	20,808,840	20,153,962	654,878	21,920,893
Public Works	8,420,579	8,453,579	8,359,079	94,500	7,443,242
Health and human services	249,821	249,821	221,626	28,195	233,451
Culture and Recreation	2,483,926	2,534,370	2,502,128	32,242	2,521,890
Conservation and development	351,149	646,649	646,478	171	257,317
Total expenditures	<u>36,039,606</u>	<u>36,589,087</u>	<u>35,104,914</u>	<u>1,484,173</u>	<u>37,065,857</u>
Excess of revenues over (under) expenditures	<u>(2,994,318)</u>	<u>(3,376,955)</u>	<u>(1,439,651)</u>	<u>1,937,304</u>	<u>(3,939,061)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	-	-	10,065	10,065	63,525
Transfers in	2,855,572	2,855,572	2,811,255	(44,317)	2,844,039
Transfers out	(3,367)	(1,968,789)	(7,860)	1,960,929	(2,992)
Total other financing sources (uses)	<u>2,852,205</u>	<u>886,783</u>	<u>2,813,460</u>	<u>1,926,677</u>	<u>2,904,572</u>
<b>Net change in fund balance</b>	<u>(142,113)</u>	<u>(2,490,172)</u>	<u>1,373,809</u>	<u>3,863,981</u>	<u>(1,034,489)</u>
<b>Fund balance - January 1</b>	<u>22,527,096</u>	<u>22,527,096</u>	<u>22,527,096</u>	<u>-</u>	<u>23,561,585</u>
<b>Fund balance - December 31</b>	<u>\$ 22,384,983</u>	<u>\$ 20,036,924</u>	<u>\$ 23,900,905</u>	<u>\$ 3,863,981</u>	<u>\$ 22,527,096</u>

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



# City of Sheboygan, Wisconsin

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Enterprise Funds			Nonmajor
	Sewerage System	Water Utility	Transit Commission	Funds
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 6,537,823	\$ 6,791,575	\$ 1,609,182	\$ 729,419
Receivables				
Taxes and special charges	102,417	-	511,547	14,777
Customer accounts, net	852,925	1,081,583	11,518	27,011
Special assessments	-	-	-	130,430
Other	7,326	19,041	2,653	807
Due from other governments	-	435,327	1,557,558	-
Inventories and prepaid items	-	300,849	22,805	-
Total current assets	7,500,491	8,628,375	3,715,263	902,444
Noncurrent assets				
Restricted assets				
Cash and investments	-	947,375	-	-
Other assets				
Deferred special assessments	-	363,183	-	-
Advance to other funds	-	-	-	-
Investment in CVMIC	-	-	-	-
Total other assets	-	363,183	-	-
Capital assets				
Nondepreciable	8,900,181	455,204	35,754	716,258
Depreciable	14,659,752	44,678,398	656,588	889,401
Total capital assets	23,559,933	45,133,602	692,342	1,605,659
Total assets	31,060,424	55,072,535	4,407,605	2,508,103
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	578,251	815,185	871,706	33,184

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

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Totals		Governmental Activities - Internal Service Funds	
2017	2016	2017	2016
\$ 15,667,999	\$ 16,517,287	\$ 10,926,111	\$ 11,594,371
628,741	601,020	-	-
1,973,037	2,059,053	29,110	-
130,430	580,051	-	-
29,827	27,769	13,360	23,522
1,992,885	347,019	-	-
323,654	325,218	47,423	46,184
20,746,573	20,457,417	11,016,004	11,664,077
947,375	959,942	-	-
363,183	-	-	-
-	445,913	-	-
-	-	2,205,665	2,205,665
363,183	445,913	2,205,665	2,205,665
10,107,397	10,379,277	-	99,082
60,884,139	59,942,692	4,951,080	4,732,031
70,991,536	70,321,969	4,951,080	4,831,113
93,048,667	92,185,241	18,172,749	18,700,855
2,298,326	3,214,960	392,727	558,257

# City of Sheboygan, Wisconsin

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Enterprise Funds			
	Sewerage System	Water Utility	Transit Commission	Nonmajor Funds
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 618,032	\$ 391,182	\$ 100,180	\$ 35,324
Accrued and other current liabilities	54,465	117,935	94,456	4,036
Due to other funds	-	1,166,477	-	-
Due to other governments	-	-	-	3,150
Accrued interest	36,274	6,035	-	-
Deposits	-	-	7,500	-
Unearned revenue	10,591	-	-	91
Current portion of compensated absences	-	53,448	-	-
Current portion of long-term debt	517,279	15,225	-	-
Payable from restricted assets				
Current portion of long-term debt	-	887,574	-	-
Accrued interest	-	49,759	-	-
Total current liabilities	<u>1,236,641</u>	<u>2,687,635</u>	<u>202,136</u>	<u>42,601</u>
Long-term obligations, less current portion				
General obligation debt	-	185,390	-	-
Revenue bonds	9,002,194	10,032,081	-	-
Debt premium	-	41,339	-	-
Compensated absences	56,904	403,375	-	-
Net pension liability	<u>75,478</u>	<u>106,815</u>	<u>115,067</u>	<u>4,141</u>
Total long-term liabilities	<u>9,134,576</u>	<u>10,769,000</u>	<u>115,067</u>	<u>4,141</u>
Total liabilities	<u>10,371,217</u>	<u>13,456,635</u>	<u>317,203</u>	<u>46,742</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Special charges on subsequent year tax roll	-	-	511,547	-
Pension related amounts	<u>238,621</u>	<u>337,693</u>	<u>363,780</u>	<u>13,093</u>
Total deferred inflows of resources	<u>238,621</u>	<u>337,693</u>	<u>875,327</u>	<u>13,093</u>
<b>NET POSITION</b>				
Net investment in capital assets	14,040,460	34,704,251	692,342	1,605,659
Restricted	-	365,973	-	-
Unrestricted	<u>6,988,377</u>	<u>7,023,168</u>	<u>3,394,439</u>	<u>875,793</u>
Total net position	<u>\$ 21,028,837</u>	<u>\$ 42,093,392</u>	<u>\$ 4,086,781</u>	<u>\$ 2,481,452</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds  
Net position as reported on the Statement of Net Position in the government-wide financial statements

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

Totals		Governmental Activities - Internal Service Funds	
2017	2016	2017	2016
\$ 1,144,718	\$ 1,375,912	\$ 146,667	\$ 311,471
270,892	258,531	1,002,422	945,289
1,166,477	1,151,800	-	-
3,150	2,979	-	-
42,309	45,870	-	-
7,500	-	-	-
10,682	10,477	-	-
53,448	55,406	-	-
532,504	510,218	-	-
887,574	853,842	-	-
49,759	51,759	-	-
4,169,013	4,316,794	1,149,089	1,256,760
185,390	200,614	-	-
19,034,275	19,811,948	-	-
41,339	45,786	-	-
460,279	407,795	-	-
301,501	575,315	52,033	99,304
20,022,784	21,041,458	52,033	99,304
24,191,797	25,358,252	1,201,122	1,356,064
511,547	511,547	-	-
953,187	1,216,301	164,499	209,945
1,464,734	1,727,848	164,499	209,945
51,042,712	49,659,932	4,951,080	4,831,113
365,973	362,790	-	-
18,281,777	18,291,379	12,248,775	12,861,990
69,690,462	68,314,101	17,199,855	17,693,103
214,109	434,692	(214,109)	(434,692)
<u>\$ 69,904,571</u>	<u>\$ 68,748,793</u>	<u>\$ 16,985,746</u>	<u>\$ 17,258,411</u>

# City of Sheboygan, 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

	Enterprise Funds			
	Sewerage System	Water Utility	Transit Commission	Nonmajor Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 7,080,585	\$ 8,484,209	\$ 772,935	\$ 447,256
Interdepartmental charges for services	-	-	-	-
Other	50,322	161,678	70,277	6,181
Total operating revenues	7,130,907	8,645,887	843,212	453,437
<b>OPERATING EXPENSES</b>				
Personal services	2,076,686	1,901,340	2,964,241	181,428
Contractual services	2,303,197	1,541,779	245,587	338,639
Supplies and materials	935,196	232,573	596,780	43,902
Insurance	45,895	98,528	123,778	696
Other	553,225	251,485	-	34,505
Depreciation	1,125,362	1,460,127	352,204	43,023
Total operating expenses	7,039,561	5,485,832	4,282,590	642,193
Operating income (loss)	91,346	3,160,055	(3,439,378)	(188,756)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
General property taxes	-	-	511,547	-
Interest income	93,913	19,531	16,234	9,188
Nonoperating grants	-	198,036	2,602,736	-
Nonoperating grants expense	-	(199,008)	-	-
Gain on disposal of capital assets	5,799	-	-	2,666
Interest and fiscal charges	(213,849)	(304,812)	-	-
Amortization of debt discount/premium	-	4,447	-	-
Interest charged to construction	-	2,814	-	-
Other nonoperating revenues	-	-	58,194	15
Total nonoperating revenues (expenses)	(114,137)	(278,992)	3,188,711	11,869
Income (loss) before contributions and transfers	(22,791)	2,881,063	(250,667)	(176,887)
Capital contributions	77,105	250,000	-	-
Transfers in	-	-	-	10,015
Transfers out	(254,414)	(1,137,063)	-	-
<b>Change in net position</b>	(200,100)	1,994,000	(250,667)	(166,872)
<b>Net position - January 1</b>	21,228,937	40,099,392	4,337,448	2,648,324
<b>Net position - December 31</b>	<u>\$ 21,028,837</u>	<u>\$ 42,093,392</u>	<u>\$ 4,086,781</u>	<u>\$ 2,481,452</u>

Change in net position, as reported above

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position as reported on the Statement of Activities in the government-wide financial statements

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

Totals		Governmental Activities - Internal Service Funds	
2017	2016	2017	2016
\$ 16,784,985	\$ 16,621,541	\$ -	\$ -
-	-	9,571,693	9,577,632
288,458	414,521	66,953	67,297
17,073,443	17,036,062	9,638,646	9,644,929
7,123,695	6,912,717	1,327,160	1,384,236
4,429,202	4,353,990	1,292,979	1,135,147
1,808,451	1,863,487	278,422	252,775
268,897	286,741	6,861,587	5,803,067
839,215	682,989	506,841	1,182,581
2,980,716	2,879,108	858,005	858,109
17,450,176	16,979,032	11,124,994	10,615,915
(376,733)	57,030	(1,486,348)	(970,986)
511,547	511,547	-	-
138,866	126,959	77,527	70,719
2,800,772	2,634,321	-	-
(199,008)	-	-	-
8,465	1,518	90,573	344,096
(518,661)	(550,856)	-	-
4,447	4,345	-	-
2,814	64,850	-	-
58,209	10,446	1,000	-
2,807,451	2,803,130	169,100	414,815
2,430,718	2,860,160	(1,317,248)	(556,171)
327,105	340,609	-	-
10,015	8,694	949,000	1,000,000
(1,391,477)	(1,468,475)	(125,000)	(125,000)
1,376,361	1,740,988	(493,248)	318,829
68,314,101	66,573,113	17,693,103	17,374,274
\$ 69,690,462	\$ 68,314,101	\$ 17,199,855	\$ 17,693,103
\$ 1,376,361	\$ 1,740,988	\$ (493,248)	\$ 318,829
(220,583)	96,693	220,583	(96,693)
\$ 1,155,778	\$ 1,837,681	\$ (272,665)	\$ 222,136

# City of Sheboygan, 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

	Enterprise Funds			
	Sewerage System	Water Utility	Transit Commission	Nonmajor Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 7,032,703	\$ 8,620,715	\$ 832,795	\$ 449,114
Cash received from other departments	-	-	-	-
Cash paid for employee wages and benefits	(1,989,396)	(1,473,976)	(2,805,305)	(176,949)
Cash paid to suppliers	(3,709,676)	(2,175,740)	(1,081,025)	(414,178)
Net cash provided (used) by operating activities	1,333,631	4,970,999	(3,053,535)	(142,013)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
General property taxes	-	-	511,547	-
Intergovernmental revenues	-	(972)	1,236,602	-
Nonoperating revenue	-	-	58,194	15
Collection of assessments for customer owned laterals	-	93,015	-	-
Advances from other funds	-	(14,363)	-	445,913
Interest on advance from other funds	-	(7,603)	-	-
Transfer in (out)	(254,414)	(1,122,386)	-	10,015
Net cash provided (used) by noncapital financing activities	(254,414)	(1,052,309)	1,806,343	455,943
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(1,113,251)	(2,420,796)	-	(371,177)
Capital contributions	77,105	-	-	-
Sale of capital assets	5,799	-	-	2,666
Special assessments assessed	-	-	-	(6,577)
Proceeds of capital debt	170,288	463,768	-	-
Principal paid on long-term debt	(495,855)	(860,717)	-	-
Debt issuance premium	-	-	-	-
Interest paid on long-term debt	(217,488)	(299,131)	-	-
Net cash used by capital and related financing activities	(1,573,402)	(3,116,876)	-	(375,088)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	93,913	19,531	16,234	9,188
<b>Change in cash and cash equivalents</b>	(400,272)	821,345	(1,230,958)	(51,970)
<b>Cash and cash equivalents - January 1</b>	6,938,095	6,917,605	2,840,140	781,389
<b>Cash and cash equivalents - December 31</b>	<u>\$ 6,537,823</u>	<u>\$ 7,738,950</u>	<u>\$ 1,609,182</u>	<u>\$ 729,419</u>

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



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Totals		Governmental Activities - Internal Service Funds	
2017	2016	2017	2016
\$ 16,935,327	\$ 16,866,866	\$ -	\$ -
-	-	9,619,698	9,636,586
(6,445,626)	(6,311,568)	(1,062,755)	(1,326,771)
(7,380,619)	(7,279,172)	(9,240,331)	(9,065,871)
<u>3,109,082</u>	<u>3,276,126</u>	<u>(683,388)</u>	<u>(756,056)</u>
511,547	511,547	-	-
1,235,630	2,627,871	-	-
58,209	10,446	1,000	-
93,015	(35,893)	-	-
431,550	(105,190)	-	-
(7,603)	(114,194)	-	-
(1,366,785)	(1,327,461)	824,000	875,000
<u>955,563</u>	<u>1,567,126</u>	<u>825,000</u>	<u>875,000</u>
(3,905,224)	(3,587,630)	(977,972)	(1,680,857)
77,105	-	-	-
8,465	1,518	90,573	344,096
(6,577)	-	-	-
634,056	3,707,173	-	-
(1,356,572)	(3,623,107)	-	-
-	37,232	-	-
(516,619)	(553,632)	-	-
<u>(5,065,366)</u>	<u>(4,018,446)</u>	<u>(887,399)</u>	<u>(1,336,761)</u>
<u>138,866</u>	<u>126,959</u>	<u>77,527</u>	<u>70,719</u>
(861,855)	951,765	(668,260)	(1,147,098)
<u>17,477,229</u>	<u>16,525,464</u>	<u>11,594,371</u>	<u>12,741,469</u>
<u>\$ 16,615,374</u>	<u>\$ 17,477,229</u>	<u>\$ 10,926,111</u>	<u>\$ 11,594,371</u>

# City of Sheboygan, 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

	Enterprise Funds			
	Sewerage System	Water Utility	Transit Commission	Nonmajor Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 91,346	\$ 3,160,055	\$ (3,439,378)	\$ (188,756)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,125,362	1,460,127	352,204	43,023
Depreciation charged to sewer utility	-	119,740	-	-
Intergovernmental revenues	-	-	-	-
Change in liability (asset) and deferred outflows and inflows of resources				
Pension	87,290	129,445	158,936	4,035
Change in operating assets and liabilities				
Accounts receivables	(98,409)	167,973	(8,833)	(4,494)
Due from other governments	-	(279,732)	-	-
Inventories and prepaid items	-	(1,137)	2,701	-
Accounts payable	72,657	204,086	(123,486)	3,564
Accrued and other current liabilities	55,180	-	5,905	444
Due to other governments	-	-	-	171
Deposits	-	-	(1,584)	-
Unearned revenue	205	-	-	-
Compensated absences	-	10,442	-	-
Net cash provided (used) by operating activities	<u>\$ 1,333,631</u>	<u>\$ 4,970,999</u>	<u>\$ (3,053,535)</u>	<u>\$ (142,013)</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	\$ 6,537,823	\$ 6,791,575	\$ 1,609,182	\$ 729,419
Cash and cash equivalents in restricted assets	-	947,375	-	-
Total cash and cash equivalents	<u>\$ 6,537,823</u>	<u>\$ 7,738,950</u>	<u>\$ 1,609,182</u>	<u>\$ 729,419</u>
Noncash capital and related financing activities				
Amortization of premium	\$ -	\$ 4,447	\$ -	\$ -
Capital contributions	\$ -	\$ 250,000	\$ -	\$ -
Interest charged to construction	\$ -	\$ 2,814	\$ -	\$ -
Construction related accounts payable	\$ -	\$ 61,009	\$ -	\$ -

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

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Totals		Governmental Activities - Internal Service Funds	
2017	2016	2017	2016
\$ (376,733)	\$ 57,030	\$ (1,486,348)	\$ (970,986)
2,980,716	2,879,108	858,005	858,109
119,740	123,719	-	-
-	6,450	-	-
379,706	249,535	72,813	58,071
56,237	(284,881)	(18,948)	(8,343)
(279,732)	31,918	-	-
1,564	(32,492)	(1,239)	1,262
156,821	234,138	(164,804)	20,276
61,529	9,739	57,133	(714,445)
171	-	-	-
(1,584)	1,562	-	-
205	300	-	-
10,442	-	-	-
<u>\$ 3,109,082</u>	<u>\$ 3,276,126</u>	<u>\$ (683,388)</u>	<u>\$ (756,056)</u>
\$ 15,667,999	\$ 16,517,287	\$ 10,926,111	\$ 11,594,371
947,375	959,942	-	-
<u>\$ 16,615,374</u>	<u>\$ 17,477,229</u>	<u>\$ 10,926,111</u>	<u>\$ 11,594,371</u>
\$ 4,447	\$ 4,345	\$ -	\$ -
\$ 250,000	\$ 340,609	\$ -	\$ -
\$ 2,814	\$ 64,850	\$ -	\$ -
\$ 61,009	\$ -	\$ -	\$ -

# City of Sheboygan, Wisconsin

## STATEMENT OF NET POSITION

### AGENCY FUNDS

DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and investments	\$ 21,751,043	\$ 24,622,636
Receivables		
Taxes	19,449,746	15,900,104
Special assessments	489	6,415
Other	20	-
<b>TOTAL ASSETS</b>	<u><u>\$ 41,201,298</u></u>	<u><u>\$ 40,529,155</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 13,760	\$ 18,808
Due to other governments	41,187,538	40,510,347
<b>TOTAL LIABILITIES</b>	<u><u>\$ 41,201,298</u></u>	<u><u>\$ 40,529,155</u></u>

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

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF NET POSITION COMPONENT UNITS DECEMBER 31, 2017

	Housing Authority of the City of Sheboygan	Harbor Centre Business Improvement District	Totals
<b>ASSETS</b>			
Cash and investments	\$ 4,122,521	\$ 26,680	\$ 4,149,201
Receivables			
Accounts	29,891	8,542	38,433
Due from other governments	45,439	-	45,439
Inventories and prepaid items	31,667	-	31,667
Restricted assets			
Cash and investments	85,297	-	85,297
Capital assets, nondepreciable	479,944	-	479,944
Capital assets, depreciable	2,148,239	3,961	2,152,200
Total assets	6,942,998	39,183	6,982,181
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	146,217	-	146,217
<b>LIABILITIES</b>			
Accounts payable	14,629	13,900	28,529
Accrued and other current liabilities	110,798	2,004	112,802
Special deposits	78,566	-	78,566
Unearned revenues	5,038	-	5,038
Long-term obligations			
Net pension liability	18,948	-	18,948
Total liabilities	227,979	15,904	243,883
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	88,822	-	88,822
<b>NET POSITION</b>			
Net investment in capital assets	2,628,183	3,961	2,632,144
Restricted	1,693	-	1,693
Unrestricted	4,142,538	19,318	4,161,856
Total net position	\$ 6,772,414	\$ 23,279	\$ 6,795,693

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

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF ACTIVITIES COMPONENT UNITS FOR THE YEAR ENDED DECEMBER 31, 2017

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Housing Authority of the City of Sheboygan	\$ 2,243,868	\$ 1,102,343	\$ 1,020,474	\$ 212,584
Centre Business Improvement District	147,827	153,047	1,957	-
Total component units	<u>\$ 2,391,695</u>	<u>\$ 1,255,390</u>	<u>\$ 1,022,431</u>	<u>\$ 212,584</u>
General revenues				
Interest and investment earnings				
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.*

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Net (Expense) Revenue and Changes in Net Position		
Housing Authority of the City of Sheboygan	Harbor Centre Business Improvement District	Totals
\$ 91,533	\$ -	\$ 91,533
-	7,177	7,177
91,533	7,177	98,710
875	36	911
92,408	7,213	99,621
6,680,006	16,066	6,696,072
<u>\$ 6,772,414</u>	<u>\$ 23,279</u>	<u>\$ 6,795,693</u>



# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Sheboygan, Wisconsin (the "City"), 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 City are described below:

#### A. REPORTING ENTITY

The City is a municipal corporation governed by an elected mayor and sixteen member council. In accordance with GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City 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.

#### Discretely Presented Component Units

The component unit columns in the government-wide financial statements represent the financial data of the Housing Authority of the City of Sheboygan (the "Housing Authority") and the Harbor Centre Business Improvement District (the "District"). They are reported in separate columns to emphasize that they are legally separate from the City. The governing bodies of both organizations are appointed by the City's Common Council. Wisconsin Statutes also provide for circumstances where the City can impose its will on both organizations and also create a potential burden on the City. The financial information presented is for the fiscal year ended March 31, 2017 for the Housing Authority and December 31, 2017 for the District. Complete financial statements for the Housing Authority can be obtained from their office at 611 North Water Street, P.O. Box 1052, Sheboygan, WI 53082-1052. Complete financial statements for the District can be obtained from their office at 828 Center Avenue, Sheboygan, WI 53081.

#### 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 City. 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*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service, capital projects and permanent funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

#### General Fund

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

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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### Debt Service General Obligation Debt Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds, except debt issued to finance project plan expenditures of the City's tax incremental financing districts.

The City reports the following major enterprise funds:

### Sewerage System

This fund is used to account for the operations of the City's sanitary sewer system.

### Water Utility

This fund is used to account for the operations of the City's water treatment and distribution system.

### Transit Commission

This fund is used to account for the operations of the City's transit system.

The City reports the following nonmajor funds:

### Special Revenue Funds

Special revenue fund are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes. Nonmajor special revenue funds consist of the following:

Community Development Block Grant	Police Meg Unit
Revolving Loan Funds	Special Assessment
Lead Based Abatement Program	Redevelopment Authority
Mead Library	Municipal Court
Cable TV	Ambulance
Tourism Promotion	Storm Water
Harbor Center Marina	Park Impact Fees
	Park, Forestry & Open Space

### Capital Project Funds

Capital project funds are used to account for financial resources to be used for the acquisition of equipment or construction of major capital facilities. The Capital Projects Tax Levy, Capital Projects TIF Districts, and Capital Projects Bonded funds are reported as nonmajor capital project funds.

### Debt Service Funds

Debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt. The TIF Districts debt service fund is reported as a nonmajor debt service fund.

### Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earning, and not principal, may be used for purposes that support the reporting government's programs. The City's cemetery perpetual care and library trust are reported as nonmajor permanent funds.

### Enterprise Funds

Enterprise funds are used to report any activity for which a fee is charged to external users for goods and services, and must be used for activities which meet certain debt or cost recovery criteria. Nonmajor enterprise funds consist of the following:

Parking Facility	Boat Facility
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# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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Additionally, the City reports the following fund types:

- ▶ *Internal service fund* accounts for services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The City reports the following internal service funds:

Motor Vehicle	Workers Compensation Self Insurance
Data Processing	General Liability Self Insurance
Health Self Insurance	
- ▶ The City accounts for assets held for individuals by various departments and funds held for other governmental agencies in an *agency fund*. The Property Tax Collection and Business Improvement District are accounted for as agency 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 and fiduciary 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.

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 City 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 City's water and sewer functions and various other functions of the City. 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 City'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 City's policy to use restricted resources first, then unrestricted resources, as they are needed.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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### 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 City 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 two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

The City bills and collects its own property taxes and also levies and collects taxes for the Sheboygan Area School District, Kohler School District, Sheboygan County, Lakeshore Technical College and the State of Wisconsin. Collections and remittances of taxes for other entities are accounted for in the property tax agency fund.

#### 3. Accounts Receivable

Accounts receivable have been shown net of an allowance of \$177,221 for uncollectible accounts. Delinquent real estate taxes are assumed by Sheboygan County as of July 31; therefore, no allowance is considered necessary. Delinquent personal property taxes remain the collection responsibility of the City; accordingly, an allowance for uncollectible accounts has been established. The City is able to recover a portion of these delinquent personal property taxes from other taxing jurisdictions.

#### 4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2017 tax roll are recognized as revenue in 2018.)

#### 5. Loans Receivable

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. 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. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

#### 6. 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 reported as "advances to other funds" and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

### 7. 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.

### 8. 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.

### 9. 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 City 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.

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

Assets	Governmental Activities	Business-type Activities
	Years	
Buildings and improvements	25 - 45	25 - 45
Improvements other than buildings	20 - 40	20 - 40
Machinery and equipment	3 - 25	3 - 25
Infrastructure	20 - 50	20 - 100

### 10. Compensated Absences

It is the City'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.

### 11. 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.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments, loan receivables and accounts receivable. These inflows are recognized as revenues in the government-wide financial statements.

### 12. 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.

### 13. 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.

### 14. 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 Common Council through the passage of an ordinance or resolution, as each is equally difficult to remove the constraint. These constraints can only be removed or changed by the Common Council using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of City management. The Common Council has not authorized an employee 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 City 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.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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### *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.

### **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 City'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 City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During October, City management submits to the Common Council 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 Common Council action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all general, certain special revenue 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, special revenue funds and debt service funds except for the Community Development Block Grant, Revolving Loan Funds, Lead Based Abatement Program, and Park Impact Fee Funds. Management control for the capital projects funds is achieved through project authorizations included in debt issue resolutions.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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4. Expenditures may not exceed appropriations provided at the major function level of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Common Council. The City's finance committee or the City's Finance Director can approve transfers within departments while transfers between departments and changes in the overall budget require approval by two-thirds of the Common Council.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City 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:

<b>Funds</b>	<b>Deficit Fund Balance</b>
Harbor Center Marina	\$ 2,724,969
Redevelopment Authority	425,170
Capital Projects TIF Districts	1,007,203

The City anticipates funding the above deficits from future revenues of the funds or from resources available in the general fund.

### 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 City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2017 budget was 1.94%. The actual limit for the City for the 2018 budget was 3.84%. 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 City 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. In addition, investment of most trust funds including cemetery perpetual care funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. These sections give broad authority to use such funds to acquire various kinds of investments, including common stock.



# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

The carrying amount of the City's cash and investments totaled \$91,034,143 on December 31, 2017 as summarized below:

Petty cash and cash on hand	\$ 7,421
Deposits with financial institutions	20,935,004
Investments	
Negotiable certificates of deposit	6,915,987
Wisconsin local government investment pool	11,406,908
Federal Home Loan Bank	4,185,318
Federal National Mortgage Association	11,861,228
Federal Home Loan Mortgage Corporation	15,311,844
Federal Farm Credit Bank	9,103,254
Municipal bonds	1,102,734
Fixed income mutual funds	1,247,570
Money market mutual funds	1,251,156
U.S. Treasury notes	7,705,719
	<u>\$ 91,034,143</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 68,335,725
Restricted cash and investments	947,375
Fiduciary fund statement of net position	
Agency funds	21,751,043
	<u>\$ 91,034,143</u>

### Fair Value Measurements

The City 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 City has the following fair value measurements as of December 31, 2017:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Negotiable certificates of deposit	\$ -	\$ 6,915,987	\$ -
Federal Home Loan Bank	-	4,185,318	-
Federal National Mortgage Association	-	11,861,228	-
Federal Home Loan Mortgage Corporation	-	15,311,844	-
Federal Farm Credit Bank	-	9,103,254	-
Municipal bonds	-	1,102,734	-
Fixed income mutual funds	-	1,247,570	-
Money market mutual funds	-	1,251,156	-
U.S. Treasury notes	-	7,705,719	-
	<u>\$ -</u>	<u>\$ 58,684,810</u>	<u>\$ -</u>

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

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 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 City 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, \$5,712,185 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

### 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
Negotiable certificates of deposit	\$ 6,915,987	\$ -	\$ -	\$ -	\$ 6,915,987
Wisconsin local government investment pool	11,406,908	-	-	-	11,406,908
Federal Home Loan Bank	4,185,318	-	4,185,318	-	-
Federal National Mortgage Association	11,861,228	-	11,861,228	-	-
Federal Home Loan Mortgage Corporation	15,311,844	-	15,311,844	-	-
Federal Farm Credit Bank	9,103,254	-	9,103,254	-	-
Municipal bonds	1,102,734	-	253,237	849,497	-
Fixed income mutual funds	1,247,570	-	-	-	1,247,570
Money market mutual funds	1,251,156	-	-	-	1,251,156
U.S. Treasury notes	7,705,719	7,705,719	-	-	-
Totals	<u>\$ 70,091,718</u>	<u>\$ 7,705,719</u>	<u>\$ 40,714,881</u>	<u>\$ 849,497</u>	<u>\$ 20,821,621</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

### Concentration of Credit Risk

The investment policy of the City states that the funds of the City will be invested in accordance with Wisconsin State Statutes. The City's investment policy shall limit the investments to the following investment instruments and shall diversify the portfolio by instruments, financial institutions and maturities:

Instruments	Maximum % of Portfolio
U.S. Treasury obligations (bills, notes and bonds)	100%
U.S. government agency securities and Instruments of government sponsored operations	75%
Certificates of deposit in commercial banks	50%
State investment pool	100%

Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total Investments
Federal Farm Credit Bank	Federal agency securities	\$ 9,103,254	13%
Federal National Mortgage Association	Federal agency securities	11,861,228	17%
Federal Home Loan Bank	Federal agency securities	4,185,318	6%
Federal Home Loan Mortgage Corporation	Federal agency securities	15,311,844	22%

### 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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City'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
Negotiable certificates of deposit	\$ 6,915,987	\$ 3,234,541	\$ 1,220,530	\$ 1,872,980	\$ 587,936
Wisconsin local government investment pool	11,406,908	11,406,908	-	-	-
Federal Home Loan Bank	4,185,318	-	991,650	2,222,728	970,940
Federal National Mortgage Association	11,861,228	1,986,320	6,525,873	3,349,035	-
Federal Home Loan Mortgage Corporation	15,311,844	4,352,539	1,348,546	8,385,096	1,225,663
Federal Farm Credit Bank	9,103,254	-	6,530,498	2,572,756	-
Municipal bonds	1,102,734	185,809	174,596	742,329	-
Fixed income mutual funds	1,247,570	1,147,193	100,377	-	-
Money market mutual funds	1,251,156	1,251,156	-	-	-
U.S. Treasury notes	7,705,719	5,471,403	995,625	1,238,691	-
Totals	<u>\$ 70,091,718</u>	<u>\$ 29,035,869</u>	<u>\$ 17,887,695</u>	<u>\$ 20,383,615</u>	<u>\$ 2,784,539</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

### Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City'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.	\$ 40,461,644

### Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool (LGIP) of \$11,406,908 at year-end. The 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 City's share of the LGIP's assets was substantially equal to the carrying value.

### B. RESTRICTED ASSETS

Restricted assets on December 31, 2017 totaled \$947,375 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Enterprise Fund		
Water Utility		
Redemption account	\$ 415,732	To segregate resources accumulated for debt service payments over the next twelve months.
Reserve account	531,643	To report resources set aside to make up potential future deficiencies in the redemption account.
Total Restricted Assets	<u>\$ 947,375</u>	

# City of Sheboygan, 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>
<b>Governmental activities:</b>				
Capital assets, nondepreciable:				
Land	\$ 15,991,989	\$ 889,598	\$ 517,400	\$ 16,364,187
Construction in progress	182,666	40,000	182,666	40,000
Total capital assets, nondepreciable	<u>16,174,655</u>	<u>929,598</u>	<u>700,066</u>	<u>16,404,187</u>
Capital assets, depreciable:				
Buildings and improvements	32,814,756	723,618	-	33,538,374
Improvements other than buildings	19,232,709	800,440	-	20,033,149
Machinery and equipment	20,996,085	1,530,764	364,068	22,162,781
Infrastructure	121,025,850	3,462,971	-	124,488,821
Subtotals	<u>194,069,400</u>	<u>6,517,793</u>	<u>364,068</u>	<u>200,223,125</u>
Less accumulated depreciation for:				
Land improvements	16,375,251	720,303	-	17,095,554
Buildings and improvements	11,475,517	426,161	-	11,901,678
Machinery and equipment	14,148,955	1,440,077	364,068	15,224,964
Infrastructure	61,962,975	2,449,669	-	64,412,644
Subtotals	<u>103,962,698</u>	<u>5,036,210</u>	<u>364,068</u>	<u>108,634,840</u>
Total capital assets, depreciable, net	<u>90,106,702</u>	<u>1,481,583</u>	<u>-</u>	<u>91,588,285</u>
Governmental activities capital assets, net	<u>\$ 106,281,357</u>	<u>\$ 2,411,181</u>	<u>\$ 700,066</u>	<u>107,992,472</u>
Less: Capital related debt				<u>34,428,232</u>
Net investment in capital assets				<u>\$ 73,564,240</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, nondepreciable:				
Land	\$ 887,683	\$ 60,230	\$ -	\$ 947,913
Construction in progress	9,491,594	2,949,286	3,281,396	9,159,484
Total capital assets, nondepreciable	<u>10,379,277</u>	<u>3,009,516</u>	<u>3,281,396</u>	<u>10,107,397</u>
Capital assets, depreciable:				
Buildings and improvements	21,957,058	738,517	389,056	22,306,519
Improvements other than buildings	27,069,879	323,210	-	27,393,089
Machinery and equipment	33,177,869	946,734	543,018	33,581,585
Infrastructure	63,999,484	2,847,185	60,488	66,786,181
Subtotals	<u>146,204,290</u>	<u>4,855,646</u>	<u>992,562</u>	<u>150,067,374</u>
Less accumulated depreciation for:				
Buildings and improvements	14,573,443	578,482	-	15,151,925
Improvements other than buildings	20,667,294	343,410	-	21,010,704
Machinery and equipment	24,862,688	970,018	118,331	25,714,375
Infrastructure	26,158,173	1,208,546	60,488	27,306,231
Subtotals	<u>86,261,598</u>	<u>3,100,456</u>	<u>178,819</u>	<u>89,183,235</u>
Total capital assets, depreciable, net	<u>59,942,692</u>	<u>1,755,190</u>	<u>813,743</u>	<u>60,884,139</u>
Business-type activities capital assets, net	<u>\$ 70,321,969</u>	<u>\$ 4,764,706</u>	<u>\$ 4,095,139</u>	<u>70,991,536</u>
Less: Capital related debt				<u>19,948,824</u>
Net investment in capital assets				<u>\$ 51,042,712</u>

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

<b>Governmental activities</b>	
General government	\$ 45,612
Public safety	506,063
Public works	2,640,408
Culture and recreation	531,051
Conservation and development	455,071
Subtotal	<u>4,178,205</u>
Capital assets held by City's internal service fund are charged to various functions based on their usage of the assets	858,005
Total depreciation expense - governmental activities	<u>\$ 5,036,210</u>
<b>Business-type activities</b>	
Sewerage system	\$ 1,125,362
Water utility	
Depreciation expense	1,460,127
Depreciation expense allocated to clearing accounts	119,740
Transit commission	352,204
Parking facility	9,532
Boat facility	33,491
Total depreciation expense - business-type activities	<u>\$ 3,100,456</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

### D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds		
General	\$ 2,011,681	\$ -
Special revenue funds		
Community development block grant	-	656,586
Harbor center marina	-	2,820,364
Debt service funds		
TIF districts	-	174,504
GO Debt	2,811,581	-
Capital projects funds		
Tax levy	-	600,000
Bonded	600,000	-
TIF districts	-	5,331
Enterprise fund		
Water utility	-	1,166,477
Totals	<u>\$ 5,423,262</u>	<u>\$ 5,423,262</u>

The principal purpose of these interfunds is to account for the lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund advances between funds as of December 31, 2017 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds		
General	\$ 2,572,400	\$ -
Special revenue fund		
Redevelopment authority	-	575,000
Debt service fund		
TIF districts	-	935,646
Capital projects funds		
Tax levy	472,563	-
TIF districts	-	1,534,317
Totals	<u>\$ 3,044,963</u>	<u>\$ 3,044,963</u>

The principal purpose of these interfund advances was financing debt service maturities of the City's tax incremental financing districts and capital acquisitions.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated. A reconciliation to the statement of net position follows:

Due from other funds	\$ 1,166,477
Internal service fund allocation to business-type activities	(214,109)
Total internal balances - government wide Statement of Net Position	<u>\$ 952,368</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 2,811,255	\$ 7,860
Special revenue		
Cable TV	-	425,000
Tourism Promotion	-	1,519,222
Harbor Center Marina	745,913	-
Police Meg Unit	4,931	-
Special Assessment	-	698,822
Municipal Court	-	274,197
Ambulance	-	536,401
Capital projects		
Tax Levy	1,058,688	7,086
TIF Districts	1,331,519	-
Bonded	-	949,000
Debt service		
GO Debt	1,101,426	745,913
TIF Districts	264,999	1,596,518
Permanent		
Cemetery Perpetual Care	-	1,250
Enterprise		
Sewerage System	-	254,414
Water Utility	-	1,137,063
Parking Facility	10,015	-
Internal service		
Motor Vehicle	949,000	125,000
	<u>\$ 8,277,746</u>	<u>\$ 8,277,746</u>



# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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Interfund transfers were made for the following purposes:

Tax equivalent payment made by water utility to general fund	\$ 1,137,063
Tax equivalent payment made by sewer utility to general fund	254,414
Transfer from cemetery fund to reimburse general fund for operating costs	1,250
Transfer from cable TV to general fund for operating costs	425,000
Transfer from tourism promotion to reimburse the general fund for operating costs	57,930
Transfer from municipal court to general fund for operating costs	274,197
Transfer from ambulance fund to general fund for operating costs	536,401
Transfer from motor vehicle to general fund for operating costs	125,000
Transfer from general fund to reimburse MEG unit fund for operating costs	4,931
Transfer from convention center debt service to harbor center marina fund to reduce advances	745,913
Transfer to debt service fund from tourism promotion	791,292
Transfer to debt service fund from assessments	310,134
Transfer from T ID 6 debt service fund to T ID 6 capital fund for projects	125,000
Transfer from general fund to reimburse parking facility for operating costs	2,929
Transfer to reimburse parking facility for operating costs	7,086
Transfer to motor vehicle for equipment bonded in capital projects	949,000
Transfer from T ID 11 debt service fund to T ID 6 capital fund for projects	264,999
Transfer from tourism fund to capital projects for tourism related projects	670,000
Transfer to capital project fund from assessments	388,688
Transfer from T ID 11 debt service fund to T ID 6 capital fund for projects	872,819
Transfer from T ID 12 debt service fund to T ID 12 capital fund for projects	300,000
Transfer from T ID 14 debt service fund to T ID 14 capital fund for projects	33,700
	<u>\$ 8,277,746</u>

# City of Sheboygan, 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 City for the year ended December 31, 2017:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation debt					
Bonds	\$ 15,980,022	\$ -	\$ 2,230,636	\$ 13,749,386	\$ 2,419,775
Notes	18,639,531	5,400,000	2,814,952	21,224,579	3,034,951
Total general obligation debt	34,619,553	5,400,000	5,045,588	34,973,965	5,454,726
Debt premium	218,453	118,130	40,533	296,050	44,470
Debt discount	(59,739)	-	(6,843)	(52,896)	(6,843)
Mortgage notes	225,000	-	-	225,000	-
Capital leases	1,131,924	-	202,986	928,938	209,960
Sheboygan County	1,000,000	-	-	1,000,000	-
Compensated absences	3,043,949	1,911,314	1,146,786	3,808,477	1,611,404
Governmental activities Long-term obligations	<u>\$ 40,179,140</u>	<u>\$ 7,429,444</u>	<u>\$ 6,429,050</u>	<u>\$ 41,179,534</u>	<u>\$ 7,313,717</u>
<b>Business-type activities:</b>					
General obligation debt					
Bonds	\$ 214,978	\$ -	\$ 14,363	\$ 200,615	\$ 15,225
Revenue bonds	21,161,644	634,056	1,356,572	20,439,128	1,404,853
Bond anticipation notes	-	-	-	-	-
Debt premium	45,786	-	4,447	41,339	-
Compensated absences	520,105	49,028	55,406	513,727	53,448
Business-type activities Long-term obligations	<u>\$ 21,942,513</u>	<u>\$ 683,084</u>	<u>\$ 1,430,788</u>	<u>\$ 21,194,809</u>	<u>\$ 1,473,526</u>

Total interest paid during the year on long-term debt totaled \$1,506,378.

### General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/17
General obligation debt					
General obligation bonds					
General obligation bonds	9/1/07	10/1/26	4.50-5.00%	\$ 8,000,000	\$ 6,725,000
Taxable refunding bonds	6/23/10	4/1/27	3.50-5.25%	8,325,000	4,205,000
Refunding bonds	8/4/15	11/1/18	1.00-1.25%	2,375,000	800,000
Refunding bonds	8/25/16	10/1/22	1.00-2.00%	2,720,000	2,220,000
General obligation notes					
Land recycling loan	12/23/02	5/1/22	0%	2,700,000	400,645
Land recycling loan	4/14/04	5/1/23	0%	756,625	238,935
Promissory notes					
(Build America Bonds)	6/23/10	4/1/20	3.50-4.20%	2,045,000	675,000
Promissory notes	5/10/12	4/1/22	2.00-2.125%	4,745,000	2,450,000
Promissory notes	8/4/15	10/1/24	2.00-2.125%	4,310,000	2,375,000
Promissory notes	4/12/16	10/1/25	1.00-2.00%	3,400,000	2,925,000
Promissory notes	4/20/16	10/1/25	1.00-2.30%	7,525,000	6,760,000
Promissory notes	5/15/17	4/1/27	1.50-2.50%	5,000,000	5,000,000
State trust fund loan	9/12/17	3/15/22	3.50%	400,000	400,000

Total outstanding general obligation debt \$ 35,174,580

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

Annual principal and interest maturities of the outstanding general obligation debt of \$35,174,580 on December 31, 2017 are detailed below:

Year Ended December 31,	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 5,454,726	\$ 952,175	\$ 15,225	\$ 7,623	\$ 5,469,951	\$ 959,798
2019	4,198,813	811,318	16,138	7,601	4,214,951	818,919
2020	4,147,873	717,957	17,079	7,193	4,164,952	725,150
2021	4,316,820	615,137	18,131	6,696	4,334,951	621,833
2022	4,315,733	510,101	19,219	7,046	4,334,952	517,147
2023 - 2027	12,540,000	1,047,408	114,823	19,243	12,654,823	1,066,651
	<u>\$ 34,973,965</u>	<u>\$ 4,654,096</u>	<u>\$ 200,615</u>	<u>\$ 55,402</u>	<u>\$ 35,174,580</u>	<u>\$ 4,709,498</u>

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

### Build America Bond

The general obligation debt issued on June 23, 2010 qualifies as Build America Bonds, as described in Section 54AA of the Internal Revenue Code. The interest on the debt is taxable as set forth in the regulations. The City is eligible to receive a 35% subsidy of the annual interest payment from the Federal government. In order to receive this subsidy it is necessary for the City to file a claim form annually.

### Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2017 was \$104,883,117 as follows:

Equalized valuation of the City		\$ 2,619,605,000
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>130,980,250</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 35,174,580	
Less: Amounts available for financing general obligation debt		
Debt service funds	<u>9,077,447</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>26,097,133</u>
Legal margin for new debt		<u>\$ 104,883,117</u>

### Mortgage Notes

Mortgage notes currently outstanding consist of a note with the Sheboygan Development Corporation. A repayment schedule does not exist as of December 31, 2017.

### Amount due to Sheboygan County, Wisconsin

Sheboygan County, Wisconsin, provided funding to assist in the development and construction of the infrastructure of the Marina Boatworks facility. To the extent the City does not recover its initial taxpayer funding contribution through tax incremental revenues, the City will share any surplus cash with Sheboygan County in proportion to the initial taxpayer funding contributions excluding tax incremental revenue effects until the \$1,000,000 has been returned.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

### Revenue Bonds

Revenue bonds outstanding on December 31, 2017 totaled \$20,439,128 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/17
Sewerage system					
Clean Water Fund Loan	5/26/10	5/1/30	2.40%	\$ 2,747,622	\$ 2,009,542
Clean Water Fund Loan	10/23/13	5/1/33	2.63%	8,525,377	7,509,931
Water utility					
Revenue bonds	3/10/04	5/15/23	2.75%	3,152,000	1,176,568
Revenue bonds	4/1/07	5/1/27	4.00-5.00%	4,000,000	2,525,000
Revenue bonds	4/3/13	5/1/33	2.00-3.50%	3,000,000	2,550,000
Revenue bonds	5/13/15	5/1/35	1.65%	2,990,520	2,793,087
Revenue bonds	4/20/16	4/20/25	1.00-2.00%	2,115,000	1,875,000
Total outstanding revenue bonds					<u>\$ 20,439,128</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$20,439,128 on December 31, 2017 are detailed below:

Year Ended December 31,	Business-type Activities		
	Principal	Interest	Total
2018	\$ 1,404,853	\$ 521,395	\$ 1,926,248
2019	1,445,385	486,275	1,931,660
2020	1,466,432	449,044	1,915,476
2021	1,498,010	410,576	1,908,586
2022	1,530,130	370,959	1,901,089
2023 - 2027	6,944,686	1,251,369	8,196,055
2028 - 2032	4,859,165	456,921	5,316,086
2033 - 2034	1,290,467	24,004	1,314,471
	<u>\$ 20,439,128</u>	<u>\$ 3,970,543</u>	<u>\$ 24,409,671</u>

### Utility Revenues Pledged

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the water and sewerage system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water and sewer customer net revenues and are payable through 2034. The total principal and interest remaining to be paid on the bonds is \$24,409,671. Principal and interest paid for the current year and total customer net revenues for the water utility were \$1,159,925 and \$4,837,749, respectively. Principal and interest paid for the current year and total customer net revenues for the sewerage system were \$713,343 and \$1,301,621, respectively.

### Other Debt Information

There are a number of limitations and restrictions contained in the various bond and note obligations. The City believes it is substantially in compliance with all material limitations and restrictions.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

### Capital Lease

The City is obligated under various leases accounted for as capital leases that were used to finance the acquisition of capital assets. The cost of the capital assets under the capital leases are \$1,590,282 and the related accumulated depreciation is \$676,890 as of December 31, 2017.

The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments at December 31, 2017:

Year Ending	Governmental Activities
2018	\$ 240,716
2019	240,708
2020	240,715
2021	181,953
2022	106,455
Subtotal	1,010,547
Less: Amount representing interest	81,609
Present value of future minimum lease payments	<u>\$ 928,938</u>

### F. CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2017, there were 5 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$12,224,676.

### G. 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.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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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.

### 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:

Year	Core Fund Adjustment	Variable Fund Adjustment
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 \$2,235,521 in contributions from the City.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Contribution rates for the reporting period are:

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

#### 4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the City reported a liability of \$1,988,213 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 City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the City's proportion was 0.24121808%, which was a decrease of 0.00202434% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$5,133,864.

At December 31, 2017, the City 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	\$ 758,106	\$ 6,252,758
Net differences between projected and actual earnings on pension plan investments	9,896,693	-
Changes in assumptions	2,075,754	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	70,129	32,921
Employer contributions subsequent to the measurement date	2,515,080	-
Total	<u>\$ 15,315,762</u>	<u>\$ 6,285,679</u>

\$2,515,080 reported as deferred outflows related to pension resulting from the City'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	\$ 2,654,431
2018	2,654,431
2019	1,799,349
2020	(596,614)
2021	3,406
Total	<u>\$ 6,515,003</u>

# City of Sheboygan, 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:

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

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



# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

**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.

**Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate.**

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<b>1% Decrease to Discount Rate (6.20%)</b>	<b>Current Discount Rate (7.20%)</b>	<b>1% Increase to Discount Rate (8.20%)</b>
City's proportionate share of the net pension liability (asset)	\$ 26,156,215	\$ 1,988,213	\$ (16,622,244)

**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 City reported a payable of \$575,021 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2017.

## H. OTHER POSTEMPLOYMENT BENEFITS

**Plan Description.** The City provides health care related benefits for employees who retire prior to the age of 65. Benefit terms including eligibility and vesting requirements vary by employee classification. There were 423 active and 54 retired employees in the single-employer plan as of the most recent actuary valuation date.

**Annual OPEB Cost and Net OPEB Obligation.** The City'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 City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

Component	Amount
Annual required contribution	\$ 536,473
Interest on net OPEB	45,176
Adjustment to annual required contribution	(76,830)
Annual OPEB cost (expense)	504,819
Contributions made	375,717
Change in net OPEB obligation	129,102
OPEB obligation - beginning of year	1,505,861
OPEB obligation - end of year	\$ 1,634,963

The annual required contribution for the current year was determined as part of the January 1, 2016 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions include (a) 3.0% discount rate, and (b) projected salary increases as 3.0%.

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 an open level dollar amount of projected payroll. The remaining amortization period at December 31, 2017 is 30 years, and the remaining amount is \$4,955,334.

**Trend Information.** The City'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	\$ 504,819	74%	\$ 1,634,963
12/31/16	427,267	87%	1,505,861
12/31/15	565,061	59%	1,450,704

**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	\$ -	\$ 4,955,334	\$ 4,955,334	0.00%	\$ 26,123,451	19%

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.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

**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 entry age normal method was used. The actuarial assumptions include a rate of 3.0% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 7.5% for medical and dental, reduced by decrements to an ultimate rate of 5.0% for medical and dental after eighteen years. The UAAL is being amortized as a level dollar of projected payroll on an open basis. The remaining amortization period at December 31, 2017 was 30 years.

### I. 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:

	<u>General</u>	<u>Nonmajor</u>
Nonspendable		
Inventories and prepaid items	\$ 186,787	\$ 595,405
Long-term accounts and interfund receivables	2,217,588	-
Principal of endowment	-	1,476,888
Total Nonspendable Fund Balance	<u>\$ 2,404,375</u>	<u>\$ 2,072,293</u>

#### 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	
Community development	<u>\$ 1,636,498</u>
Debt Service Funds	
Restricted for	
Debt service	7,105,997
Tax incremental financing districts	1,971,450
Total Debt Service Funds Restricted Fund Balance	<u>9,077,447</u>
Capital Projects Funds	
Restricted for	
Capital improvements	<u>1,161,327</u>
Permanent Fund	
Restricted for	
Library trust	<u>550,088</u>
Total Restricted Fund Balance	<u>\$ 12,425,360</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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### Committed Fund Balance

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

General Fund	
Committed for	
Development	<u>\$ 350,000</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>\$ 684,880</u>
Special Revenue Funds	
Library activities and programs	1,073,904
Cable TV program	823,776
Tourism and promotion activities	206,115
Public safety - MEG unit	24,232
Special assessments	1,005,377
Municipal court operations	997
Ambulance services	386,117
Storm water	103,926
Park and recreation	136,111
Subtotal	<u>3,760,555</u>
Capital Projects Funds	
Assigned for subsequent year's expenditures	
Capital Improvements	<u>4,785,745</u>
Total	<u>\$ 9,231,180</u>

### Minimum General Fund Balance Policy

The City has also adopted a minimum fund balance policy of 25% of subsequent year budgeted expenditures not including debt service, for the general fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2018 General Fund Expenditures	\$ 37,651,007
Minimum Fund Balance %	(x) 25%
Minimum Fund Balance Amount	<u>\$ 9,412,752</u>

The City's unassigned general fund balance of \$20,461,650 is above the minimum fund balance amount.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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### Net Position

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

Governmental activities	
Restricted for	
Expendable	
Debt service	\$ 6,764,981
Tax incremental financing districts	1,971,450
Community development	8,034,681
Cemetery perpetual care	876,888
Library trust	1,150,088
Total governmental activities restricted net position	<u>18,798,088</u>
Business-type activities	
Restricted for	
Debt service	<u>365,973</u>
Total restricted net position	<u>\$ 19,164,061</u>

### NOTE 4: OTHER INFORMATION

#### A. COMPONENT UNITS

This report contains the Housing Authority of the City of Sheboygan (the "Housing Authority") and the Harbor Centre Business Improvement District, which are included as component units. Financial information for both is presented as a separate column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Information related to the Housing Authority is as follows:

#### Significant Accounting Policies

The Housing Authority follows the accrual basis of accounting.

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.

Capital assets are stated at cost at the date of acquisition. The provision for depreciation was computed under the straight-line method over the useful lives of the assets.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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### Deposits and Investments

The carrying amount of the Housing Authority's cash and investments totaled \$4,207,818 on March 31, 2017 as summarized below:

Deposits with financial institutions	\$ 269,315
Investments	
Government debt securities	2,261,819
Money market funds	60,061
Negotiable certificates of deposit	407,029
Exchange traded funds	1,209,594
	<u>\$ 4,207,818</u>

### Reconciliation to the basic financial statements

Combining Statement of Net Position	
Cash and investments	\$ 4,122,521
Cash and cash equivalents - restricted	85,297
	<u>\$ 4,207,818</u>

### 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 City 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 March 31, 2017, none of the Housing Authority's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

### Fair Value Measurements

The Housing Authority 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 Housing Authority has the following fair value measurements as of December 31, 2017:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Federal National Mortgage Association	\$ -	\$ 274,117	\$ -
Federal Home Loan Mortgage Corporation	-	935,387	-
Federal Farm Credit Bank	-	461,536	-
Federal Home Loan Bank	-	441,125	-
U.S. Treasury securities	-	149,654	-
Negotiable certificates of deposit	-	407,029	-
Exchange traded funds	1,209,594	-	-
Total investments by fair value level	<u>\$ 1,209,594</u>	<u>\$ 2,668,848</u>	<u>\$ -</u>

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organization. The Authority does not have an additional credit risk policy. Presented below is the actual rating as of March 31, 2017, for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Federal National Mortgage Association	\$ 274,117	\$ -	\$ 274,117	\$ -	\$ -
Federal Home Loan Mortgage Corporation	935,387	-	935,387	-	-
Federal Farm Credit Bank	461,536	-	-	461,536	-
Federal Home Loan Bank	441,125	-	-	441,125	-
U.S. Treasury securities	149,654	149,654	-	-	-
Totals	<u>\$ 2,261,819</u>	<u>\$ 149,654</u>	<u>\$ 1,209,504</u>	<u>\$ 902,661</u>	<u>\$ -</u>

### Concentration of Credit Risk

Concentration of credit risk refers to risk of loss attributed to investments in a single issuer. The Housing Authority does not have an additional investment policy regarding concentration of credit risk.

### Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Housing Authority'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.	\$ 2,112,165

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

### Interest Rate Risk

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

Information about the sensitivity of the fair values of the Housing Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Housing Authority'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	\$ 274,117	\$ -	\$ -	\$ 274,117	\$ -
Federal Home Loan Mortgage Corporation	935,387	-	-	935,387	-
Federal Farm Credit Bank	461,536	119,658	-	341,878	-
Federal Home Loan Bank	441,125	-	-	98,304	342,821
U.S. Treasury securities	149,654	149,654	-	-	-
Negotiable certificates of deposit	407,029	407,029	-	-	-
Exchange traded funds	1,209,594	1,209,594	-	-	-
Totals	<u>\$ 3,878,442</u>	<u>\$ 1,885,935</u>	<u>\$ -</u>	<u>\$ 1,649,686</u>	<u>\$ 342,821</u>

### Capital Assets

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, nondepreciable:				
Land	\$ 346,943	\$ -	\$ -	\$ 346,943
Construction in progress	124,068	212,584	203,651	133,001
Total capital assets, nondepreciable	<u>471,011</u>	<u>212,584</u>	<u>203,651</u>	<u>479,944</u>
Capital assets, depreciable:				
Buildings and improvements	8,770,469	288,994	-	9,059,463
Machinery and equipment	861,863	65,242	5,178	921,927
Total capital assets, depreciable	<u>9,632,332</u>	<u>354,236</u>	<u>5,178</u>	<u>9,981,390</u>
Less accumulated depreciation	<u>7,562,316</u>	<u>276,013</u>	<u>5,178</u>	<u>7,833,151</u>
Net capital assets, depreciable	<u>2,070,016</u>	<u>78,223</u>	<u>-</u>	<u>2,148,239</u>
Total capital assets, net of accumulated depreciation	<u>\$ 2,541,027</u>	<u>\$ 290,807</u>	<u>\$ 203,651</u>	<u>\$ 2,628,183</u>

Accumulated depreciation is not available by class or function.



# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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Information related to the Business Improvement District is as follows:

### Significant Accounting Policies

The Business Improvement District follows the accrual basis of accounting.

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.

### Deposits and Investments

Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to the statutory amount for demand deposits and time deposits. At year end, the carrying amount of the District's cash totaled \$26,680 and consisted entirely of bank deposits. The entire bank balance was covered by federal and state depository insurance.

### B. TAX INCREMENTAL FINANCING DISTRICTS

The City has established one capital projects fund and one debt service fund to account for Tax Incremental Districts (the "TID") which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TIDs were created, the property tax base within each TID was "frozen" and increment taxes resulting from increases to the property tax base are used to finance TID improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date.

Since creation of the above TIDs, the City 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 City from any future excess tax increment revenues. As of December 31, 2017, the amounts the City can recover from future excess tax increment revenues are as follows:

	Recoverable Costs
TID No. 5	\$ (15,772)
TID No. 6	(5,545,461)
TID No. 10	(631,644)
TID No. 11	1,297,242
TID No. 12	175,466
TID No. 13	278,416
TID No. 14	473,903
TID No. 15	155,865
TID No. 16	(4,675,365)
TID No. E1	(444,732)

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

	Termination Year
TID No. 5	2018
TID No. 6	2023
TID No. 10	2024
TID No. 11	2021
TID No. 12	2027
TID No. 13	2032
TID No. 14	2031
TID No. 15	2031
TID No. 16	2035
TID No. E1	2025

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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### C. TAX ABATEMENTS

The City has created tax incremental financing districts (the "TIDs") in accordance with Wisconsin State Statute 66.1105, *Tax Increment Law*. As part of the project plan for the TIDs, the City entered into agreements with developers for a creation of tax base within the TIDs. The agreements require the City to make annual repayments of property taxes collected within the TIDs to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2017, the City abated property taxes totaling \$721,733 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- ▶ A property tax abatement of \$263,353 to a developer for a senior housing project within Tax Incremental District No. 13.
- ▶ A property tax abatement of \$302,772 to a developer for retail development within Tax Incremental District No. 14.
- ▶ A property tax abatement of \$155,608 to a developer for retail development within Tax Incremental District No. 15.

### D. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City participates in a public entity risk pool called Cities and Villages Mutual Insurance Company to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omission. However, other risks, such as workers compensation and health care of its employees are accounted for and financed by the City in health self-insurance internal service fund and the workers compensation self-insurance internal service fund.

#### Self-Insurance Fund

For health insurance claims, the uninsured risk of loss is \$150,000 per person. In addition, there is a minimum aggregate deductible for the current policy year which is the greater of \$6,874,632 or 90% of the monthly aggregate deductible for the first month of the policy year, multiplied by twelve months. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have exceeded the commercial coverage for the individual stop-loss, but not the aggregate deductible during any of the past three years.

For workers compensation claims, the uninsured risk of loss is \$500,000 per incident. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the City participate in the risk management program. Amounts payable to the internal service funds are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$8,883,093 was available for that reserve at year end, and is included in unrestricted net position of the internal service funds.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for health insurance, workers compensation, and general liability claims that have been incurred but not reported.

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
Health Insurance				
2017	\$ 667,743	\$ 6,396,154	\$ 6,342,629	\$ 721,268
2016	1,332,954	5,271,879	5,937,090	667,743
Workers Compensation				
2017	55,993	298,397	292,881	61,509
2016	65,274	362,222	371,503	55,993
General Liability				
2017	185,703	167,036	167,036	185,703
2016	185,703	168,966	168,966	185,703

### Wisconsin Municipal Insurance Commission (WMIC)

#### Cities and Villages Mutual Insurance company (CVMIC)

CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. CVMIC provides liability insurance coverage to the cities and Villages which make up the membership of the WMIC that was established under Section 66.30 of the Wisconsin Statutes governing intergovernmental cooperation commissions.

CVMIC insures the municipalities up to \$5,000,000 per occurrence above the self-insured retention amount selected by each individual city or City. CVMIC also provides excess insurance of \$5,000,000 over the CVMIC layer thru a group purchase program paid proportionately by members for a total limit of \$10,000,000 per occurrence. Members pay premiums based on their self-insured retention amount, claims experience and population.

Management of CVMIC and WMIC consists of a board of directors and officers elected by the membership from each class of participants based on population. The board of directors hires the company executive director who in turn hires the management staff of CVMIC. The City does not exercise any control over the activities of CVMIC and WMIC beyond the election of the officer and board.

Financial statements of CVMIC can be obtained directly from CVMIC's offices. The City's Mutual Member Participation Calculation for 2017 is calculated at 2.936%. This calculation is based on premiums, claims and self-insured retention of the city as compared to the entire membership. The City's participation portion of available funds would be distributed upon dissolution. WMIC is not required to have an audit.

The City pays an annual premium to CVMIC for its general liability insurance as noted. The City's self-insured retention amount annually is \$125,000 per occurrence and \$500,000 in the aggregate. An actuarially determined estimate for outstanding losses and incurred but not reported losses related to the City is \$40,485 as of December 31, 2017.

### E. CONTINGENCIES

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under the Uniform Guidance has been conducted but final acceptance is still pending. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

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From time to time, the City 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 and the legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

### F. SUBSEQUENT EVENT

The Water Utility of the City of Sheboygan issued \$4,705,000 Water Utility Revenue Bonds on March 1, 2018, which were used for both refunding and nonrefunding purposes.

### G. 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 City 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 City 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 City 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 City is currently evaluating the impact this standard will have on the financial statements when adopted.

## REQUIRED SUPPLEMENTARY INFORMATION

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# City of Sheboygan, 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)
2008	\$ -	\$ 5,291,565	0.00%	\$ 5,291,565	\$ 27,270,092	19.40%
2010	-	6,126,869	0.00%	6,126,869	25,536,076	23.99%
2012	-	4,231,036	0.00%	4,231,036	25,031,966	16.90%
2014	-	4,879,620	0.00%	4,879,620	26,387,532	18.49%
2016	-	4,955,334	0.00%	4,955,334	26,123,451	18.97%

See notes to required supplementary information.

# City of Sheboygan, Wisconsin

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

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Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 317,005	\$ 651,682	48.64%
2010	491,903	583,533	84.30%
2011	438,536	653,520	67.10%
2012	632,472	350,789	180.30%
2013	502,179	410,228	122.41%
2014	67,853	503,634	13.47%
2015	331,000	593,753	55.75%
2016	372,110	457,761	81.29%
2017	375,717	536,473	70.03%

*See notes to required supplementary information.*

# City of Sheboygan, Wisconsin

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

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered-Employee Payroll (plan year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/15	0.24125991%	\$ (5,926,003)	\$ 26,387,532	22.46%	102.74%
12/31/16	0.24324242%	3,952,640	27,577,423	14.33%	98.20%
12/31/17	0.24121808%	1,988,213	26,123,451	7.61%	99.12%

## SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll (fiscal year)</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
12/31/15	\$ 2,385,841	\$ 2,385,841	\$ -	\$ 27,577,423	8.65%
12/31/16	2,235,521	2,235,521	-	26,123,451	8.56%
12/31/17	2,515,080	2,515,080	-	26,534,421	9.48%

### 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 City 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

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# City of Sheboygan, Wisconsin

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

	Special Revenue						
	Community Development Block Grant	Revolving Loan Funds	Lead Based Abatement Program	Mead Library	Cable TV	Tourism Promotion	Harbor Center Marina
<b>ASSETS</b>							
Cash and investments	\$ 916,541	\$ 717,875	\$ 8,641	\$ 1,223,550	\$ 683,346	\$ 81,908	\$ 153,311
Receivables							
Taxes and special charges	-	-	-	2,335,829	-	-	-
Accounts	-	-	-	-	145,195	226,442	26,015
Special assessments	-	-	-	-	-	-	-
Loans	3,301,078	3,097,105	416,765	-	-	-	-
Other	-	781	-	-	995	870	-
Due from other funds	-	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-	-
Due from other governments	657,113	-	-	-	-	-	-
Inventories and prepaid items	-	-	-	-	-	-	36,405
<b>Total assets</b>	<b>\$ 4,874,732</b>	<b>\$ 3,815,761</b>	<b>\$ 425,406</b>	<b>\$ 3,559,379</b>	<b>\$ 829,536</b>	<b>\$ 309,220</b>	<b>\$ 215,731</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities							
Accounts payable	\$ 3,766	\$ -	\$ -	\$ 69,422	\$ 2,356	\$ 102,527	\$ 60,606
Accrued and other current liabilities	4,101	-	-	80,224	3,404	578	-
Due to other funds	656,586	-	-	-	-	-	2,820,364
Advance from other funds	-	-	-	-	-	-	-
Due to other governments	-	-	416,765	-	-	-	-
Special deposits	-	-	-	-	-	-	59,730
Unearned revenues	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>664,453</b>	<b>-</b>	<b>416,765</b>	<b>149,646</b>	<b>5,760</b>	<b>103,105</b>	<b>2,940,700</b>
Deferred inflows of resources							
Property taxes levied for subsequent year	-	-	-	2,335,829	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Loans receivable	3,301,078	3,097,105	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>3,301,078</b>	<b>3,097,105</b>	<b>-</b>	<b>2,335,829</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances							
Nonspendable	-	-	-	-	-	-	36,405
Restricted	909,201	718,656	8,641	-	-	-	-
Assigned	-	-	-	1,073,904	823,776	206,115	-
Unassigned	-	-	-	-	-	-	(2,761,374)
<b>Total fund balances</b>	<b>909,201</b>	<b>718,656</b>	<b>8,641</b>	<b>1,073,904</b>	<b>823,776</b>	<b>206,115</b>	<b>(2,724,969)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,874,732</b>	<b>\$ 3,815,761</b>	<b>\$ 425,406</b>	<b>\$ 3,559,379</b>	<b>\$ 829,536</b>	<b>\$ 309,220</b>	<b>\$ 215,731</b>

# City of Sheboygan, Wisconsin

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

	Special Revenue							
	Police Meg Unit	Special Assessment	Redevelopment Authority	Municipal Court	Ambulance	Storm Water	Park Impact Fees	Park, Forestry & Open Space
<b>ASSETS</b>								
Cash and investments	\$ 21,814	\$ 961,668	\$ 207,218	\$ 22,892	\$ 222,836	\$ 103,802	\$ 72,806	\$ 53,192
Receivables								
Taxes and special charges	-	-	-	-	-	-	-	110,000
Accounts	-	41,297	-	3,300	359,164	-	-	-
Special assessments	-	689,418	-	-	-	-	-	-
Loans	-	-	1,040,004	-	-	-	-	-
Other	26	1,596	314	111	292	124	18	95
Due from other funds	-	-	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-	-	-
Due from other governments	4,931	-	-	-	-	-	-	25,000
Inventories and prepaid items	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 26,771</b>	<b>\$ 1,693,979</b>	<b>\$ 1,247,536</b>	<b>\$ 26,303</b>	<b>\$ 582,292</b>	<b>\$ 103,926</b>	<b>\$ 72,824</b>	<b>\$ 188,287</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ 1,905	\$ -	\$ 57,702	\$ 21,706	\$ 15,222	\$ -	\$ -	\$ 15,000
Accrued and other current liabilities	634	-	-	3,600	12,441	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Advance from other funds	-	-	575,000	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Special deposits	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>2,539</b>	<b>-</b>	<b>632,702</b>	<b>25,306</b>	<b>27,663</b>	<b>-</b>	<b>-</b>	<b>15,000</b>
Deferred inflows of resources								
Property taxes levied for subsequent year	-	-	-	-	-	-	-	110,000
Accounts receivable	-	-	-	-	168,512	-	-	-
Loans receivable	-	-	1,040,004	-	-	-	-	-
Special assessments	-	688,602	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>688,602</b>	<b>1,040,004</b>	<b>-</b>	<b>168,512</b>	<b>-</b>	<b>-</b>	<b>110,000</b>
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Assigned	24,232	1,005,377	-	997	386,117	103,926	72,824	63,287
Unassigned	-	-	(425,170)	-	-	-	-	-
<b>Total fund balances</b>	<b>24,232</b>	<b>1,005,377</b>	<b>(425,170)</b>	<b>997</b>	<b>386,117</b>	<b>103,926</b>	<b>72,824</b>	<b>63,287</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 26,771</b>	<b>\$ 1,693,979</b>	<b>\$ 1,247,536</b>	<b>\$ 26,303</b>	<b>\$ 582,292</b>	<b>\$ 103,926</b>	<b>\$ 72,824</b>	<b>\$ 188,287</b>

# City of Sheboygan, Wisconsin

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

	Capital Projects			Debt Service	Permanent Funds		Totals	
	Capital Projects Tax Levy	Capital Projects TIF Districts	Capital Projects Bonded	TIF Districts	Cemetery Perpetual Care	Library Trust	2017	2016
<b>ASSETS</b>								
Cash and investments	\$ 4,474,171	\$ 888,518	\$ 829,307	\$ 2,675,565	\$ 876,717	\$ 1,150,088	\$ 16,345,766	\$ 18,402,470
Receivables								
Taxes and special charges	929,507	-	-	3,388,756	-	-	6,764,092	6,544,775
Accounts	280,843	139,915	-	9,049	93	-	1,231,313	829,669
Special assessments	-	-	-	-	-	-	689,418	632,889
Loans	496,969	-	-	390,000	-	-	8,741,921	8,698,632
Other	5,439	-	-	7,986	78	-	18,725	31,605
Due from other funds	-	-	600,000	-	-	-	600,000	-
Advance to other funds	472,563	-	-	-	-	-	472,563	77,730
Due from other governments	697,735	-	-	-	-	-	1,384,779	779,278
Inventories and prepaid items	59,000	-	500,000	-	-	-	595,405	93,162
<b>Total assets</b>	<b>\$ 7,416,227</b>	<b>\$ 1,028,433</b>	<b>\$ 1,929,307</b>	<b>\$ 6,471,356</b>	<b>\$ 876,888</b>	<b>\$ 1,150,088</b>	<b>\$ 36,843,982</b>	<b>\$ 36,090,210</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ 803,342	\$ 495,328	\$ 267,980	\$ 1,000	\$ -	\$ -	\$ 1,917,862	\$ 756,384
Accrued and other current liabilities	-	660	-	-	-	-	105,642	157,566
Due to other funds	600,000	5,331	-	174,504	-	-	4,256,785	3,620,282
Advance from other funds	-	1,534,317	-	935,646	-	-	3,044,963	1,328,775
Due to other governments	-	-	-	-	-	-	416,765	724,326
Special deposits	-	-	-	-	-	-	59,730	-
Unearned revenues	131,664	-	-	-	-	-	131,664	138,664
<b>Total liabilities</b>	<b>1,535,006</b>	<b>2,035,636</b>	<b>267,980</b>	<b>1,111,150</b>	<b>-</b>	<b>-</b>	<b>9,933,411</b>	<b>6,725,997</b>
Deferred inflows of resources								
Property taxes levied for subsequent year	929,507	-	-	3,388,756	-	-	6,764,092	6,544,775
Accounts receivable	-	-	-	-	-	-	168,512	215,344
Loans receivable	106,969	-	-	-	-	-	7,545,156	7,974,306
Special assessments	-	-	-	-	-	-	688,602	631,925
<b>Total deferred inflows of resources</b>	<b>1,036,476</b>	<b>-</b>	<b>-</b>	<b>3,388,756</b>	<b>-</b>	<b>-</b>	<b>15,166,362</b>	<b>15,366,350</b>
Fund balances								
Nonspendable	59,000	-	500,000	-	876,888	600,000	2,072,293	1,562,662
Restricted	-	-	1,161,327	1,971,450	-	550,088	5,319,363	7,588,981
Assigned	4,785,745	-	-	-	-	-	8,546,300	8,183,988
Unassigned	-	(1,007,203)	-	-	-	-	(4,193,747)	(3,337,768)
<b>Total fund balances</b>	<b>4,844,745</b>	<b>(1,007,203)</b>	<b>1,661,327</b>	<b>1,971,450</b>	<b>876,888</b>	<b>1,150,088</b>	<b>11,744,209</b>	<b>13,997,863</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 7,416,227</b>	<b>\$ 1,028,433</b>	<b>\$ 1,929,307</b>	<b>\$ 6,471,356</b>	<b>\$ 876,888</b>	<b>\$ 1,150,088</b>	<b>\$ 36,843,982</b>	<b>\$ 36,090,210</b>

# City of Sheboygan, 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						
	Community Development Block Grant	Revolving Loan Funds	Lead Based Abatement Program	Mead Library	Cable TV	Tourism Promotion	Harbor Center Marina
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ 2,305,741	\$ -	\$ 1,572,735	\$ 145
Special assessments	-	-	-	-	-	-	-
Intergovernmental	1,130,343	-	-	689,879	-	-	-
Licenses and permits	-	-	-	-	569,961	-	-
Fines and forfeits	-	-	-	-	-	20	-
Public charges for services	-	-	-	43,668	707	-	816,946
Miscellaneous	210,170	294,693	6,417	51,389	5,883	9,528	1,887
Total revenues	1,340,513	294,693	6,417	3,090,677	576,551	1,582,283	818,978
EXPENDITURES							
Current							
General government	-	-	-	-	-	1,885	-
Public safety	-	-	-	-	-	30,536	-
Public works	-	-	-	-	-	-	740,609
Health and human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	3,039,232	145,983	30,669	-
Conservation and development	449,253	75,000	-	-	-	524,261	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	3,753
Capital outlay	805,805	-	-	35,884	62,362	795	225,892
Total expenditures	1,255,058	75,000	-	3,075,116	208,345	588,146	970,254
Excess of revenues over (under) expenditures	85,455	219,693	6,417	15,561	368,206	994,137	(151,276)
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-
Payment to advance refunding escrow agent	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	745,913
Transfers out	-	-	-	-	(425,000)	(1,519,222)	-
Total other financing sources (uses)	-	-	-	-	(425,000)	(1,519,222)	745,913
Net change in fund balances	85,455	219,693	6,417	15,561	(56,794)	(525,085)	594,637
Fund balances - January 1	823,746	498,963	2,224	1,058,343	880,570	731,200	(3,319,606)
Fund balances - December 31	\$ 909,201	\$ 718,656	\$ 8,641	\$ 1,073,904	\$ 823,776	\$ 206,115	\$ (2,724,969)

# City of Sheboygan, 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							
	Police Meg Unit	Special Assessment	Redevelopment Authority	Municipal Court	Ambulance	Storm Water	Park Impact Fees	Park, Forestry & Open Space
REVENUES								
Taxes	\$ -	\$ -	\$ 22,222	\$ -	\$ -	\$ -	\$ -	\$ 110,000
Special assessments	-	434,350	-	-	-	-	-	-
Intergovernmental	29,638	-	-	-	8,730	-	-	25,000
Licenses and permits	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	705,457	-	-	-	-
Public charges for services	-	-	-	3,300	1,317,886	19,949	72,751	-
Miscellaneous	314	30,819	102,158	545	1,876	753	73	701
Total revenues	29,952	465,169	124,380	709,302	1,328,492	20,702	72,824	135,701
EXPENDITURES								
Current								
General government	-	-	-	434,712	-	-	-	-
Public safety	29,539	-	-	-	554,098	-	-	-
Public works	-	-	-	-	-	8,341	-	-
Health and human services	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Conservation and development	-	-	27,771	-	-	-	-	-
Debt service								
Principal	-	-	-	-	89,311	-	-	-
Interest and fiscal charges	-	-	-	-	17,145	-	-	-
Capital outlay	457	-	831,791	-	-	7,536	-	72,414
Total expenditures	29,996	-	859,562	434,712	660,554	15,877	-	72,414
Excess of revenues over (under) expenditures	(44)	465,169	(735,182)	274,590	667,938	4,825	72,824	63,287
OTHER FINANCING SOURCES (USES)								
Long-term debt issued	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-
Payment to advance refunding escrow agent	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	4,931	-	-	-	-	-	-	-
Transfers out	-	(698,822)	-	(274,197)	(536,401)	-	-	-
Total other financing sources (uses)	4,931	(698,822)	-	(274,197)	(536,401)	-	-	-
Net change in fund balances	4,887	(233,653)	(735,182)	393	131,537	4,825	72,824	63,287
Fund balances - January 1	19,345	1,239,030	310,012	604	254,580	99,101	-	-
Fund balances - December 31	\$ 24,232	\$ 1,005,377	\$ (425,170)	\$ 997	\$ 386,117	\$ 103,926	\$ 72,824	\$ 63,287

# City of Sheboygan, 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			Debt Service	Permanent Funds		Totals	
	Capital Projects Tax Levy	Capital Projects TIF Districts	Capital Projects Bonded	TIF Districts	Cemetery Perpetual Care	Library Trust	2017	2016
<b>REVENUES</b>								
Taxes	\$ 1,681,879	\$ -	\$ -	\$ 2,559,012	\$ -	\$ -	\$ 8,251,734	\$ 8,182,016
Special assessments	-	-	-	-	-	-	434,350	208,188
Intergovernmental	790,314	250,000	600,000	53,639	-	-	3,577,543	1,625,656
Licenses and permits	-	-	-	-	-	-	569,961	598,520
Fines and forfeits	-	-	-	-	-	-	705,477	732,004
Public charges for services	-	205,796	-	-	11,611	-	2,492,614	1,917,781
Miscellaneous	96,797	-	-	194,152	9,166	156,365	1,173,686	1,250,462
Total revenues	2,568,990	455,796	600,000	2,806,803	20,777	156,365	17,205,365	14,514,627
<b>EXPENDITURES</b>								
Current								
General government	-	-	-	-	-	-	436,597	460,646
Public safety	-	-	-	-	-	-	614,173	564,818
Public works	-	-	-	-	-	-	748,950	1,043,327
Health and human services	-	-	-	-	12,139	-	12,139	450
Culture and recreation	-	-	-	-	-	312,409	3,528,293	3,053,777
Conservation and development	-	2,788,302	304,350	-	-	-	4,168,937	4,301,908
Debt service								
Principal	-	-	-	1,734,951	-	-	1,824,262	1,721,686
Interest and fiscal charges	-	-	-	243,434	-	-	264,332	650,224
Capital outlay	3,063,500	2,410,853	3,839,051	-	-	-	11,356,340	6,263,323
Total expenditures	3,063,500	5,199,155	4,143,401	1,978,385	12,139	312,409	22,954,023	18,060,159
Excess of revenues over (under) expenditures	(494,510)	(4,743,359)	(3,543,401)	828,418	8,638	(156,044)	(5,748,658)	(3,545,532)
<b>OTHER FINANCING SOURCES (USES)</b>								
Long-term debt issued	-	400,000	5,000,000	-	-	-	5,400,000	13,645,000
Capital lease proceeds	-	-	-	-	-	-	-	664,000
Premium on debt issued	-	-	-	-	-	-	-	49,079
Payment to advance refunding escrow agent	-	-	-	-	-	-	-	(6,940,000)
Proceeds from sale of capital assets	696,450	-	-	-	-	-	696,450	1,039,062
Transfers in	1,058,688	1,331,519	-	264,999	-	-	3,406,050	1,219,939
Transfers out	(7,086)	-	(949,000)	(1,596,518)	(1,250)	-	(6,007,496)	(4,654,866)
Total other financing sources (uses)	1,748,052	1,731,519	4,051,000	(1,331,519)	(1,250)	-	3,495,004	5,022,214
<b>Net change in fund balances</b>	1,253,542	(3,011,840)	507,599	(503,101)	7,388	(156,044)	(2,253,654)	1,476,682
<b>Fund balances - January 1</b>	3,591,203	2,004,637	1,153,728	2,474,551	869,500	1,306,132	13,997,863	12,521,181
<b>Fund balances - December 31</b>	<u>\$ 4,844,745</u>	<u>\$ (1,007,203)</u>	<u>\$ 1,661,327</u>	<u>\$ 1,971,450</u>	<u>\$ 876,888</u>	<u>\$ 1,150,088</u>	<u>\$ 11,744,209</u>	<u>\$ 13,997,863</u>

# City of Sheboygan, Wisconsin

## MEAD LIBRARY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 2,305,741	\$ 2,305,741	\$ 2,305,741	\$ -
Intergovernmental	642,413	642,413	689,879	47,466
Public charges for services	65,500	65,500	43,668	(21,832)
Miscellaneous	66,000	66,000	51,389	(14,611)
Total revenues	3,079,654	3,079,654	3,090,677	11,023
<b>EXPENDITURES</b>				
Current				
Culture and recreation	3,037,954	3,069,465	3,039,232	30,233
Capital outlay	41,700	41,700	35,884	5,816
Total expenditures	3,079,654	3,111,165	3,075,116	36,049
Net change in fund balance	-	(31,511)	15,561	47,072
Fund balance - January 1	1,058,343	1,058,343	1,058,343	-
Fund balance - December 31	\$ 1,058,343	\$ 1,026,832	\$ 1,073,904	\$ 47,072



# City of Sheboygan, Wisconsin

## CABLE TV SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Licenses and permits	\$ 625,000	\$ 625,000	\$ 569,961	\$ (55,039)
Public charges for services	650	650	707	57
Miscellaneous	4,500	4,500	5,883	1,383
Total revenues	630,150	630,150	576,551	(53,599)
<b>EXPENDITURES</b>				
Current				
Culture and recreation	141,214	141,214	145,983	(4,769)
Capital outlay	71,315	71,315	62,362	8,953
Total expenditures	212,529	212,529	208,345	4,184
Excess of revenues over expenditures	417,621	417,621	368,206	(49,415)
<b>OTHER FINANCING USES</b>				
Transfers out	(425,000)	(425,000)	(425,000)	-
<b>Net change in fund balance</b>	(7,379)	(7,379)	(56,794)	(49,415)
<b>Fund balance - January 1</b>	880,570	880,570	880,570	-
<b>Fund balance - December 31</b>	<u>\$ 873,191</u>	<u>\$ 873,191</u>	<u>\$ 823,776</u>	<u>\$ (49,415)</u>

# City of Sheboygan, Wisconsin

## TOURISM PROMOTION SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 1,387,000	\$ 1,387,000	\$ 1,572,735	\$ 185,735
Fines and forfeits	-	-	20	20
Miscellaneous	3,000	3,000	9,528	6,528
Total revenues	1,390,000	1,390,000	1,582,283	192,283
<b>EXPENDITURES</b>				
Current				
General government	3,150	3,150	1,885	1,265
Public safety	25,122	25,122	30,536	(5,414)
Culture and recreation	53,801	53,801	30,669	23,132
Conservation and development	465,000	465,000	524,261	(59,261)
Capital outlay	1,500	1,500	795	705
Total expenditures	548,573	548,573	588,146	(39,573)
Excess of revenues over expenditures	841,427	841,427	994,137	152,710
<b>OTHER FINANCING USES</b>				
Transfers out	(1,464,930)	(1,464,930)	(1,519,222)	(54,292)
<b>Net change in fund balance</b>	(623,503)	(623,503)	(525,085)	98,418
<b>Fund balance - January 1</b>	731,200	731,200	731,200	-
<b>Fund balance - December 31</b>	<u>\$ 107,697</u>	<u>\$ 107,697</u>	<u>\$ 206,115</u>	<u>\$ 98,418</u>

# City of Sheboygan, Wisconsin

## HARBOR CENTER MARINA SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 145	\$ 145
Public charges for services	800,000	800,000	816,946	16,946
Miscellaneous	-	-	1,887	1,887
Total revenues	800,000	800,000	818,978	18,978
<b>EXPENDITURES</b>				
Current				
Public works	557,080	557,080	740,609	(183,529)
Debt service				
Interest and fiscal charges	4,000	4,000	3,753	247
Capital outlay	350,000	350,000	225,892	124,108
Total expenditures	911,080	911,080	970,254	(59,174)
Deficiency of revenues under expenditures	(111,080)	(111,080)	(151,276)	(40,196)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	350,000	350,000	745,913	395,913
Net change in fund balance	238,920	238,920	594,637	355,717
Fund balance - January 1	(3,319,606)	(3,319,606)	(3,319,606)	-
Fund balance - December 31	<u>\$ (3,080,686)</u>	<u>\$ (3,080,686)</u>	<u>\$ (2,724,969)</u>	<u>\$ 355,717</u>

# City of Sheboygan, Wisconsin

## POLICE MEG UNIT SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ 53,827	\$ 53,827	\$ 29,638	\$ (24,189)
Miscellaneous	-	-	314	314
Total revenues	53,827	53,827	29,952	(23,875)
<b>EXPENDITURES</b>				
Current				
Public safety	53,827	53,827	29,539	24,288
Capital outlay	-	-	457	(457)
Total expenditures	53,827	53,827	29,996	23,831
Deficiency of revenues under expenditures	-	-	(44)	(44)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	4,931	4,931
Net change in fund balance	-	-	4,887	4,887
Fund balance - January 1	19,345	19,345	19,345	-
Fund balance - December 31	\$ 19,345	\$ 19,345	\$ 24,232	\$ 4,887

# City of Sheboygan, Wisconsin

## SPECIAL ASSESSMENT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 282,760	\$ 282,760	\$ 434,350	\$ 151,590
Miscellaneous	12,600	12,600	30,819	18,219
Total revenues	295,360	295,360	465,169	169,809
<b>OTHER FINANCING USES</b>				
Transfers out	(698,822)	(698,822)	(698,822)	-
<b>Net change in fund balance</b>	(403,462)	(403,462)	(233,653)	169,809
<b>Fund balance - January 1</b>	1,239,030	1,239,030	1,239,030	-
<b>Fund balance - December 31</b>	<u>\$ 835,568</u>	<u>\$ 835,568</u>	<u>\$ 1,005,377</u>	<u>\$ 169,809</u>

# City of Sheboygan, Wisconsin

## REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 25,000	\$ 25,000	\$ 22,222	\$ (2,778)
Miscellaneous	-	-	102,158	102,158
Total revenues	25,000	25,000	124,380	99,380
<b>EXPENDITURES</b>				
Current				
Conservation and development	45,000	50,000	27,771	22,229
Capital outlay	-	575,000	831,791	(256,791)
Total expenditures	45,000	625,000	859,562	(234,562)
<b>Net change in fund balance</b>	(20,000)	(600,000)	(735,182)	(135,182)
<b>Fund balance - January 1</b>	310,012	310,012	310,012	-
<b>Fund balance - December 31</b>	<u>\$ 290,012</u>	<u>\$ (289,988)</u>	<u>\$ (425,170)</u>	<u>\$ (135,182)</u>

# City of Sheboygan, Wisconsin

## MUNICIPAL COURT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeits	\$ 825,000	\$ 825,000	\$ 705,457	\$ (119,543)
Public charges for services	4,500	4,500	3,300	(1,200)
Miscellaneous	-	-	545	545
Total revenues	829,500	829,500	709,302	(120,198)
<b>EXPENDITURES</b>				
Current				
General government	544,393	544,393	434,712	109,681
Excess of revenues over expenditures	285,107	285,107	274,590	(10,517)
<b>OTHER FINANCING USES</b>				
Transfers out	(279,860)	(279,860)	(274,197)	5,663
Net change in fund balance	5,247	5,247	393	(4,854)
Fund balance - January 1	604	604	604	-
Fund balance - December 31	\$ 5,851	\$ 5,851	\$ 997	\$ (4,854)

# City of Sheboygan, Wisconsin

## AMBULANCE SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 8,730	\$ 8,730	\$ -
Public charges for services	1,200,000	1,200,000	1,317,886	117,886
Miscellaneous	-	-	1,876	1,876
Total revenues	1,200,000	1,208,730	1,328,492	119,762
<b>EXPENDITURES</b>				
Current				
Public safety	663,599	672,329	554,098	118,231
Debt service				-
Principal	-	-	89,311	(89,311)
Interest and fiscal charges	-	-	17,145	(17,145)
Total expenditures	663,599	672,329	660,554	11,775
Excess of revenues over expenditures	536,401	536,401	667,938	131,537
<b>OTHER FINANCING USES</b>				
Transfers out	(536,401)	(536,401)	(536,401)	-
Net change in fund balance	-	-	131,537	131,537
Fund balance - January 1	254,580	254,580	254,580	-
Fund balance - December 31	\$ 254,580	\$ 254,580	\$ 386,117	\$ 131,537



# City of Sheboygan, Wisconsin

## STORM WATER SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Public charges for services	\$ 1,200	\$ 1,200	\$ 19,949	\$ 18,749
Miscellaneous	-	-	753	753
Total revenues	1,200	1,200	20,702	19,502
<b>EXPENDITURES</b>				
Current				
Public works	-	8,804	8,341	463
Capital outlay	80,000	80,000	7,536	72,464
Total expenditures	80,000	88,804	15,877	72,927
<b>Net change in fund balance</b>	(78,800)	(87,604)	4,825	92,429
<b>Fund balance - January 1</b>	99,101	99,101	99,101	-
<b>Fund balance - December 31</b>	<u>\$ 20,301</u>	<u>\$ 11,497</u>	<u>\$ 103,926</u>	<u>\$ 92,429</u>

# City of Sheboygan, Wisconsin

## PARK FORESTRY & OPEN SPACE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 110,000	\$ 110,000	\$ 110,000	\$ -
Intergovernmental	-	-	25,000	25,000
Miscellaneous	-	-	701	701
Total revenues	110,000	110,000	135,701	25,701
<b>EXPENDITURES</b>				
Capital outlay	110,000	110,000	72,414	37,586
<b>Net change in fund balance</b>	-	-	63,287	63,287
<b>Fund balance - January 1</b>	-	-	-	-
<b>Fund balance - December 31</b>	\$ -	\$ -	\$ 63,287	\$ 63,287

# City of Sheboygan, Wisconsin

## CAPITAL PROJECTS TAX LEVY FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 1,733,457	\$ 1,733,457	\$ 1,681,879	\$ (51,578)
Intergovernmental	1,150,000	1,150,000	790,314	(359,686)
Miscellaneous	4,020,375	4,037,875	96,797	(3,941,078)
Total revenues	6,903,832	6,921,332	2,568,990	(4,352,342)
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	390,000	-	390,000
Capital outlay	8,150,820	9,021,252	3,063,500	5,957,752
Total expenditures	8,150,820	9,411,252	3,063,500	6,347,752
Excess of revenues over (under) expenditures	(1,246,988)	(2,489,920)	(494,510)	1,995,410
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	1,470,000	1,720,000	696,450	(1,023,550)
Transfers in	1,058,688	1,058,688	1,058,688	-
Transfers out	(89,289)	(350,289)	(7,086)	343,203
Total other financing sources (uses)	2,439,399	2,428,399	1,748,052	(680,347)
<b>Net change in fund balance</b>	1,192,411	(61,521)	1,253,542	1,315,063
<b>Fund balance - January 1</b>	3,591,203	3,591,203	3,591,203	-
<b>Fund balance - December 31</b>	<u>\$ 4,783,614</u>	<u>\$ 3,529,682</u>	<u>\$ 4,844,745</u>	<u>\$ 1,315,063</u>

# City of Sheboygan, Wisconsin

## CAPITAL PROJECTS TIF DISTRICTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 250,000	\$ 175,000
Public charges for services	215,000	215,000	205,796	(9,204)
Miscellaneous	75,000	475,000	-	(475,000)
Total revenues	365,000	765,000	455,796	(309,204)
<b>EXPENDITURES</b>				
Current				
Conservation and development	65,000	3,389,868	2,788,302	601,566
Capital outlay	1,006,000	2,792,047	2,410,853	381,194
Total expenditures	1,071,000	6,181,915	5,199,155	982,760
Excess of revenues over (under) expenditures	(706,000)	(5,416,915)	(4,743,359)	673,556
<b>OTHER FINANCING SOURCES</b>				
Long-term debt issued	-	400,000	400,000	-
Transfers in	61,000	1,086,762	1,331,519	244,757
Total other financing sources	61,000	1,486,762	1,731,519	244,757
<b>Net change in fund balance</b>	(645,000)	(3,930,153)	(3,011,840)	918,313
<b>Fund balance - January 1</b>	2,004,637	2,004,637	2,004,637	-
<b>Fund balance - December 31</b>	<u>\$ 1,359,637</u>	<u>\$ (1,925,516)</u>	<u>\$ (1,007,203)</u>	<u>\$ 918,313</u>

# City of Sheboygan, Wisconsin

## CAPITAL PROJECTS BONDED FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 600,000	-
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	605,000	605,000	600,000	(5,000)
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	350,000	304,350	45,650
Capital outlay	8,701,600	9,514,112	3,839,051	5,675,061
Total expenditures	8,701,600	9,864,112	4,143,401	5,720,711
Excess of revenues over (under) expenditures	(8,096,600)	(9,259,112)	(3,543,401)	5,715,711
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	9,000,000	9,000,000	5,000,000	(4,000,000)
Transfers out	(949,000)	(949,000)	(949,000)	-
Total other financing sources (uses)	8,051,000	8,051,000	4,051,000	(4,000,000)
<b>Net change in fund balance</b>	(45,600)	(1,208,112)	507,599	1,715,711
<b>Fund balance - January 1</b>	1,153,728	1,153,728	1,153,728	-
<b>Fund balance - December 31</b>	<u>\$ 1,108,128</u>	<u>\$ (54,384)</u>	<u>\$ 1,661,327</u>	<u>\$ 1,715,711</u>

# City of Sheboygan, Wisconsin

## DEBT SERVICE GO DEBT FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 2,886,889	\$ 2,886,889	\$ 2,886,889	\$ -
Miscellaneous	507,965	507,965	556,797	48,832
Total revenues	3,394,854	3,394,854	3,443,686	48,832
<b>EXPENDITURES</b>				
Current				
General government	-	-	450	(450)
Debt service				-
Principal	3,438,666	3,438,666	3,424,312	14,354
Interest and fiscal charges	763,322	763,322	838,670	(75,348)
Total expenditures	4,201,988	4,201,988	4,263,432	(61,444)
Excess of revenues over (under) expenditures	(807,134)	(807,134)	(819,746)	(12,612)
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on debt issued	-	-	118,130	118,130
Transfers in	1,047,134	1,047,134	1,101,426	54,292
Transfers out	(350,000)	(350,000)	(745,913)	(395,913)
Total other financing sources (uses)	697,134	697,134	473,643	(223,491)
<b>Net change in fund balance</b>	(110,000)	(110,000)	(346,103)	(236,103)
<b>Fund balance - January 1</b>	7,452,100	7,452,100	7,452,100	-
<b>Fund balance - December 31</b>	<u>\$ 7,342,100</u>	<u>\$ 7,342,100</u>	<u>\$ 7,105,997</u>	<u>\$ (236,103)</u>

# City of Sheboygan, Wisconsin

## DEBT SERVICE TIF DISTRICTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 2,995,754	\$ 2,995,754	\$ 2,559,012	\$ (436,742)
Intergovernmental	28,332	28,332	53,639	25,307
Miscellaneous	21,498	21,498	194,152	172,654
Total revenues	3,045,584	3,045,584	2,806,803	(238,781)
<b>EXPENDITURES</b>				
Current				
Conservation and development	741,572	741,572	-	741,572
Debt service				-
Principal	1,814,834	1,814,834	1,734,951	79,883
Interest and fiscal charges	212,155	212,155	243,434	(31,279)
Total expenditures	2,768,561	2,768,561	1,978,385	790,176
Excess of revenues over expenditures	277,023	277,023	828,418	551,395
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on debt issued	-	-	-	-
Transfers in	347,235	347,235	264,999	(82,236)
Transfers out	(325,999)	(784,699)	(1,596,518)	(811,819)
Total other financing sources (uses)	21,236	(437,464)	(1,331,519)	(894,055)
<b>Net change in fund balance</b>	298,259	(160,441)	(503,101)	(342,660)
<b>Fund balance - January 1</b>	2,474,551	2,474,551	2,474,551	-
<b>Fund balance - December 31</b>	\$ 2,772,810	\$ 2,314,110	\$ 1,971,450	\$ (342,660)

# City of Sheboygan, Wisconsin

## CEMETERY PERPETUAL CARE PERMANENT FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Public charges for services	\$ 9,400	\$ 9,400	\$ 11,611	\$ 2,211
Miscellaneous	1,250	1,250	9,166	7,916
Total revenues	10,650	10,650	20,777	10,127
<b>EXPENDITURES</b>				
Current				
Health and human services	750	750	12,139	(11,389)
Excess of revenues over expenditures	9,900	9,900	8,638	(1,262)
<b>OTHER FINANCING USES</b>				
Transfers out	(1,250)	(1,250)	(1,250)	-
Net change in fund balance	8,650	8,650	7,388	(1,262)
Fund balance - January 1	869,500	869,500	869,500	-
Fund balance - December 31	<u>\$ 878,150</u>	<u>\$ 878,150</u>	<u>\$ 876,888</u>	<u>\$ (1,262)</u>



# City of Sheboygan, Wisconsin

## LIBRARY TRUST PERMANENT FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ 9,545	\$ 9,545	\$ 156,365	\$ 146,820
<b>EXPENDITURES</b>				
Current				
Culture and recreation	-	-	312,409	(312,409)
<b>Net change in fund balance</b>	9,545	9,545	(156,044)	(165,589)
<b>Fund balance - January 1</b>	1,306,132	1,306,132	1,306,132	-
<b>Fund balance - December 31</b>	<u>\$ 1,315,677</u>	<u>\$ 1,315,677</u>	<u>\$ 1,150,088</u>	<u>\$ (165,589)</u>

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Parking Facility	Boat Facility	Totals	
			2017	2016
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 458,866	\$ 270,553	\$ 729,419	\$ 781,389
Receivables				
Taxes and special charges	14,777	-	14,777	16,103
Customer accounts	26,977	34	27,011	20,117
Special assessments	130,430	-	130,430	123,853
Other	631	176	807	1,881
Total current assets	631,681	270,763	902,444	943,343
Other assets				
Advance to other funds	-	-	-	445,913
Capital assets				
Nondepreciable	716,258	-	716,258	716,258
Depreciable	479,371	410,030	889,401	561,247
Total capital assets	1,195,629	410,030	1,605,659	1,277,505
Total assets	1,827,310	680,793	2,508,103	2,666,761
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	33,184	-	33,184	43,391
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	19,470	15,854	35,324	31,760
Accrued and other current liabilities	4,036	-	4,036	3,592
Due to other governments	3,150	-	3,150	2,979
Unearned revenue	-	91	91	91
Total current liabilities	26,656	15,945	42,601	38,422
Long-term obligations, less current portion				
Net pension liability	4,141	-	4,141	7,516
Total liabilities	30,797	15,945	46,742	45,938
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related amounts	13,093	-	13,093	15,890
<b>NET POSITION</b>				
Net investment in capital assets	1,195,629	410,030	1,605,659	1,277,505
Unrestricted	620,975	254,818	875,793	1,370,819
Total net position	\$ 1,816,604	\$ 664,848	\$ 2,481,452	\$ 2,648,324

# City of Sheboygan, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	Parking Facility	Boat Facility	Totals	
			2017	2016
<b>OPERATING REVENUES</b>				
Charges for services	\$ 384,836	\$ 62,420	\$ 447,256	\$ 420,979
Other	6,181	-	6,181	5,283
Total operating revenues	391,017	62,420	453,437	426,262
<b>OPERATING EXPENSES</b>				
Personal services	181,428	-	181,428	175,568
Contractual services	181,756	156,883	338,639	261,189
Supplies and materials	43,902	-	43,902	53,851
Insurance	696	-	696	884
Other	34,505	-	34,505	7,567
Depreciation	9,532	33,491	43,023	45,031
Total operating expenses	451,819	190,374	642,193	544,090
Operating loss	(60,802)	(127,954)	(188,756)	(117,828)
<b>NONOPERATING REVENUES</b>				
Interest income	5,353	3,835	9,188	22,094
Gain on disposal of capital assets	2,666	-	2,666	-
Other nonoperating revenues	15	-	15	14,758
Total nonoperating revenues	8,034	3,835	11,869	36,852
Loss before transfers	(52,768)	(124,119)	(176,887)	(80,976)
Transfers in	10,015	-	10,015	8,694
Transfers out	-	-	-	(91,675)
Change in net position	(42,753)	(124,119)	(166,872)	(163,957)
Net position - January 1	1,859,357	788,967	2,648,324	2,812,281
Net position - December 31	\$ 1,816,604	\$ 664,848	\$ 2,481,452	\$ 2,648,324

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

	Parking Facility	Boat Facility	Totals	
			2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 386,149	\$ 62,965	\$ 449,114	\$ 392,536
Cash paid for employee wages and benefits	(176,949)	-	(176,949)	(317,323)
Cash paid to suppliers	(271,418)	(142,760)	(414,178)	(172,442)
Net cash used by operating activities	(62,218)	(79,795)	(142,013)	(97,229)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Nonoperating revenues	15	-	15	14,758
Transfer in (out)	10,015	-	10,015	(82,981)
Advances to other funds	-	445,913	445,913	(106,809)
Net cash provided (used) by noncapital financing activities	10,030	445,913	455,943	(175,032)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(35,577)	(335,600)	(371,177)	(164,070)
Sale of capital assets	2,666	-	2,666	-
Special assessments assessed	(6,577)	-	(6,577)	-
Net cash used by capital and related financing activities	(39,488)	(335,600)	(375,088)	(164,070)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	5,353	3,835	9,188	22,094
<b>Change in cash and cash equivalents</b>	(86,323)	34,353	(51,970)	(414,237)
<b>Cash and cash equivalents - January 1</b>	545,189	236,200	781,389	1,195,626
<b>Cash and cash equivalents - December 31</b>	<u>\$ 458,866</u>	<u>\$ 270,553</u>	<u>\$ 729,419</u>	<u>\$ 781,389</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>				
Operating loss	\$ (60,802)	\$ (127,954)	\$ (188,756)	\$ (117,828)
Adjustments to reconcile operating loss to net cash used by operating activities				
Depreciation	9,532	33,491	43,023	45,031
Change in liability (asset) and deferred outflows and inflows of resources				
Pension	4,035	-	4,035	2,666
Change in operating assets and liabilities				
Accounts receivables	(5,039)	545	(4,494)	(33,724)
Accounts payable	(10,559)	14,123	3,564	4,606
Accrued and other current liabilities	444	-	444	460
Due to other governments	171	-	171	1,562
Unearned revenue	-	-	-	(2)
Net cash used by operating activities	<u>\$ (62,218)</u>	<u>\$ (79,795)</u>	<u>\$ (142,013)</u>	<u>\$ (97,229)</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	<u>\$ 458,866</u>	<u>\$ 270,553</u>	<u>\$ 729,419</u>	<u>\$ 781,389</u>
Noncash capital and related financing activities				
None				

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS DECEMBER 31, 2017

	Motor Vehicle	Data Processing	Health Self Insurance	Workers Compensation Self Insurance	General Liability Self Insurance	Total
<b>ASSETS</b>						
Current assets						
Cash and investments	\$ 2,490,211	\$ 878,895	\$ 5,302,046	\$ 1,810,444	\$ 444,515	\$ 10,926,111
Receivables						
Accounts	-	-	-	-	29,110	29,110
Other	2,963	1,054	6,816	2,086	441	13,360
Inventories and prepaid items	-	-	-	-	47,423	47,423
Total current assets	<u>2,493,174</u>	<u>879,949</u>	<u>5,308,862</u>	<u>1,812,530</u>	<u>521,489</u>	<u>11,016,004</u>
Other assets						
Investment in CVMIC	-	-	-	-	2,205,665	2,205,665
Capital assets						
Depreciable	<u>4,761,771</u>	<u>189,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,951,080</u>
Total assets	<u>7,254,945</u>	<u>1,069,258</u>	<u>5,308,862</u>	<u>1,812,530</u>	<u>2,727,154</u>	<u>18,172,749</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related amounts	<u>170,804</u>	<u>160,392</u>	<u>35,162</u>	<u>26,369</u>	<u>-</u>	<u>392,727</u>
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable	94,577	26,747	18,288	-	7,055	146,667
Accrued and other current liabilities	<u>16,741</u>	<u>17,201</u>	<u>721,268</u>	<u>61,509</u>	<u>185,703</u>	<u>1,002,422</u>
Total current liabilities	<u>111,318</u>	<u>43,948</u>	<u>739,556</u>	<u>61,509</u>	<u>192,758</u>	<u>1,149,089</u>
Long-term obligations, less current portion						
Net pension liability	<u>22,750</u>	<u>21,314</u>	<u>4,556</u>	<u>3,413</u>	<u>-</u>	<u>52,033</u>
Total liabilities	<u>134,068</u>	<u>65,262</u>	<u>744,112</u>	<u>64,922</u>	<u>192,758</u>	<u>1,201,122</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related amounts	<u>71,923</u>	<u>67,384</u>	<u>14,403</u>	<u>10,789</u>	<u>-</u>	<u>164,499</u>
<b>NET POSITION</b>						
Net investment in capital assets	4,761,771	189,309	-	-	-	4,951,080
Unrestricted	<u>2,457,987</u>	<u>907,695</u>	<u>4,585,509</u>	<u>1,763,188</u>	<u>2,534,396</u>	<u>12,248,775</u>
Total net position	<u>\$ 7,219,758</u>	<u>\$ 1,097,004</u>	<u>\$ 4,585,509</u>	<u>\$ 1,763,188</u>	<u>\$ 2,534,396</u>	<u>\$ 17,199,855</u>

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Motor Vehicle	Data Processing	Health Self Insurance	Workers Compensation Self Insurance	General Liability Self Insurance	Total
<b>OPERATING REVENUES</b>						
Interdepartmental charges						
for services	\$ 1,811,338	\$ 853,477	\$ 6,037,897	\$ 610,360	\$ 258,621	\$ 9,571,693
Other	4,071	-	207	1,134	61,541	66,953
Total operating revenues	1,815,409	853,477	6,038,104	611,494	320,162	9,638,646
<b>OPERATING EXPENSES</b>						
Personal services	559,966	503,692	123,527	139,975	-	1,327,160
Contractual services	627,383	277,262	269,830	19,753	98,751	1,292,979
Supplies and materials	270,615	7,711	96	-	-	278,422
Insurance	-	-	6,396,154	298,397	167,036	6,861,587
Other	43,951	37,514	425,376	-	-	506,841
Depreciation	833,047	24,958	-	-	-	858,005
Total operating expenses	2,334,962	851,137	7,214,983	458,125	265,787	11,124,994
<b>Operating income (loss)</b>	(519,553)	2,340	(1,176,879)	153,369	54,375	(1,486,348)
<b>NONOPERATING REVENUES</b>						
Interest income	16,769	5,617	39,519	12,749	2,873	77,527
Gain on disposal of capital assets	89,243	1,330	-	-	-	90,573
Other nonoperating revenues	-	-	1,000	-	-	1,000
Total nonoperating revenues	106,012	6,947	40,519	12,749	2,873	169,100
Income (loss) before transfers	(413,541)	9,287	(1,136,360)	166,118	57,248	(1,317,248)
Transfers in	949,000	-	-	-	-	949,000
Transfers out	(125,000)	-	-	-	-	(125,000)
<b>Change in net position</b>	410,459	9,287	(1,136,360)	166,118	57,248	(493,248)
<b>Net position - January 1</b>	6,809,299	1,087,717	5,721,869	1,597,070	2,477,148	17,693,103
<b>Net position - December 31</b>	<u>\$ 7,219,758</u>	<u>\$ 1,097,004</u>	<u>\$ 4,585,509</u>	<u>\$ 1,763,188</u>	<u>\$ 2,534,396</u>	<u>\$ 17,199,855</u>

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Motor Vehicle	Data Processing	Health Self Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from other departments	\$ 1,817,477	\$ 854,771	\$ 6,044,002
Cash paid for employee wages and benefits	(527,172)	(471,399)	(68,432)
Cash paid to suppliers	(976,843)	(467,431)	(7,081,701)
Net cash provided (used) by operating activities	313,462	(84,059)	(1,106,131)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Nonoperating revenues	-	-	1,000
Transfer in (out)	824,000	-	-
Net cash provided by noncapital financing activities	824,000	-	1,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(977,972)	-	-
Sale of capital assets	89,243	1,330	-
Net cash provided (used) by capital and related financing activities	(888,729)	1,330	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	16,769	5,617	39,519
<b>Change in cash and cash equivalents</b>	265,502	(77,112)	(1,065,612)
<b>Cash and cash equivalents - January 1</b>	2,224,709	956,007	6,367,658
<b>Cash and cash equivalents - December 31</b>	<u>\$ 2,490,211</u>	<u>\$ 878,895</u>	<u>\$ 5,302,046</u>

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Workers Compensation Self Insurance	General Liability Self Insurance	Total
\$ 612,296	\$ 291,152	\$ 9,619,698
4,248	-	(1,062,755)
<u>(452,609)</u>	<u>(261,747)</u>	<u>(9,240,331)</u>
163,935	29,405	(683,388)
-	-	1,000
<u>-</u>	<u>-</u>	<u>824,000</u>
-	-	825,000
-	-	(977,972)
<u>-</u>	<u>-</u>	<u>90,573</u>
-	-	(887,399)
12,749	2,873	77,527
176,684	32,278	(668,260)
<u>1,633,760</u>	<u>412,237</u>	<u>11,594,371</u>
<u>\$ 1,810,444</u>	<u>\$ 444,515</u>	<u>\$ 10,926,111</u>



# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Motor Vehicle	Data Processing	Health Self Insurance
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (519,553)	\$ 2,340	\$ (1,176,879)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	833,047	24,958	-
Change in liability (asset) and deferred outflows and inflows of resources			
Pension	33,114	29,775	5,676
Change in operating assets and liabilities			
Accounts receivables	2,068	1,294	5,898
Inventories and prepaid items	-	-	-
Accounts payable	(34,894)	(144,944)	9,755
Accrued and other current liabilities	(320)	2,518	49,419
Net cash provided (used) by operating activities	<u>\$ 313,462</u>	<u>\$ (84,059)</u>	<u>\$ (1,106,131)</u>
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents in current assets	<u>\$ 2,490,211</u>	<u>\$ 878,895</u>	<u>\$ 5,302,046</u>
Noncash capital and related financing activities			
None			

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<u>Workers Compensation Self Insurance</u>	<u>General Liability Self Insurance</u>	<u>Total</u>
\$ 153,369	\$ 54,375	\$ (1,486,348)
-	-	858,005
4,248	-	72,813
802	(29,010)	(18,948)
-	(1,239)	(1,239)
-	5,279	(164,804)
<u>5,516</u>	<u>-</u>	<u>57,133</u>
<u>\$ 163,935</u>	<u>\$ 29,405</u>	<u>\$ (683,388)</u>
<u>\$ 1,810,444</u>	<u>\$ 444,515</u>	<u>\$ 10,926,111</u>

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF NET POSITION

### AGENCY FUNDS

DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Property Tax Collection	Business Improvement District	Totals	
			2017	2016
<b>ASSETS</b>				
Cash and investments	\$ 21,738,167	\$ 12,876	\$ 21,751,043	\$ 24,622,636
Receivables				
Taxes	19,311,633	138,113	19,449,746	15,900,104
Special assessments	-	489	489	6,415
Other	-	20	20	-
<b>TOTAL ASSETS</b>	<u>\$ 41,049,800</u>	<u>\$ 151,498</u>	<u>\$ 41,201,298</u>	<u>\$ 40,529,155</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 13,760	\$ -	\$ 13,760	\$ 18,808
Due to other governments	41,036,040	151,498	41,187,538	40,510,347
<b>TOTAL LIABILITIES</b>	<u>\$ 41,049,800</u>	<u>\$ 151,498</u>	<u>\$ 41,201,298</u>	<u>\$ 40,529,155</u>

## STATISTICAL SECTION

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## Statistical Section

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This part of the City of Sheboygan, Wisconsin's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

<b><u>Category</u></b>	<b><u>Table Numbers</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>1, 2, 3, 4, 5, 6</b>
<b>Revenue Capacity</b> These schedules contain trend information to help the reader assess the City's most significant local revenue source, property taxes.	<b>7, 8, 9, 10, 11, 12</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional future debt.	<b>13, 14, 15, 16, 17</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>18, 19, 20, 21, 22, 23</b>

# City of Sheboygan, Wisconsin

**Table 1**  
**Net Position by Component**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 38,970,270	\$ 41,488,124	\$ 58,606,360	\$ 62,034,386	\$ 62,614,199	\$ 61,686,120	\$ 65,499,602	\$ 68,762,742	\$ 72,566,789	\$ 73,564,240
Restricted	10,200,793	10,493,524	11,657,598	13,430,825	10,025,353	10,281,124	15,388,499	26,080,482	19,788,354	18,798,088
Unrestricted	28,586,833	28,086,580	32,800,773	28,444,039	38,723,736	42,265,308	37,210,360	42,348,123	45,306,587	41,615,958
<b>Total Governmental Activities Net Position</b>	<b>\$ 77,757,896</b>	<b>\$ 80,068,228</b>	<b>\$ 103,064,731</b>	<b>\$ 103,909,250</b>	<b>\$ 111,363,288</b>	<b>\$ 114,232,552</b>	<b>\$ 118,098,461</b>	<b>\$ 137,191,347</b>	<b>\$ 137,661,730</b>	<b>\$ 133,978,286</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 55,115,451	\$ 55,832,054	\$ 43,048,680	\$ 44,776,929	\$ 46,036,580	\$ 47,127,812	\$ 46,101,809	\$ 49,034,460	\$ 49,659,932	\$ 51,042,712
Restricted	253,405	249,998	224,414	250,873	263,213	327,984	354,742	1,085,229	362,790	365,973
Unrestricted	11,642,831	10,878,800	11,014,009	11,169,275	13,397,149	14,623,418	16,873,324	16,791,423	18,726,071	18,495,886
<b>Total Business-Type Activities Net Position</b>	<b>\$ 67,011,687</b>	<b>\$ 66,960,852</b>	<b>\$ 54,287,103</b>	<b>\$ 56,197,077</b>	<b>\$ 59,696,942</b>	<b>\$ 62,079,214</b>	<b>\$ 63,329,875</b>	<b>\$ 66,911,112</b>	<b>\$ 68,748,793</b>	<b>\$ 69,904,571</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 94,085,721	\$ 97,320,178	\$ 101,655,040	\$ 106,811,315	\$ 108,650,779	\$ 108,813,932	\$ 111,601,411	\$ 117,797,202	\$ 122,226,721	\$ 124,606,952
Restricted	10,454,198	10,743,522	11,882,012	13,681,698	10,288,566	10,609,108	15,743,241	27,165,711	20,151,144	19,164,061
Unrestricted	40,229,664	38,965,380	43,814,782	39,613,314	52,120,885	56,888,726	54,083,684	59,139,546	64,032,658	60,111,844
<b>Total Primary Government Net Position</b>	<b>\$ 144,769,583</b>	<b>\$ 147,029,080</b>	<b>\$ 157,351,834</b>	<b>\$ 160,106,327</b>	<b>\$ 171,060,230</b>	<b>\$ 176,311,766</b>	<b>\$ 181,428,336</b>	<b>\$ 204,102,459</b>	<b>\$ 206,410,523</b>	<b>\$ 203,882,857</b>

Data Source:  
City of Sheboygan Annual Financial Reports

# City of Sheboygan, Wisconsin

Table 2  
Changes in Net Position  
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 6,469,360	\$ 7,071,443	\$ 5,183,018	\$ 5,326,674	\$ 4,254,073	\$ 5,171,405	\$ 4,144,176	\$ 4,564,930	\$ 5,444,768	\$ 4,708,434
Public Safety	21,489,185	21,408,702	20,716,281	20,581,232	19,556,679	21,006,290	22,111,836	21,536,099	25,225,575	23,939,749
Public Works	12,244,009	12,177,337	9,903,725	12,584,958	10,758,639	12,174,901	10,790,187	10,487,907	11,717,027	14,121,062
Health and Human Services	805,281	450,730	406,364	385,895	237,296	172,242	304,209	248,554	227,450	255,113
Culture and Recreation	7,636,722	7,120,598	6,712,200	5,707,005	5,770,952	6,032,967	6,543,709	6,351,971	6,044,438	6,772,787
Conservation and Development	1,846,998	2,072,271	3,315,157	6,296,295	7,363,068	4,171,513	4,884,854	3,794,389	6,814,846	8,173,750
Interest on Debt	3,192,276	2,797,690	2,746,639	2,525,082	2,035,610	1,715,905	1,633,489	1,560,094	1,500,390	1,066,364
Total Governmental Activities Expenses	53,683,831	53,098,771	48,983,384	53,407,141	49,976,317	50,445,223	50,412,460	48,543,944	56,974,494	59,037,259
<b>Business Type Activities</b>										
Sewerage System	7,711,056	6,250,337	5,837,214	6,376,121	5,897,388	5,883,145	6,890,509	6,581,820	6,953,152	7,362,528
Water Utility	4,266,675	4,871,023	5,089,016	4,701,580	4,613,636	5,018,488	5,716,087	5,696,692	5,686,315	5,982,391
Storm Water Utility	1,049,752	429,384	-	-	-	-	-	-	-	-
Transit Commission	4,318,999	4,241,882	4,492,552	4,647,465	4,034,267	4,312,550	4,438,191	4,484,699	4,248,573	4,384,859
Parking Facility	485,803	382,162	400,498	406,036	370,262	435,586	370,770	389,148	448,263	461,015
Boat Facility	68,371	76,693	77,220	185,309	85,492	108,672	80,927	84,605	96,892	190,374
Total Business-type Activities Expenses	17,900,656	16,251,481	15,896,500	16,316,511	15,001,045	15,758,441	17,496,484	17,236,964	17,433,195	18,381,167
Total Primary Government Expenses	\$ 71,584,487	\$ 69,350,252	\$ 64,879,884	\$ 69,723,652	\$ 64,977,362	\$ 66,203,664	\$ 67,908,944	\$ 65,780,908	\$ 74,407,689	\$ 77,418,426
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
General Government	\$ 1,500,247	\$ 16,519,291	\$ 1,539,460	\$ 1,295,691	\$ 1,418,870	\$ 1,563,935	\$ 1,578,668	\$ 1,208,973	\$ 1,193,456	\$ 1,773,102
Public Safety	2,781,650	2,758,086	3,128,755	2,781,001	3,050,100	3,112,144	2,956,480	3,194,409	3,016,040	3,271,630
Public Works	3,552,929	2,520,781	4,759,933	4,865,155	5,421,157	5,113,945	5,869,381	6,463,775	10,324,602	5,572,375
Health and Human Services	86,872	95,415	113,975	125,782	123,796	128,532	110,999	101,684	118,574	106,824
Culture and Recreation	1,591,066	1,638,305	1,563,793	1,584,176	1,581,452	1,661,455	1,574,901	1,778,329	1,568,531	1,616,922
Conservation and Development	1,716,625	1,897,337	2,020,572	1,724,009	5,519,903	2,523,342	1,005,269	1,066,224	1,309,647	2,377,239
Interest on Debt	-	-	226,647	19,600	-	-	-	-	-	-
Total Governmental Activities Program Revenues	11,229,389	25,429,215	13,353,135	12,395,414	17,115,278	14,103,353	13,095,698	13,813,394	17,530,850	14,718,092

# City of Sheboygan, Wisconsin

**Table 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business Type Activities</b>										
Sewerage System	\$6,712,953	\$6,488,530	\$6,413,528	\$7,346,232	\$7,133,549	\$6,903,941	\$7,149,216	\$7,096,664	\$7,251,287	\$7,208,012
Water Utility	6,121,589	5,653,700	6,841,264	7,005,029	7,649,532	7,735,297	8,161,634	8,840,779	8,885,067	9,093,923
Storm Water Utility	639,812	960,129	-	-	-	-	-	-	-	-
Transit Commission	3,555,159	3,324,942	5,515,551	3,609,075	3,675,718	3,566,870	3,667,944	3,481,367	3,448,376	3,445,948
Parking Facility	463,543	412,999	424,829	428,909	388,697	400,132	361,313	377,104	364,862	391,017
Boat Facility	143,088	134,889	114,165	104,637	102,109	96,943	74,705	96,004	61,400	62,420
<b>Total Business Type Activities Program Revenues</b>	<b>17,636,144</b>	<b>16,975,189</b>	<b>19,309,337</b>	<b>18,493,882</b>	<b>18,949,605</b>	<b>18,703,183</b>	<b>19,414,812</b>	<b>19,891,918</b>	<b>20,010,992</b>	<b>20,201,320</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 28,865,533</b>	<b>\$ 42,404,404</b>	<b>\$ 32,662,472</b>	<b>\$ 30,889,296</b>	<b>\$ 36,064,883</b>	<b>\$ 32,806,536</b>	<b>\$ 32,510,510</b>	<b>\$ 33,705,312</b>	<b>\$ 37,541,842</b>	<b>\$ 34,919,412</b>
<b>Net (Expense)Revenue</b>										
Governmental Activities	\$ (42,454,442)	\$ (27,669,556)	\$ (35,630,249)	\$ (41,011,727)	\$ (32,861,039)	\$ (36,341,870)	\$ (37,316,762)	\$ (34,730,550)	\$ (39,443,644)	\$ (44,319,167)
Business Type Activities	(264,512)	723,708	3,412,837	2,177,371	3,948,560	2,944,742	1,918,328	2,654,954	2,577,797	1,820,153
<b>Total Primary Government Net Expenses</b>	<b>\$ (42,718,954)</b>	<b>\$ (26,945,848)</b>	<b>\$ (32,217,412)</b>	<b>\$ (38,834,356)</b>	<b>\$ (28,912,479)</b>	<b>\$ (33,397,128)</b>	<b>\$ (35,398,434)</b>	<b>\$ (32,075,596)</b>	<b>\$ (36,865,847)</b>	<b>\$ (42,499,014)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Taxes	\$ 27,296,803	\$ 26,990,776	\$ 27,788,931	\$ 26,969,653	\$ 26,433,662	\$ 25,373,427	\$ 25,979,122	\$ 26,730,996	\$ 25,554,735	\$ 26,010,730
Federal and State Grants and other Contributions not restricted to specific functions	12,975,866	133,506	12,715,780	12,620,057	11,979,429	11,941,310	11,965,361	12,148,337	12,065,160	12,127,317
Interest and Investment Earnings	1,724,495	596,435	1,130,629	824,677	875,581	480,981	1,787,042	1,095,318	504,160	714,243
Miscellaneous	49,906	524,887	294,826	109,605	49,806	148,729	145,502	246,267	160,041	175,520
Gain on Sale of Capital Asset	-	-	-	164,471	-	-	-	-	170,150	226,451
Transfers	736,606	1,734,284	16,696,586	1,167,783	1,219,980	1,266,687	1,305,644	1,445,191	1,459,781	1,381,462
<b>Total Governmental Activities General Revenues</b>	<b>42,783,676</b>	<b>29,979,888</b>	<b>58,626,752</b>	<b>41,856,246</b>	<b>40,558,458</b>	<b>39,211,134</b>	<b>41,182,671</b>	<b>41,666,109</b>	<b>39,914,027</b>	<b>40,635,723</b>
<b>Business Type Activities</b>										
Taxes	658,345	658,345	638,595	638,595	511,559	511,547	511,547	511,547	511,547	511,547
Interest and Investment Earnings	399,080	182,488	220,511	157,950	157,704	99,438	110,229	180,976	126,959	138,866
Miscellaneous	-	118,908	69,508	99,605	95,058	88,357	1,732	63,038	79,641	58,209
Gain on Sale of Capital Asset	-	-	-	4,236	6,964	4,875	14,469	9,535	1,518	8,465
Transfers	(736,606)	(1,734,284)	(16,696,586)	(1,167,783)	(1,219,980)	(1,266,687)	(1,305,644)	(1,445,191)	(1,459,781)	(1,381,462)
<b>Total Business Type Activities General Revenues</b>	<b>320,819</b>	<b>(774,543)</b>	<b>(15,767,972)</b>	<b>(267,397)</b>	<b>(448,695)</b>	<b>(562,470)</b>	<b>(667,667)</b>	<b>(680,095)</b>	<b>(740,116)</b>	<b>(664,375)</b>
<b>Total primary Government General Revenues</b>	<b>\$ 43,104,495</b>	<b>\$ 29,205,345</b>	<b>\$ 42,858,780</b>	<b>\$ 41,588,849</b>	<b>\$ 40,109,763</b>	<b>\$ 38,648,664</b>	<b>\$ 40,515,004</b>	<b>\$ 40,986,014</b>	<b>\$ 39,173,911</b>	<b>\$ 39,971,348</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 329,234	\$ 2,310,332	\$ 22,996,503	\$ 844,519	\$ 7,697,419	\$ 2,869,264	\$ 3,865,909	\$ 6,935,559	\$ 470,383	\$ (3,683,444)
Business Type Activities	56,307	(50,835)	(12,355,135)	1,909,974	3,499,865	2,382,272	1,250,661	1,974,859	1,837,681	1,155,778
<b>Total Primary Government</b>	<b>\$ 385,541</b>	<b>\$ 2,259,497</b>	<b>\$ 10,641,368</b>	<b>\$ 2,754,493</b>	<b>\$ 11,197,284</b>	<b>\$ 5,251,536</b>	<b>\$ 5,116,570</b>	<b>\$ 8,910,418</b>	<b>\$ 2,308,064</b>	<b>\$ (2,527,666)</b>

Data Source: City of Sheboygan Annual Financial Reports



# City of Sheboygan, Wisconsin

Table 3  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 2,967,095	\$ 2,977,023	\$ 2,014,548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	1,625,695	1,619,045	1,654,485	1,590,841	1,804,028	1,432,804	2,404,375
Designated	4,850,787	4,614,000	4,014,000	-	-	-	-	-	-	-
Committed	-	-	-	-	-	992,144	836,003	2,936,649	350,000	350,000
Assigned	-	-	-	-	-	-	870,682	914,984	65,413	684,880
Unassigned	5,035,614	3,855,949	5,664,409	11,545,830	15,489,844	15,852,144	17,707,173	17,905,924	20,678,879	20,461,650
<b>Total General Fund</b>	<b>\$ 12,853,496</b>	<b>\$ 11,446,972</b>	<b>\$ 11,692,957</b>	<b>\$ 13,171,525</b>	<b>\$ 17,108,889</b>	<b>\$ 18,498,773</b>	<b>\$ 21,004,699</b>	<b>\$ 23,561,585</b>	<b>\$ 22,527,096</b>	<b>\$ 23,900,905</b>
<b>Other Governmental Funds</b>										
Reserved	\$ 12,031,595	\$ 10,513,107	\$ 11,511,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	5,150,811	5,347,879	5,579,340	4,728,499	1,473,070	1,562,662	2,072,293
Designated	1,081,626	268,275	209,681	-	-	-	-	-	-	-
Restricted	-	-	-	5,827,697	9,408,259	5,885,019	7,369,740	13,484,081	15,041,081	12,425,360
Committed	-	-	-	-	-	-	-	40,000	-	-
Assigned	-	-	-	7,180,948	7,171,609	7,108,882	5,543,581	7,890,953	8,183,988	8,546,300
Unassigned	2,470,487	3,937,896	7,141,434	(2,485,070)	(2,596,664)	(2,837,406)	(3,028,343)	(3,275,599)	(3,337,768)	(4,193,747)
<b>Total Other Funds</b>	<b>\$ 15,583,708</b>	<b>\$ 14,719,278</b>	<b>\$ 18,862,832</b>	<b>\$ 15,674,386</b>	<b>\$ 19,331,083</b>	<b>\$ 15,735,835</b>	<b>\$ 14,613,477</b>	<b>\$ 19,612,505</b>	<b>\$ 21,449,963</b>	<b>\$ 18,850,206</b>
<b>Total Governmental Funds</b>										
Reserved	\$ 14,998,690	\$ 13,490,130	\$ 13,526,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	6,776,506	6,966,924	7,233,825	6,319,340	3,277,098	2,995,466	4,476,668
Designated	5,932,413	4,882,275	4,223,681	-	-	-	-	-	-	-
Restricted	-	-	-	5,827,697	9,408,259	5,885,019	7,369,740	13,484,081	15,041,081	12,425,360
Committed	-	-	-	-	-	992,144	836,003	2,976,649	350,000	350,000
Assigned	-	-	-	7,180,948	7,171,609	7,108,882	6,414,263	8,805,937	8,249,401	9,231,180
Unassigned	7,506,101	7,793,845	12,805,843	9,060,760	12,893,180	13,014,738	14,678,830	14,630,325	17,341,111	16,267,903
<b>Total Governmental Funds</b>	<b>\$ 28,437,204</b>	<b>\$ 26,166,250</b>	<b>\$ 30,555,789</b>	<b>\$ 28,845,911</b>	<b>\$ 36,439,972</b>	<b>\$ 34,234,608</b>	<b>\$ 35,618,176</b>	<b>\$ 43,174,090</b>	<b>\$ 43,977,059</b>	<b>\$ 42,751,111</b>

Data Source: City of Sheboygan Annual Financial Reports

Note: In 2011 the City implemented GASB Statement No. 54, which changed the classifications of fund balances. Prior periods have not been reclassified to this new standard.

# City of Sheboygan, Wisconsin

**Table 4**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes	\$ 27,296,803	\$ 26,990,775	\$ 27,788,931	\$ 26,969,653	\$ 26,433,662	\$ 25,373,427	\$ 25,979,122	\$ 26,730,996	\$ 26,233,311	\$ 26,756,102
Special Assessments	344,980	407,400	210,612	185,639	291,643	307,802	483,427	257,859	208,188	434,350
Intergovernmental	17,890,271	18,366,110	18,272,517	18,927,296	20,726,417	17,731,503	16,229,810	16,470,674	15,833,146	17,836,401
Licenses and Permits	1,130,283	1,118,548	1,286,772	1,408,946	1,453,238	1,317,384	1,660,357	1,886,566	1,801,012	1,639,596
Fines and Forfeitures	2,043,330	1,774,039	1,710,250	1,208,976	1,357,149	1,568,882	1,616,499	1,175,917	1,041,267	1,060,330
Public Charges for Services	2,196,129	2,489,582	2,536,148	2,282,986	4,128,604	3,789,661	3,563,671	3,713,333	3,638,828	4,182,988
Intergovernmental Charges for Services	219,764	214,067	247,733	243,003	233,382	232,904	221,402	234,997	227,937	243,797
Miscellaneous	3,940,322	2,539,641	2,444,809	2,099,211	2,109,361	2,371,918	2,531,868	2,393,852	2,085,307	2,160,750
Realized/Unrealized Gain(Loss) on Investments	-	-	-	-	-	(1,179,021)	1,476,448	-	-	-
<b>Total Revenues</b>	<b>55,061,882</b>	<b>53,900,162</b>	<b>54,497,772</b>	<b>53,325,710</b>	<b>56,733,456</b>	<b>51,514,460</b>	<b>53,762,604</b>	<b>52,864,194</b>	<b>51,068,996</b>	<b>54,314,314</b>
<b>Expenditures</b>										
General Government	6,234,970	6,088,555	5,159,248	4,747,553	4,456,399	4,431,964	4,753,677	4,409,762	5,149,710	3,658,688
Public Safety	19,750,569	20,441,353	20,575,797	20,392,386	19,776,946	20,553,971	21,367,246	21,063,504	22,485,711	20,768,135
Public Works	8,305,882	8,775,515	8,130,896	8,111,058	7,399,144	7,953,580	7,814,736	7,720,406	8,486,569	9,108,029
Health and Human Services	407,003	702,021	394,006	370,949	275,459	340,304	302,082	234,405	233,901	233,765
Culture and Recreation	7,048,105	7,169,897	6,262,894	5,924,214	5,760,169	5,863,342	5,805,461	5,540,481	5,575,667	6,030,421
Conservation and Development	2,643,509	3,250,971	3,149,784	3,854,765	2,422,061	3,011,655	2,867,851	2,737,786	4,559,225	4,815,415
Other	14,625	-	-	-	-	-	-	-	-	-
Debt Service										
Principal	6,200,598	6,234,295	5,867,860	6,250,130	6,593,010	5,531,141	5,251,521	5,149,585	5,141,963	5,248,574
Interest and Fiscal Charges	2,823,147	2,861,514	2,988,749	2,479,650	2,668,736	1,898,993	1,696,911	1,599,422	1,534,676	1,103,002
Retirement of Unfunded Pension Liability	5,981,364	-	-	-	-	-	-	-	-	-
Capital Outlay	9,991,602	3,181,279	1,364,721	5,542,987	5,979,749	5,555,217	4,648,350	2,621,067	6,263,323	11,356,340
<b>Total Expenditures</b>	<b>69,401,174</b>	<b>58,705,400</b>	<b>53,893,955</b>	<b>57,673,692</b>	<b>55,331,673</b>	<b>55,140,167</b>	<b>54,507,835</b>	<b>51,076,418</b>	<b>59,430,745</b>	<b>62,322,369</b>
<b>Excess of Revenues</b>										
Over (Under) Expenditures	(14,339,292)	(4,805,238)	603,817	(4,347,982)	1,401,783	(3,625,707)	(745,231)	1,787,776	(8,361,749)	(8,008,055)
<b>Other Financing Sources (Uses)</b>										
Long Term Debt Issued	10,470,000	800,000	12,900,000	670,000	4,745,000	-	-	6,685,000	13,645,000	5,400,000
Premium on Long-Term Debt Issued	-	-	-	-	92,343	-	-	80,646	108,350	118,130
Refunding Debt Principal Payments	-	-	(1,440,000)	-	-	-	-	-	-	-
Retirement of Unfunded Pension Liability	(5,900,000)	-	-	-	-	-	-	-	-	-
Payment to Current Noteholder	(850,000)	-	(9,325,000)	-	-	-	-	(3,615,000)	(6,940,000)	-
Capital Leases	-	-	455,736	-	44,555	-	470,546	-	664,000	-
Sale of Capital Assets	-	-	29,374	214,900	-	28,656	227,609	483,412	1,102,587	706,515
Transfers In	10,201,805	4,231,206	4,290,426	3,462,970	5,235,118	4,760,545	6,791,285	4,428,951	5,242,639	7,318,731
Transfers Out	(5,108,563)	(2,496,922)	(3,124,814)	(2,127,934)	(3,924,738)	(3,368,858)	(5,360,641)	(4,294,871)	(4,657,858)	(6,761,269)
<b>Total Other Financing Sources (Uses)</b>	<b>8,813,242</b>	<b>2,534,284</b>	<b>3,785,722</b>	<b>2,219,936</b>	<b>6,192,278</b>	<b>1,420,343</b>	<b>2,128,799</b>	<b>3,768,138</b>	<b>9,164,718</b>	<b>6,782,107</b>
<b>Net Change in Fund Balances</b>	<b>\$ (5,526,050)</b>	<b>\$ (2,270,954)</b>	<b>\$ 4,389,539</b>	<b>\$ (2,128,046)</b>	<b>\$ 7,594,061</b>	<b>\$ (2,205,364)</b>	<b>\$ 1,383,568</b>	<b>\$ 5,555,914</b>	<b>\$ 802,969</b>	<b>\$ (1,225,948)</b>
<b>Debt Service as a Percentage of</b>										
Non-Capital Outlay Expenditures	14.6%	16.2%	16.8%	16.8%	16.8%	13.9%	13.4%	14.4%	11.8%	11.3%

Data Source: City of Sheboygan Annual Financial Reports

## City of Sheboygan, Wisconsin

**Table 5**  
**General Governmental Expenditures by Function**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Government</u>		<u>Public Safety</u>		<u>Public Works</u>		<u>Health and Human Services</u>		<u>Culture and Recreation</u>		<u>Conservation and Development</u>		<u>Other</u>		<u>Debt Service</u>		<u>Capital Outlay</u>		<u>Total Expenditures</u>
2008	\$ 6,234,970	9.0%	\$ 19,750,569	28.5%	\$ 8,305,682	12.0%	\$ 407,003	0.6%	\$ 7,048,105	10.2%	\$ 2,643,509	3.8%	14,625	0.0%	\$ 15,005,109	21.6%	\$ 9,991,602	14.4%	\$ 69,401,174
2009	6,088,555	10.4%	20,441,353	34.8%	8,775,515	14.9%	702,021	1.2%	7,169,897	12.2%	3,250,971	5.5%	-	0.0%	9,095,809	15.5%	3,181,279	5.4%	58,705,400
2010	5,159,248	9.6%	20,575,797	38.2%	8,130,896	15.1%	394,006	0.7%	6,262,894	11.6%	3,149,784	5.8%	-	0.0%	8,856,609	16.4%	1,364,721	2.5%	53,893,955
2011	4,747,553	8.2%	20,392,386	35.4%	8,111,058	14.1%	370,949	0.6%	5,924,214	10.3%	3,854,765	6.7%	-	0.0%	8,729,780	15.1%	5,542,987	9.6%	57,673,692
2012	4,456,399	8.1%	19,776,946	35.7%	7,399,144	13.4%	275,459	0.5%	5,760,169	10.4%	2,422,061	4.4%	-	0.0%	9,261,746	16.7%	5,979,749	10.8%	55,331,673
2013	4,431,964	8.0%	20,553,971	37.3%	7,953,580	14.4%	340,304	0.6%	5,863,342	10.6%	3,011,655	5.5%	-	0.0%	7,430,134	13.5%	5,555,217	10.1%	55,140,167
2014	4,753,677	8.7%	21,367,246	39.2%	7,814,736	14.3%	302,082	0.6%	5,805,461	10.7%	2,867,851	5.3%	-	0.0%	6,948,432	12.7%	4,648,350	8.5%	54,507,835
2015	4,409,762	8.6%	21,063,504	41.2%	7,720,406	15.1%	234,405	0.5%	5,540,481	10.8%	2,737,786	5.4%	-	0.0%	6,749,007	13.2%	2,621,067	5.1%	51,076,418
2016	5,149,710	8.7%	22,485,711	37.8%	8,486,569	14.3%	233,901	0.4%	5,575,667	9.4%	4,559,225	7.7%	-	0.0%	6,676,639	11.2%	6,263,323	10.5%	59,430,745
2017	3,658,688	5.9%	20,768,135	33.3%	9,108,029	14.6%	233,765	0.4%	6,030,421	9.7%	4,815,415	7.7%	-	0.0%	6,351,576	10.2%	11,356,340	18.2%	62,322,369

Data Source:  
City of Sheboygan Annual Financial Reports

## City of Sheboygan, Wisconsin

**Table 6**  
General Governmental Revenues by Source  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes</u>		<u>Special Assessments</u>		<u>Intergovernmental</u>		<u>Licenses and Permits</u>		<u>Fines and Forfeitures</u>		<u>Public Charges for Services</u>		<u>Intergovernmental Charges for Services</u>		<u>Miscellaneous</u>		<u>Total Revenues</u>
2008	\$27,296,803	49.6%	\$344,980	0.6%	\$17,890,271	32.5%	\$1,130,283	2.1%	\$2,043,330	3.7%	\$2,196,129	4.0%	\$219,764	0.4%	\$3,940,322	7.2%	\$55,061,882
2009	26,990,775	50.1%	407,400	0.8%	18,366,110	34.1%	1,118,548	2.1%	1,774,039	3.3%	2,489,582	4.6%	214,067	0.4%	2,539,641	4.7%	53,900,162
2010	27,788,931	51.0%	210,612	0.4%	18,272,517	33.5%	1,286,772	2.4%	1,710,250	3.1%	2,536,148	4.7%	247,733	0.5%	2,444,809	4.5%	54,497,772
2011	26,969,653	50.6%	185,639	0.3%	18,927,296	35.5%	1,408,946	2.6%	1,208,976	2.3%	2,282,986	4.3%	243,003	0.5%	2,099,211	3.9%	53,325,710
2012	26,433,662	46.6%	291,643	0.5%	20,726,417	36.5%	1,453,238	2.6%	1,357,149	2.4%	4,128,604	7.3%	233,382	0.4%	2,109,361	3.7%	56,733,456
2013	25,373,427	49.3%	307,802	0.6%	17,731,503	34.4%	1,317,384	2.6%	1,568,882	3.0%	3,789,661	7.4%	232,904	0.5%	1,192,897	2.3%	51,514,460
2014	25,979,122	48.3%	483,427	0.9%	16,229,810	30.2%	1,660,357	3.1%	1,616,499	3.0%	3,563,671	6.6%	221,402	0.4%	4,008,316	7.5%	53,762,604
2015	26,730,996	50.6%	257,859	0.5%	16,470,674	31.2%	1,886,566	3.6%	1,175,917	2.2%	3,713,333	7.0%	234,997	0.4%	2,393,852	4.5%	52,864,194
2016	26,233,311	51.4%	208,188	0.4%	15,833,146	31.0%	1,801,012	3.5%	1,041,267	2.0%	3,638,828	7.1%	227,937	0.4%	2,085,307	4.1%	51,068,996
2017	26,756,102	49.3%	434,350	0.8%	17,836,401	32.8%	1,639,596	3.0%	1,060,330	2.0%	4,182,988	7.7%	243,797	0.4%	2,160,750	4.0%	54,314,314

Data Source:  
City of Sheboygan Annual Financial Reports

# City of Sheboygan, Wisconsin

Table 7  
Comparative Tax Levies for All Direct and  
Overlapping Governments and Total Collections  
Last Ten Fiscal Years

Levy Year	Collection Year	State of Wisconsin	Sheboygan County	City of Sheboygan	Sheboygan Schools	Kohler Schools	LTC	Tax Incremental Districts	Gross Tax Levy	Total Collections	Percent Collected
2008	2009	\$488,771	\$12,963,376	\$20,950,018	\$24,763,787	\$957,641	\$3,918,838	\$5,227,474	\$69,269,905	\$69,269,905	100.00%
2009	2010	486,282	12,682,076	20,843,745	26,836,449	916,150	3,915,829	5,917,089	71,597,620	71,597,620	100.00%
2010	2011	459,951	12,824,858	21,184,245	27,732,475	1,000,282	3,919,068	5,139,868	72,260,747	72,260,747	100.00%
2011	2012	438,905	12,480,070	21,184,245	27,451,042	929,266	3,796,475	4,249,814	70,529,817	70,529,817	100.00%
2012	2013	420,263	12,510,127	21,384,245	26,451,078	1,070,256	3,814,940	2,795,965	68,446,874	68,444,066	100.00%
2013	2014	415,405	12,775,443	21,677,093	26,277,339	1,052,565	3,834,719	2,978,357	69,010,921	69,004,269	99.99%
2014	2015	420,038	12,873,736	21,677,093	27,373,900	1,097,271	1,828,142	3,572,018	68,842,198	68,834,607	99.99%
2015	2016	408,573	12,921,384	21,728,810	25,993,399	1,184,439	1,840,990	3,062,794	67,140,389	67,126,667	99.98%
2016	2017	415,134	12,802,569	22,150,349	23,774,891	1,496,426	1,871,939	3,199,528	65,710,836	65,694,620	99.98%
2017	2018*	-	13,110,710	23,324,477	23,620,293	2,257,361	2,047,676	3,388,756	67,749,273	47,635,792	70.31%

\* Collections to date are in process

Data Source:  
Statement of taxes and Tax District Treasurer's Settlements

# City of Sheboygan, Wisconsin

Table 8  
Property Valuations  
Assessed Valuations  
Last Ten Fiscal Years

Year	Residential	Commercial	Manufacturing	Agricultural, Swamp & Forest	Other	Total Real Estate	Personal Property	Total Assessed
2008	1,794,278,100	682,958,500	140,812,000	42,100	400	2,618,091,100	93,911,480	2,712,002,580
2009	1,815,358,500	673,286,400	138,647,000	41,900	400	2,627,334,200	92,815,250	2,720,149,450
2010	1,815,800,600	665,474,500	143,191,100	43,900	400	2,624,510,500	88,191,290	2,712,701,790
2011	1,795,550,000	650,083,800	142,128,200	43,300	400	2,587,805,700	92,217,640	2,680,023,340
2012	1,782,914,100	652,973,000	150,309,000	43,700	100	2,586,239,900	104,952,820	2,691,192,720
2013	1,775,422,700	652,996,800	161,709,800	44,300	100	2,590,173,700	111,225,050	2,701,398,750
2014	1,523,132,000	633,126,800	141,649,900	40,700	100	2,297,949,500	99,829,340	2,397,778,840
2015	1,520,317,600	632,164,300	149,081,600	40,500	100	2,301,604,100	96,441,540	2,398,045,640
2016	1,521,114,200	671,761,200	147,841,700	41,100	100	2,340,758,300	97,163,820	2,437,922,120
2017	1,524,637,700	745,819,300	152,772,900	41,600	2,499,500	2,425,771,000	98,049,400	2,523,820,400

Source: Statistical Report of Property Valuations  
Published by Bureau of Property Tax, Wisconsin Department of Revenue

# City of Sheboygan, Wisconsin

Table 9  
Assessed and Equalized Value of Taxable Property  
Last Ten Fiscal Years

Levy Year	Collection Year	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		Ratio of Assessed to Equalized Value	Computer Exemption Equalized Value
		Assessed Value	Equalized Value	Assessed Value	Equalized Value	Assessed Value	Equalized Value		
2008	2009	2,618,091,100	2,763,444,900	93,911,480	116,658,700	2,712,002,580	2,880,103,600	0.9417	17,047,510
2009	2010	2,627,334,200	2,766,933,800	92,815,250	98,500,200	2,720,149,450	2,865,434,000	0.9492	13,915,642
2010	2011	2,624,510,500	2,617,856,800	88,191,290	92,428,100	2,712,701,790	2,710,284,900	1.0001	15,290,394
2011	2012	2,587,805,700	2,499,443,800	92,217,640	86,820,500	2,680,023,340	2,586,264,300	1.0363	16,171,149
2012	2013	2,586,239,900	2,376,332,800	104,952,820	100,083,000	2,691,192,720	2,476,415,800	1.0867	15,576,708
2013	2014	2,590,173,700	2,338,932,200	111,225,050	108,862,000	2,701,398,750	2,447,794,200	1.0679	15,609,007
2014	2015	2,297,949,500	2,373,772,400	99,829,340	101,322,600	2,397,778,840	2,475,095,000	0.9691	14,743,031
2015	2016	2,301,604,100	2,309,391,900	96,441,540	98,140,100	2,398,045,640	2,407,532,000	0.9956	14,622,801
2016	2017	2,340,758,300	2,348,933,000	97,163,820	97,260,900	2,437,922,120	2,446,193,900	0.9966	19,904,206
2017	2018	2,425,771,000	2,520,552,000	98,049,400	99,053,000	2,523,820,400	2,619,605,000	0.9966	26,732,500

# City of Sheboygan, Wisconsin

**Table 10**  
**Comparative Tax Rates for All Direct and Overlapping Governments**  
**Per \$1,000 of Assessed Value**  
**Last Ten Fiscal Years**

Properties within the Sheboygan Area School District

Levy Year	Collection Year	State of Wisconsin	Sheboygan County	City of Sheboygan	Sheboygan Schools	LTC	Total	School State Credit	Net Tax Rate	Assessed Valuation
2008	2009	\$0.1802	\$5.1727	\$8.3596	\$10.2468	\$1.5637	\$25.5230	\$1.8013	\$23.7217	\$ 2,602,618,560
2009	2010	0.1788	5.0863	8.3596	11.1628	1.5705	26.3580	1.7330	24.6250	2,609,553,230
2010	2011	0.1696	5.0925	8.4118	11.4205	1.5562	26.6506	1.7004	24.9502	2,602,126,910
2011	2012	0.1638	4.9584	8.4167	11.3060	1.5084	26.3533	1.6927	24.6606	2,569,068,350
2012	2013	0.1562	4.8475	8.2861	10.7021	1.4782	25.4701	1.6942	23.7759	2,582,032,930
2013	2014	0.1538	4.9435	8.3879	10.6231	1.4838	25.5921	1.6690	23.9231	2,590,682,750
2014	2015	0.1752	5.6641	9.5374	12.6487	0.8043	28.8297	1.8493	26.9804	2,288,493,860
2015	2016	0.1704	5.6469	9.4958	11.9467	0.8045	28.0643	2.0965	25.9678	2,285,576,950
2016	2017	0.1703	5.5215	9.5531	10.9473	0.8073	26.9995	2.0256	24.9739	2,291,016,700
2017	2018	-	5.4680	9.7278	10.8246	0.8540	26.8743	2.0787	24.7956	2,308,201,040

Properties within the Kohler School District

Levy Year	Collection Year	State of Wisconsin	Sheboygan County	City of Sheboygan	Kohler Schools	LTC	Total	School State Credit	Net Tax Rate	Assessed Valuation
2008	2009	\$0.1802	\$5.1727	\$8.3596	\$10.7170	\$1.5637	\$25.9932	\$1.8013	\$24.1919	\$ 109,384,020
2009	2010	0.1788	5.0863	8.3596	10.2591	1.5705	25.4543	1.7330	23.7213	110,596,220
2010	2011	0.1696	5.0925	8.4118	11.1108	1.5562	26.3409	1.7004	24.6405	110,574,880
2011	2012	0.1638	4.9584	8.4167	10.4384	1.5084	25.4857	1.6927	23.7930	110,860,990
2012	2013	0.1562	4.8475	8.2861	9.8045	1.4782	24.5725	1.6942	22.8783	109,159,790
2013	2014	0.1538	4.9435	8.3879	9.1521	1.8385	24.4758	1.6690	22.8068	110,716,000
2014	2015	0.1752	5.6641	9.5374	10.0405	0.8043	26.2215	1.8493	24.3722	109,284,980
2015	2016	0.1704	5.6469	9.4958	10.5313	0.8045	26.6489	2.0965	24.5524	112,468,690
2016	2017	0.1703	5.5215	9.5531	10.1863	0.8073	26.2385	2.0256	24.2129	146,905,420
2017	2018	-	5.4680	9.7278	10.4692	0.8540	26.5189	2.0256	24.4933	215,619,360

Source: Tax Levy from Direct and Overlapping Governments: Tax Increment Calculation Worksheet; and Tax Rate Calculations certified to tax roll



# City of Sheboygan, Wisconsin

Table 11  
Comparative Tax Rates for All Direct and Overlapping Governments  
Per \$1,000 of Equalized Value  
Last Ten Fiscal Years

## Properties within the Sheboygan Area School District

Levy Year	Collection Year	State of Wisconsin	Sheboygan County	City of Sheboygan	Sheboygan Schools	LTC	Total	School State Credit	Net Tax Rate	Equalized Valuation
2008	2009	\$0.1697	\$4.8711	\$7.8722	\$9.6494	\$1.4725	\$24.0350	\$1.6963	\$22.3387	\$ 2,602,618,560
2009	2010	0.1697	4.8279	7.9349	10.5957	1.4907	25.0190	1.6450	23.3741	2,609,553,230
2010	2011	0.1696	5.0930	8.4126	11.4216	1.5564	26.6533	1.7006	24.9527	2,602,126,910
2011	2012	0.1697	5.1384	8.7222	11.7164	1.5632	27.3099	1.7541	25.5558	2,569,068,350
2012	2013	0.1697	5.2678	9.0045	11.6300	1.6064	27.6784	1.8411	25.8373	2,375,969,208
2013	2014	0.1642	5.2792	8.9574	11.3444	1.5846	27.3298	1.7823	25.5475	2,347,764,504
2014	2015	0.1698	5.4891	9.2427	12.2579	0.7794	27.9389	1.7922	26.1467	2,373,657,055
2015	2016	0.1697	5.6221	9.4540	11.8941	0.8010	27.9408	2.0873	25.8535	2,294,582,853
2016	2017	0.1697	5.5028	9.5206	10.9100	0.8046	26.9077	2.0187	24.8890	2,299,016,541
2017	2018	-	5.2607	9.3590	10.4142	0.8216	25.8555	1.9999	23.8556	2,264,908,548

## Properties within the Kohler School District

Levy Year	Collection Year	State of Wisconsin	Sheboygan County	City of Sheboygan	Kohler Schools	LTC	Total	School State Credit	Net Tax Rate	Equalized Valuation
2008	2009	\$0.1697	\$4.8711	\$7.8722	\$10.0922	\$1.4725	\$24.4778	\$1.6963	\$22.7815	\$ 109,384,020
2009	2010	0.1697	4.8279	7.9349	9.7379	1.4907	24.1612	1.6450	22.5163	110,596,220
2010	2011	0.1696	5.0930	8.4126	11.1119	1.5564	26.3435	1.7006	24.6430	110,574,880
2011	2012	0.1697	5.1384	8.7222	10.8173	1.5632	26.4108	1.7541	24.6567	110,860,990
2012	2013	0.1697	5.2678	9.0045	10.6546	1.6064	26.7029	1.8411	24.8618	100,446,592
2013	2014	0.1642	5.2792	8.9574	9.7735	1.5846	25.7589	1.7823	23.9766	100,029,696
2014	2015	0.1698	5.4891	9.2427	9.7302	0.7794	25.4113	1.7922	23.6191	101,437,945
2015	2016	0.1697	5.6221	9.4540	10.4850	0.8010	26.5316	2.0873	24.4444	112,949,147
2016	2017	0.1697	5.5028	9.5206	10.1517	0.8046	26.1493	2.0187	24.1306	147,177,359
2017	2018	-	5.2607	9.3590	10.0723	0.8216	25.5137	1.9999	23.5137	223,814,652

Source: Tax Levy from Direct and Overlapping Governments: Tax Increment Calculation Worksheet; and Tax Rate Calculations certified to tax roll

# City of Sheboygan, Wisconsin

Table 12  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year Amount	Collected within the Fiscal Year Percentage of Levy	Subsequent Years Collections	Total Collected to Date Amount	Total Collected to Date Percentage of Levy
2008	\$69,269,905	\$69,172,177	99.86%	\$97,728	\$69,269,905	100.00%
2009	71,597,620	71,452,653	99.80%	144,967	71,597,620	100.00%
2010	72,260,747	72,125,852	99.81%	134,895	72,260,747	100.00%
2011	70,529,817	70,396,637	99.81%	133,180	70,529,817	100.00%
2012	68,446,874	68,314,917	99.81%	129,149	68,444,066	100.00%
2013	69,010,921	68,915,865	99.86%	88,404	69,004,269	99.99%
2014	68,842,198	68,702,254	99.80%	132,353	68,834,607	99.99%
2015	67,140,389	67,059,181	99.88%	67,486	67,126,667	99.98%
2016	65,710,836	65,571,281	99.79%	123,339	65,694,620	99.98%
2017*	67,749,273	47,635,792	70.31%	0	47,635,792	70.31%

\* Collections to date are in process

Data Source:

Statement of Taxes and Tax District Treasurer's Settlement

# City of Sheboygan, Wisconsin

Table 13  
Ratio of Net General Obligation Debt to Equalized Value  
Last Ten Fiscal Years

As of December 31	Total G.O. Debt Outstanding	Less: Funds Available for Debt Service	Net Debt Outstanding	Equalized Value	Statutory Debt Capacity (5% of Equalized Value)	Ratio of Net Debt to Debt Capacity	Population	Net Debt Per Capita	Net Debt Per \$1,000 of Equalized Value
2008	\$61,743,862	\$909,559	\$60,834,303	\$2,880,103,600	\$144,005,180	42.24%	50,580	1,203	21.12%
2009	56,376,126	1,397,537	54,978,589	2,865,434,000	143,271,700	38.37%	50,400	1,091	19.19%
2010	52,713,129	6,082,644	46,630,485	2,710,284,900	135,514,245	34.41%	49,288	946	17.21%
2011	47,241,852	6,857,907	40,383,945	2,586,264,300	129,313,215	31.23%	49,230	820	15.61%
2012	45,507,184	7,579,122	37,928,062	2,476,415,800	123,820,790	30.63%	49,110	772	15.32%
2013	40,094,063	7,728,872	32,365,191	2,447,794,200	122,389,710	26.44%	48,965	661	13.22%
2014	34,965,437	7,033,064	27,932,373	2,475,095,000	123,754,750	22.57%	48,897	571	11.29%
2015	33,075,255	10,364,975	22,710,280	2,407,532,000	120,376,600	18.87%	48,806	465	9.43%
2016	34,834,531	9,926,651	24,907,880	2,446,193,900	122,309,695	20.36%	48,653	512	10.18%
2017	35,174,580	9,077,447	26,097,133	2,619,605,000	130,980,250	19.92%	48,402	539	9.96%

Data Source:

City of Sheboygan Annual Financial Reports  
State of Wisconsin Department of Administration, Demographic Service Center  
State of Wisconsin Department of Revenue, Bureau of Property Tax

Note:

Equalized value is used instead of assessed value due to the fact that the statutory debt capacity in Wisconsin is based on equalized value.

# City of Sheboygan, Wisconsin

**Table 14**  
Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE ACTIVITIES				Total	Population	Net Debt Per Capita	Per Capital Personal Income*	Percentage of Personal Income
	General Obligation Debt	Bond Premium	Bond Discount	Mortgage Notes	Capital Lease	Other	Revenue Bonds	General Obligation Debt	Bond Premium	Alliant Energy Notes					
2008	\$ 61,743,862	\$ 7,030	\$ -	\$ 225,000	\$ 526,814	\$ 1,000,000	\$ 14,297,457	\$ -	\$ 3,444	\$ 86,989	\$ 77,890,596	50,580	\$ 1,540	N/A	N/A
2009	56,081,030	2,207	-	225,000	460,255	1,000,000	13,323,629	295,096	3,247	73,128	71,463,592	50,400	1,418	N/A	N/A
2010	52,427,589	-	-	225,000	846,130	1,000,000	14,430,308	285,540	3,050	1,225,484	70,443,101	49,288	1,429	\$ 42,708	3.35%
2011	46,966,441	-	-	225,000	737,277	1,000,000	14,080,502	275,411	2,854	987,694	64,275,179	49,230	1,306	43,203	3.02%
2012	45,242,466	86,865	(87,111)	225,000	623,935	1,000,000	12,936,655	264,718	2,657	745,105	61,040,290	49,110	1,243	42,549	2.92%
2013	39,840,723	77,474	(80,268)	225,000	505,915	1,000,000	17,498,222	253,340	14,542	497,619	59,832,567	48,965	1,222	43,533	2.81%
2014	34,724,159	68,083	(73,425)	225,000	853,566	1,000,000	21,107,993	241,278	13,720	249,760	58,410,134	48,897	1,195	43,107	2.77%
2015	32,846,762	135,672	(66,582)	225,000	664,163	1,000,000	21,077,578	228,493	12,899	-	56,123,985	48,806	1,150	43,381	2.65%
2016	34,619,553	218,453	(59,739)	225,000	1,131,924	1,000,000	21,161,644	214,978	45,786	-	58,557,599	48,653	1,204	43,381	2.77%
2017	34,973,965	296,050	(52,896)	225,000	928,938	1,000,000	20,439,128	200,615	41,339	-	58,052,139	48,402	1,199	45,635	2.63%

Data Source:  
City of Sheboygan Annual Financial Reports  
State of Wisconsin Department of Administration, Demographic Service Center  
State of Wisconsin Department of Revenue, Bureau of Property Tax  
\* U.S. Census Bureau, American Community Survey 2010 - 2015, Prior data not available

# City of Sheboygan, Wisconsin

Table 15  
Computation of Overlapping Debt  
December 31, 2017

	<u>Number of Taxing Entities</u>	<u>Amount of Debt Net of Sinking Funds</u>	<u>Applicable to City</u>	<u>Overlapping Debt</u>
<b>DIRECT DEBT:</b>				
City of Sheboygan				
General obligation debt		\$ 34,973,965	100.00%	\$ 34,973,965
Premium / discount		243,154	100.00%	243,154
Capital lease		928,938	100.00%	928,938
Mortgage notes and other		<u>1,225,000</u>	100.00%	<u>1,225,000</u>
<b>Total Direct Debt</b>		<u>\$ 37,371,057</u>		<u>\$ 37,371,057</u>
<b>OVERLAPPING DEBT:</b>				
Sheboygan Area School District	1	\$ 47,023,000	65.69%	\$ 30,889,409
Kohler School District	1	4,915,000	32.50%	1,597,375
Lakeshore Technical College	1	30,040,000	17.45%	5,241,980
Sheboygan County	1	<u>36,785,000</u>	28.38%	<u>10,439,583</u>
<b>Total Overlapping Debt</b>		<u>\$ 118,763,000</u>		<u>\$ 48,168,347</u>
<b>Total Direct and Overlapping Debt</b>		<u><u>\$ 156,134,057</u></u>		<u><u>\$ 85,539,404</u></u>

Source: Confirmations with the respective municipalities

# City of Sheboygan, Wisconsin

**Table 16**  
**Computation of Legal Debt Margin**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Equalized Value										
submit to Debt	\$2,880,104	\$2,865,434	\$2,710,285	\$2,586,264	\$2,476,416	\$2,447,794	\$2,475,095	\$2,407,532	\$2,446,194	\$2,619,605
Legal Debt Limit (5%)	<u>144,005</u>	<u>143,272</u>	<u>135,514</u>	<u>129,313</u>	<u>123,821</u>	<u>122,390</u>	<u>123,755</u>	<u>120,377</u>	<u>122,310</u>	<u>130,980</u>
Amount of Debt applicable to Limitation										
General Obligation Bonds:										
Governmental	31,485	29,000	36,665	33,855	30,875	28,345	25,780	23,275	16,195	13,950
General Obligation Notes:										
Governmental	<u>30,259</u>	<u>27,376</u>	<u>16,048</u>	<u>13,387</u>	<u>14,633</u>	<u>11,749</u>	<u>9,185</u>	<u>9,800</u>	<u>18,640</u>	<u>21,225</u>
Total General Obligation Debt	<u>61,744</u>	<u>56,376</u>	<u>52,713</u>	<u>47,242</u>	<u>45,508</u>	<u>40,094</u>	<u>34,965</u>	<u>33,075</u>	<u>34,835</u>	<u>35,175</u>
Amount Available for financing general obligation debt										
Debt Service Fund Reserves	<u>910</u>	<u>1,398</u>	<u>6,083</u>	<u>6,858</u>	<u>7,579</u>	<u>7,729</u>	<u>7,033</u>	<u>10,365</u>	<u>9,927</u>	<u>9,077</u>
Net Outstanding GO Debt										
Applicable to Debt Limitation	60,834	54,978	46,630	40,384	37,929	32,365	27,932	22,710	24,908	26,098
Percent of Debt to Legal Limit	42.24%	38.37%	34.41%	31.23%	30.63%	26.44%	22.57%	18.87%	20.36%	19.93%
Legal Margin for New Debt	83,171	88,294	88,884	88,929	85,892	90,025	95,823	97,667	97,402	104,882
Percentage of legal margin remaining	58%	62%	66%	69%	69%	74%	77%	81%	80%	80%
Governmental Percent	58%	62%	66%	69%	69%	74%	77%	81%	80%	80%
Population	50,580	50,400	49,288	49,230	49,110	48,965	48,806	48,806	48,653	48,402
Per Capita Debt	\$1,220.72	\$1,118.57	\$1,069.49	\$959.62	\$926.65	\$818.83	\$716.41	\$677.68	\$715.99	\$726.73

All dollar amounts are represented in thousands except Per Capita Debt  
Wisconsin State Statute 67.03 limits total debt be no greater than 5 percent of the equalized real property of the City.

# City of Sheboygan, Wisconsin

Table 17  
Revenue Bond Coverage  
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirement (3)			Coverage
				Principal	Interest	Total	
2017	\$16,088,274	\$9,939,904	\$6,148,370	\$1,404,853	\$470,862	\$1,875,715	327.79%
2016	15,887,042	9,726,466	6,160,576	1,488,107	582,352	2,070,459	297.55%
2015	15,272,630	9,242,550	6,030,080	1,672,214	621,635	2,293,849	262.88%
2014	15,298,362	9,763,240	5,535,122	1,293,418	580,216	1,873,634	295.42%
2013	14,602,721	8,284,188	6,318,533	1,180,805	430,992	1,611,797	392.02%
2012	14,801,829	8,012,182	6,789,647	1,143,846	471,198	1,615,044	420.40%
2011	14,457,633	8,654,944	5,802,689	1,067,956	492,245	1,560,201	371.92%
2010	13,314,362	8,624,057	4,690,305	1,006,347	476,844	1,483,191	316.23%
2009	12,155,804	8,958,047	3,197,757	973,828	510,037	1,483,865	215.50%
2008	13,111,456	9,026,464	4,084,992	891,830	541,139	1,432,969	285.07%

Notes: (1) Total operating revenues plus interest on investments and intergovernmental nonoperating revenues  
(2) Total operating expenses less depreciation  
(3) Includes interest and principal on revenue bonds issued for water and wastewater

# City of Sheboygan, Wisconsin

Table 18  
Principal Taxpayers Current Year and Nine Years Ago  
Ten Largest Taxpayers - 2017

Name of Taxpayer	Nature of Business	Equalized Value	Net Taxes Paid	Percent of Total Taxes Levied
Acuity Mutual Insurance Co	Insurance	\$134,812,520	\$3,294,950	5.01%
Aurora Medical Group/Sheboygan Clinic	Medical Clinic	22,737,890	563,648	0.86%
Nemak (formerly J. L. French Corporation)	Aluminum die castings	17,500,500	433,497	0.66%
Sheboygan Acquisitions LLC	Hospitality resort (Blue Harbor)	17,216,430	426,042	0.65%
Plastics Engineering Co	Manufacturer of phenolid epoxy	14,808,000	366,890	0.56%
PJR Properties LLC	Nonresidential building operators	14,806,200	366,774	0.56%
Wal-Mart	Department and grocery store	14,404,000	351,968	0.54%
Country Village Apartments	Real Estate	13,951,740	346,729	0.53%
St. Nicholas Hospital	Hospital/surgery facilities	12,521,200	337,291	0.51%
Vollrath Co LLC	Manufacturer of stainless steel	11,951,100	296,264	0.45%
American Orthodontics	Manufacturer of orthodontic appliances	11,949,700	296,158	0.45%
Total for Ten Largest Taxpayers		\$286,659,280	\$7,080,211	10.77%

## Ten Largest Taxpayers - 2008

Name of Taxpayer	Nature of Business	Equalized Value	Net Taxes Paid	Percent of Total Taxes Levied
Acuity Mutual Insurance Co	Insurance	\$51,042,430	\$1,169,425	1.66%
Blue Harbor Resort Sheboygan LLC	Hotel/Convention Center	38,380,390	908,075	1.29%
Aurora Medical Group/Sheboygan Clinic	Medical Clinic	21,939,830	516,897	0.74%
Wal-Mart	Retail	17,591,250	409,162	0.58%
Plastics Engineering Co	Manufacturer of phenolid epoxy	15,185,000	364,894	0.52%
JFM1 LLC	Real Estate	14,829,380	351,643	0.50%
Country Village Apartments	Real Estate	14,165,760	336,036	0.48%
Fresh Brands Distributing, Inc	Wholesale/Retail Grocer	13,978,840	331,685	0.47%
J.L.French Corp	Aluminum die castings	13,933,900	330,477	0.47%
Development 3000 LLC	Real Estate	10,877,000	227,312	0.32%
Total for Ten Largest Taxpayers		\$211,923,780	\$4,945,606	7.04%



# City of Sheboygan, Wisconsin

Table 19  
Principal Employers Current Year and Nine Years Ago  
Ten Largest Employers - 2017

Name of Employer	Nature of Business	Approximate Number of Employees Full Time
Aurora Medical Group/ Aurora Health Care Nemak	Sheboygan Memorial Medical Center and Sheboygan Clinic Aluminum die castings	1480 1275
Sheboygan Area School District	Education	1257
Acuity Mutual Insurance Co	Insurance	1259
Rockline Industries Inc	Manufacturer	870
Sheboygan County	County employees	860
The Vollrath Company	Manufacturer	575
American Orthodontics	Manufacturer	514
City of Sheboygan	Government	498
Piggly Wiggly Midwest LLC	Wholesale/retail grocers	481

## Ten Largest Employers - 2008

Name of Employer	Nature of Business	Approximate Number of Employees Full Time
Sheboygan Area School District	Education	1535
J.L.French Corp	Aluminum die castings	1086
Sheboygan Clinic	Medical Clinic	1000
Acuity Mutual Insurance Co	Insurance	850
Sheboygan Memorial Medical Center	Hospital	830
Sheboygan County	County employees	903
Rockline Industries	Manufacturer	725
St. Nicholas Hospital	Hospital	650
Fresh Brands Distributing Inc	Wholesale/retail grocers	500
City of Sheboygan	Government	484

# City of Sheboygan, Wisconsin

Table 20  
Demographics

## Area- Square Miles

2017	15.78
2016	14.81
2015	14.81
2014	14.71
2013	14.53
2012	14.52
2011	14.46
2010	14.19
2009	14.19
2008	14.19
2007	14.19

## Age (2010)

Under 5 years	7.30%
5 to 9 years	6.80%
10 to 14 years	6.50%
15 to 19 years	6.70%
20 to 24 years	6.30%
25 to 29 years	7.40%
30 to 34 years	6.70%
40 to 44 years	6.60%
45 to 49 years	7.40%
50 to 54 years	6.90%
55 to 59 years	5.90%
60 to 64 years	4.90%
65 to 69 years	3.70%
70 to 74 years	2.90%
75 to 79 years	2.70%
80 to 84 years	2.60%
85 years and older	2.60%

## Race (2010 Census)

White	82.60%
Black or African American	1.90%
American Indian	0.50%
Asian	8.80%
Other Asian	2.50%
Some other race	3.70%

## Major Employers (2017)

Aurora Medical Group	1,480
Nemak	1,275
Acuity Mutual Insurance	1,259
Sheboygan Area School District	1,257
Rockline Industries	870
Sheboygan County	860
The Vollrath Company	575
American Orthodontics	514
City of Sheboygan	498
Piggly Wiggly Midwest LLC	481

## Population

2017	48,402
2016	48,653
2015	50,650
2014	50,600
2013	50,580
2012	50,400
2011	49,288
2010	49,230
2009	49,110
2008	48,965
2007	48,897

## Housing Units (2016)

Total Dwelling Units	18,932
Single Family	12,770
Two Family	4,764
Three Family	183
Condominiums	744
Apartment Units	471

## Building Permits

Year	Number	Value in Millions
2017	3417	83.0
2016	3323	114.4
2015	3331	144.0
2014	3238	273.3
2013	3384	28.5
2012	3288	45.9
2011	3235	55.1
2010	3166	29.1

## Water/Wastewater (2017)

Active Accounts Serviced	18,774
Water Treated/Distrib.	4,609,348,000
Miles of Sanitary Sewers	171
Miles of Water Main	207

## Largest Property Taxpayers (2017)

	Assessed Value
Acuity Mutual Insurance	\$ 134,812,520
Aurora Medical Group	\$ 22,737,890
Nemak	\$ 17,500,500
Sheboygan Acquisitions LLC	\$ 17,216,430
Plastics Engineering Co.	\$ 14,808,000
PJR Properties LLC	\$ 14,806,200
Wal-Mart	\$ 14,404,000
Country Village Apartments	\$ 13,951,740
St. Nicholas Hospital	\$ 12,521,200
American Orthodontics	\$ 11,949,700

# City of Sheboygan, Wisconsin

Table 20  
Demographics

## Employment Trends - Sheboygan County

Year	Employment	Unemployment Rate
2017	61,320	2.8
2016	60,905	3.7
2015	59,614	3.8
2014	57,860	5.2
2013	54,490	7.5
2012	54,420	8.4

## Parks

Year	Developed Parks	Acres Maintained
2017	38	614.04
2016	38	614.04
2015	38	614.04
2014	38	614.04
2013	36	557.25
2012	36	557.25
2011	36	557.25
2010	36	557.25

## Infrastructure

Miles of State Highway System	17
Miles of County Highway System	17
Miles of Local Roads & Streets	196
Miles of Sidewalks	375
Number of City-owned Street Lights	2518

## Elections (2017)

Registered Voters	Turn-Out	Percent
Spring 26,396	5,755	21.80%

## Public Safety- Police

Number of Sworn Officers	
2017	82
2016	82
2015	81
2014	81
2013	81
2012	81
2011	81
2010	78

Number of Police Stations	1
Number of Fire Stations	5
ISO Rating	2

## Public Safety- Firefighter

Number of Sworn Officers	
2017	74
2016	72
2015	69
2014	72
2013	72
2012	72
2011	72
2010	76

## School Registration (2016-2017)

Elementary Schools	56,250
Middle Schools	1,990
High Schools	3,344

## Education Attainment (2010)

(Population 25 years and older)	
High School Graduate	39.90%
Associates Degree	5.90%
Bachelor's Degree	11.00%
Graduate or Professional Degree	4.80%

# City of Sheboygan, Wisconsin

Table 21  
Authorized Permanent Positions  
Last Ten Calendar Years

	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
GENERAL FUND										
General Government	30.00	30.00	30.00	30.00	25.00	25.00	24.75	24.75	22.81	21.95
Public Safety	189.40	190.40	186.40	189.40	186.40	185.40	190.90	192.40	179.40	181.90
Public Works	94.00	94.00	94.00	94.00	60.00	60.00	59.00	58.00	59.00	62.00
Culture and Recreation	37.00	37.00	37.00	37.00	23.00	23.00	22.28	22.28	22.28	21.28
Development and Conservation	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total General Fund	<u>354.40</u>	<u>355.40</u>	<u>351.40</u>	<u>354.40</u>	<u>298.40</u>	<u>297.40</u>	<u>300.93</u>	<u>301.43</u>	<u>287.49</u>	<u>291.13</u>
Mead Public Library	39.00	39.00	39.00	39.00	39.00	38.00	36.63	34.44	38.50	39.50
Municipal Court	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.13	2.23	2.50
Ambulance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Cable Television Division	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.50
Transit Utility	58.00	58.00	58.00	58.00	56.00	56.00	55.45	55.45	51.45	51.45
Parking Utility	3.00	3.00	3.00	3.00	3.00	2.30	2.30	2.30	2.30	2.30
Water Utility*	31.00	31.00	31.00	31.00	31.00	31.00	31.00	30.00	30.00	30.00
Wastewater Utility	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Information Technology Department	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Motor Vehicle Fund	9.00	9.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	6.00
	<u>522.90</u>	<u>523.90</u>	<u>518.90</u>	<u>521.90</u>	<u>462.90</u>	<u>460.20</u>	<u>461.81</u>	<u>458.75</u>	<u>444.97</u>	<u>448.38</u>

\*Approval authorized by Board of Water Commissioners

# City of Sheboygan, Wisconsin

Table 22  
Select Operating Indicators by Function / Program  
Last Ten Calendar Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Arrests	10,062	8,503	8,552	7,600	7,677	10,306	7,046	5,998	6,118	7,675
Parking citations	N/A	8,993	7,517	6,616	8,164	12,898	10,991	8,745	9,842	10,476
Fire										
Total fire calls	3,675	3,551	3,751	3,865	4,503	5,011	5,026	5,034	5,007	5,007
EMS calls	2,390	2,215	2,218	2,548	3,005	3,318	3,310	3,316	3,506	3,867
Building Inspection										
Permits issued	2,028	2,160	3,166	3,145	3,288	3,384	3,238	3,331	3,323	3,417
Public Works										
Refuse curbside collection (tons)	13,208	12,715	12,925	12,454	12,287	11,984	12,144	12,510	11,248	11,273
Recycling curbside collection (tons)	2,941	2,777	3,049	3,310	3,297	3,398	3,547	3,232	3,207	3,337
Salt (tonnage)	*	*	*	*	5,012	4,667	2,302	4,552	4,133	4,133
Municipal Court										
Cases	8,043	6,321	7,240	7,042	7,173	6,905	6,008	5,732	5,974	7,089
Mead Library										
Annual visits	336,090	358,267	356,491	345,852	338,399	316,764	308,293	316,162	335,999	319,693
Material checkout	819,127	903,265	897,531	841,853	757,380	711,743	648,034	604,841	570,709	813,117
Digital content checkout	23	42	148	3,435	14,895	22,375	38,634	50,425	69,802	78,272
Shoreline Metro										
Fixed route passengers	531,714	457,183	440,780	468,361	475,173	520,860	538,802	537,765	527,775	543,561
Paratransit passengers	70,362	65,708	64,259	56,737	47,565	41,892	37,062	35,492	34,317	35,589
Water and Wastewater Utility										
Active accounts	19,283	19,053	19,088	19,028	19,003	18,974	18,833	18,797	18,857	18,774

\* Information is not available

# City of Sheboygan, Wisconsin

Table 23  
Capital Asset Statistics by Function/Program  
Last Ten Calendar Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
General Government:										
City Hall	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Police Facility	1	1	1	1	1	1	1	1	1	1
Fire Stations	5	5	5	5	5	5	5	5	5	5
Patrol Units	46	46	46	46	46	46	46	46	46	46
Fire Engines	13	13	13	13	13	13	13	13	13	13
Ambulances	4	4	4	4	4	4	4	4	4	4
Public Works:										
Office and Maintenance Shop	1	1	1	1	1	1	1	1	1	1
Bridges	16	16	16	16	16	16	16	16	16	16
Salt storage shed	1	1	1	1	1	1	1	1	1	1
Signalized Intersections	39	39	39	39	39	39	39	39	39	39
Health and Human Services										
Wildwood Cemetery	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Parks	36	36	36	36	36	36	36	36	36	36
Park Shelters	18	18	18	18	18	18	18	18	18	18
Maywood Environmental Park	1	1	1	1	1	1	1	1	1	1
Mead Public Library	1	1	1	1	1	1	1	1	1	1
Senior Activity Center	1	1	1	1	1	1	1	1	1	1
Enterprise:										
Wastewater Plant	1	1	1	1	1	1	1	1	1	1
Water Utility Plant	1	1	1	1	1	1	1	1	1	1
Transit Facility	1	1	1	1	1	1	1	1	1	1
Boat Facilities Docks	123	123	123	123	123	123	123	123	123	123
Parking Lots	22	22	22	22	22	22	22	22	22	22

## SINGLE AUDIT SECTION

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## 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 Mayor Michael Vandersteen and the Common Council  
City of Sheboygan, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sheboygan, Wisconsin, (the "City") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 2, 2018. Our report includes a reference to other auditors who audited the financial statements of the Water Utility Enterprise Fund, as described in our report on the City of Sheboygan, Wisconsin's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Harbor Centre Business Improvement District were not audited in accordance with *Government Auditing Standards*.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City'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*.

## 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 results of that testing, and not to provide an opinion on the effectiveness of City'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 City's internal control and on 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 that could be "SL" or a flourish.

Certified Public Accountants

Sheboygan, Wisconsin

May 2, 2018

## Independent auditors' report on compliance for each major federal and state program and on internal control over compliance required by the Uniform Guidance and the *State Single Audit Guidelines*

To the Mayor Michael Vandersteen and the Common Council  
City of Sheboygan, Wisconsin

### REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM

We have audited City of Sheboygan, Wisconsin's (the "City") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the City's major federal and state programs for the year ended December 31, 2017. The City's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

#### OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2017.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in black ink, appearing to read "S. Schenk".

Certified Public Accountants

Sheboygan, Wisconsin  
May 2, 2018

# City of Sheboygan, Wisconsin

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Urban and Community Forestry	10.675	Bay-Lake Regional Planning Commission
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
Community Development Block Grant Entitlements Grants Cluster		
Community Development Block Grant	14.218	Direct Program
Community Development Block Grant - Program Income	14.218	Direct Program
Total Community Development Block Grant Entitlements Grants Cluster		
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Public Safety Partnership and Community Policing Grant		
Anti-Heroin Task Force	16.710	WI Department of Justice
Anti-Methamphetamine	16.710	WI Department of Justice
Total Public Safety Partnership and Community Policing Grant		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	WI Department of Justice
Total U.S. Department of Justice		
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
Federal Transit Cluster		
Federal Transit Formula Grants	20.507	WI Department of Transportation
Highway Safety Cluster		
Alcohol Impaired Driving Countermeasures Incentive Grant	20.616	WI Department of Transportation
National Priority Safety Programs	20.616	WI Department of Transportation
Total Highway Safety Cluster		
Total U.S. Department of Transportation		
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>		
Promotion of the Arts - Grants to Organizations and Individuals	45.024	Arts Midwest
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>		
Common Heritage	45.149	Direct Program
<b>ENVIRONMENTAL PROTECTION AGENCY</b>		
Drinking Water State Revolving Fund Cluster		
Capitalized Grants for Drinking Water State Revolving Funds	66.468	WI Department of Administration
Great Lakes Program	66.469	
King and Deland Park Infrastructure		WI Department of Natural Resources
River Habitat Restoration		WI Department of Natural Resources
Total Great Lakes Program		
Total Environmental Protection Agency		
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>		
Assistance to Firefighters Grant	97.044	Direct Program
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		

*The notes to the schedule of expenditures of federal awards are an integral part of this schedule.*

Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/17	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/17	Total Expenditures	Subrecipient Payment
16006-10B	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -
N/A	(395,313)	868,543	657,113	1,130,343	145,576
N/A	-	480,322	-	480,322	-
	<u>(395,313)</u>	<u>1,348,865</u>	<u>657,113</u>	<u>1,610,665</u>	<u>145,576</u>
N/A	-	1,841	1,797	3,638	2,189
N/A	-	6,887	4,399	11,286	5,610
	<u>-</u>	<u>8,728</u>	<u>6,196</u>	<u>14,924</u>	<u>7,799</u>
2016-DJ-01-12248	-	14,251	-	14,251	7,152
	<u>-</u>	<u>22,979</u>	<u>6,196</u>	<u>29,175</u>	<u>14,951</u>
WI2018006000	-	-	1,206,561	1,206,561	-
3950957-31-29	-	59,824	-	59,824	33,605
3950957-90-27	-	1,000	-	1,000	-
	<u>-</u>	<u>60,824</u>	<u>-</u>	<u>60,824</u>	<u>33,605</u>
	<u>-</u>	<u>60,824</u>	<u>1,206,561</u>	<u>1,267,385</u>	<u>33,605</u>
00017817	(2,600)	2,600	-	-	-
N/A	-	553	-	553	-
4901-04	-	463,768	-	463,768	-
N/A	(217,636)	217,636	-	-	-
N/A	(52,099)	52,099	-	-	-
	<u>(269,735)</u>	<u>269,735</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(269,735)</u>	<u>733,503</u>	<u>-</u>	<u>463,768</u>	<u>-</u>
N/A	-	46,650	(34,377)	12,273	12,273
	<u>\$ (667,648)</u>	<u>\$ 2,225,974</u>	<u>\$ 1,835,493</u>	<u>\$ 3,393,819</u>	<u>\$ 206,405</u>

# City of Sheboygan, Wisconsin

## SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number
<b>DEPARTMENT OF NATURAL RESOURCES</b>			
Urban Forestry Grants	370.587	Direct Program	N/A
Urban Forestry Grants	370.587	Direct Program	N/A
Total Urban Forestry Grant			
Aquatic Invasive Species	370.678	Direct Program	N/A
Total Department of Natural Resources			
<b>DEPARTMENT OF TRANSPORTATION</b>			
Elderly and Handicapped Transportation Aids	395.101	Sheboygan County	N/A
Transit Operating Aids	395.104	Direct Program	N/A
Total Department of Transportation			
<b>DEPARTMENT OF HEALTH SERVICES</b>			
EMS-FAB Grant	435.167	Direct Program	N/A
<b>DEPARTMENT OF JUSTICE</b>			
Drug Crimes Enforcement	455.225	Direct Program	N/A
Beat Patrol Grant	505.603	Direct Program	N/A
Total Department of Justice			
<b>TOTAL STATE PROGRAMS</b>			

*The notes to the schedule of expenditures of state awards are an integral part of this schedule.*

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<u>(Accrued) Deferred Revenue 1/1/17</u>	<u>Cash Received (Refunded)</u>	<u>Accrued (Deferred) Revenue 12/31/17</u>	<u>Total Expenditures</u>	<u>Subrecipient Payment</u>
\$ (21,900)	\$ 21,900	\$ -	\$ -	\$ -
-	-	25,000	25,000	-
(21,900)	21,900	25,000	25,000	-
(5,135)	5,135	-	-	-
(27,035)	27,035	25,000	25,000	-
(80,125)	238,948	158,823	317,646	-
(111,299)	910,086	189,929	988,716	-
(191,424)	1,149,034	348,752	1,306,362	-
-	8,730	-	8,730	-
-	9,861	-	9,861	-
-	121,434	-	121,434	-
-	131,295	-	131,295	-
<u>\$ (218,459)</u>	<u>\$ 1,316,094</u>	<u>\$ 373,752</u>	<u>\$ 1,471,387</u>	<u>\$ -</u>

# City of Sheboygan, Wisconsin

## NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

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### NOTE 1: BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards for the City are presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The Schedules of Expenditures of Federal and State Awards include all federal and state awards of the City. Because the schedules present only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the City's 2017 fund financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the City in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded City expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The City has not elected to charge a de minimis rate of 10% of modified total costs.

### NOTE 3: OVERSIGHT AGENCIES

The federal and state oversight agencies for the City are as follows:

Federal - U.S. Department of Housing and Urban Development  
State - Wisconsin Department of Transportation



# City of Sheboygan, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

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### SECTION 1 - SUMMARY OF AUDITORS' RESULTS

#### BASIC FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- ▶ Material weakness(es) identified? No
- ▶ Significant deficiency(ies) identified? None Reported

Noncompliance material to basic financial statements noted? No

#### FEDERAL AND STATE AWARDS

Internal control over major program:

- ▶ Material weakness(es) identified? No
- ▶ Significant deficiency(ies) identified? None Reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? No

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? No

Identification of major federal programs:

CFDA Number	Name of Federal Program
14.218	Community Development Block Grant Entitlement Grants Cluster Community Development Block Grant

Identification of major state programs:

State ID Number	Name of State Program
395.101	Elderly Transportation Aids

**Audit threshold used to determine between Type A and Type B programs:**

Federal Awards \$750,000

State Awards \$250,000

Auditee qualified as low-risk auditee Yes

# City of Sheboygan, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

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### SECTION II - FINANCIAL STATEMENT FINDINGS


There are no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2017.

### SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There are no findings and questioned costs required to be reported under Uniform Guidance and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration for the year ended December 31, 2017.

### SECTION IV - OTHER ISSUES

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No
2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:
  - Department of Natural Resources No
  - Department of Transportation No
  - Department of Health Services No
  - Department of Justice No
  - Department of Administration No
3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes

  
\_\_\_\_\_  
Bryan Grunewald, CPA  
May 2, 2018
4. Name and signature of partner
5. Date of report

# City of Sheboygan Name, Wisconsin

## **SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2017**

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### **PRIOR YEAR AUDIT FINDINGS**

There were no findings or questioned costs for federal or state awards for the year ended December 31, 2016.

### **CORRECTIVE ACTION PLAN**

No corrective action plan is required.



City of Sheboygan  
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Sheboygan, WI 53081  
920-459-4000

[www.sheboyganwi.gov](http://www.sheboyganwi.gov)