

Town of Cooperstown  
Manitowoc County, Wisconsin

ANNUAL FINANCIAL STATEMENTS  
WITH INDEPENDENT ACCOUNTANTS' REVIEW REPORT

December 31, 2017

# Town of Cooperstown Manitowoc County, Wisconsin

DECEMBER 31, 2017

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## Independent accountants' review report

To the Town Board  
Town of Cooperstown  
Manitowoc County, Wisconsin

### **REPORT ON THE FINANCIAL STATEMENTS**

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the Town of Cooperstown, Manitowoc County, Wisconsin (the "Town") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **ACCOUNTANTS' RESPONSIBILITY**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **ACCOUNTANT'S CONCLUSION**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **REQUIRED SUPPLEMENTARY INFORMATION**

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements are not affected by this missing information.

**SUPPLEMENTARY INFORMATION**

The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in the review of basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

**REPORT ON SUMMARIZED FINANCIAL INFORMATION**

We have previously reviewed the Town’s 2016 financial statements, and in our conclusion dated April 3, 2017, stated that based on our review, we were not aware of any material modifications that should be made to the 2016 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2016, for it to be consistent with the reviewed financial statements from which it has been derived.



Certified Public Accountants

Green Bay, Wisconsin  
March 28, 2018

## BASIC FINANCIAL STATEMENTS

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# Town of Cooperstown, Wisconsin

Manitowoc County, Wisconsin

## STATEMENT OF NET POSITION

DECEMBER 31, 2017

WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016

"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"

	Governmental Activities	
	2017	2016
<b>ASSETS</b>		
Cash and investments	\$ 684,072	\$ 798,403
Receivables		
Taxes and special charges	1,449,268	1,323,151
Accounts	3,082	867
Inventories	5,007	5,177
Capital assets, nondepreciable	93,392	55,774
Capital assets, depreciable	429,627	414,800
Total assets	<u>2,664,448</u>	<u>2,598,172</u>
<b>LIABILITIES</b>		
Accounts payable	13,076	10,305
Accrued and other current liabilities	3,729	5,381
Due to other governments	1,736,632	1,662,578
Total liabilities	<u>1,753,437</u>	<u>1,678,264</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes levied for subsequent year	287,742	285,113
<b>NET POSITION</b>		
Net investment in capital assets	523,019	470,574
Unrestricted	100,250	164,221
Total net position	<u>\$ 623,269</u>	<u>\$ 634,795</u>

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

# Town of Cooperstown, Wisconsin

Manitowoc County, Wisconsin

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

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

"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Totals	
					2017	2016
<b>GOVERNMENTAL ACTIVITIES</b>						
General government	\$ 79,495	\$ 7	\$ -	\$ -	\$ (79,488)	\$ (78,511)
Public safety	102,245	4,527	4,115	-	(93,603)	(91,495)
Public works	376,078	42,783	152,511	-	(180,784)	(155,750)
Conservation and development	1,967	1,050	-	-	(917)	(2,512)
Total governmental activities	<u>\$ 559,785</u>	<u>\$ 48,367</u>	<u>\$ 156,626</u>	<u>\$ -</u>	<u>(354,792)</u>	<u>(328,268)</u>
General revenues						
Taxes						
Property taxes					285,113	282,078
Other taxes and franchise fees					2,041	1,505
Federal and state grants and other contributions not restricted to specific functions					53,077	51,055
Interest and investment earnings					634	492
Miscellaneous					2,401	2,342
Total general revenues					<u>343,266</u>	<u>337,472</u>
Change in net position					(11,526)	9,204
Net position - January 1					<u>634,795</u>	<u>625,591</u>
Net position - December 31					<u>\$ 623,269</u>	<u>\$ 634,795</u>

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

# Town of Cooperstown, Wisconsin

Manitowoc County, Wisconsin

## BALANCE SHEET

GENERAL FUND

DECEMBER 31, 2017

WITH COMPARATIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2016

"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and investments	\$ 684,072	\$ 798,403
Receivables		
Taxes and special charges	1,449,268	1,323,151
Accounts	3,082	867
Inventories	<u>5,007</u>	<u>5,177</u>
Total assets	<u>\$ 2,141,429</u>	<u>\$ 2,127,598</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 13,076	\$ 10,305
Accrued and other current liabilities	3,729	5,381
Due to other governments	<u>1,736,632</u>	<u>1,662,578</u>
Total liabilities	<u>1,753,437</u>	<u>1,678,264</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	<u>287,742</u>	<u>285,113</u>
Fund balance		
Nonspendable	5,007	5,177
Committed	69,341	116,342
Unassigned	<u>25,902</u>	<u>42,702</u>
Total fund balance	<u>100,250</u>	<u>164,221</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,141,429</u>	<u>\$ 2,127,598</u>
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION</b>		
Total fund balance as shown on previous page	\$ 100,250	\$ 164,221
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 fund.	<u>523,019</u>	<u>470,574</u>
Net position of governmental activities as reported on the Statement of Net Position (see page 3)	<u>\$ 623,269</u>	<u>\$ 634,795</u>

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



# Town of Cooperstown, Wisconsin

Manitowoc County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016  
"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"**

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Taxes	\$ 287,154	\$ 283,583
Intergovernmental	209,703	202,937
Licenses and permits	7,335	7,401
Fines and forfeits	210	225
Public charges for services	8,964	10,311
Intergovernmental charges for services	34,048	24,299
Miscellaneous	845	556
	<u>548,259</u>	<u>529,312</u>
<b>EXPENDITURES</b>		
Current		
General government	78,836	81,167
Public safety	102,245	99,918
Public works	378,189	293,410
Conservation and development	1,967	3,562
Capital outlay	50,993	-
	<u>612,230</u>	<u>478,057</u>
<b>Net change in fund balance</b>	(63,971)	51,255
<b>Fund balance - January 1</b>	<u>164,221</u>	<u>112,966</u>
<b>Fund balance - December 31</b>	<u>\$ 100,250</u>	<u>\$ 164,221</u>
<b>RECONCILIATION TO THE STATEMENT OF ACTIVITIES</b>		
Net change in fund balance as shown on previous page	\$ (63,971)	\$ 51,255
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	93,268	3,295
Depreciation expense reported in the statement of activities	<u>(40,823)</u>	<u>(45,346)</u>
Change in net position of governmental activities as reported in the statement of activities (see page 4)	<u>\$ (11,526)</u>	<u>\$ 9,204</u>

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

# Town of Cooperstown, Wisconsin

Manitowoc County, 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  
"SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT"**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 285,113	\$ 285,113	\$ 287,154	\$ 2,041	\$ 283,583
Intergovernmental	200,145	200,145	209,703	9,558	202,937
Licenses and permits	3,650	4,150	7,335	3,185	7,401
Fines and forfeits	-	-	210	210	225
Public charges for services	2,500	2,500	8,964	6,464	10,311
Intergovernmental charges for services	20,000	34,025	34,048	23	24,299
Miscellaneous	400	400	845	445	556
<b>Total revenues</b>	<b>511,808</b>	<b>526,333</b>	<b>548,259</b>	<b>21,926</b>	<b>529,312</b>
<b>EXPENDITURES</b>					
Current					
General government	94,000	94,000	78,836	15,164	81,167
Public safety	98,421	98,921	102,245	(3,324)	99,918
Public works	355,000	374,525	378,189	(3,664)	293,410
Conservation and development	10,000	4,500	1,967	2,533	3,562
Capital outlay	-	50,993	50,993	-	-
<b>Total expenditures</b>	<b>557,421</b>	<b>622,939</b>	<b>612,230</b>	<b>10,709</b>	<b>478,057</b>
<b>Net change in fund balance</b>	<b>(45,613)</b>	<b>(96,606)</b>	<b>(63,971)</b>	<b>32,635</b>	<b>51,255</b>
<b>Fund balance - January 1</b>	<b>164,221</b>	<b>164,221</b>	<b>164,221</b>	<b>-</b>	<b>112,966</b>
<b>Fund balance - December 31</b>	<b>\$ 118,608</b>	<b>\$ 67,615</b>	<b>\$ 100,250</b>	<b>\$ 32,635</b>	<b>\$ 164,221</b>

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

# Town of Cooperstown Manitowoc County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 "SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Cooperstown, Manitowoc County, Wisconsin (the "Town"), 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 Town are described below:

#### A. REPORTING ENTITY

The Town is a municipal corporation governed by an elected five member board. In accordance with GAAP, the basic financial statements are required to include the Town (the primary government) and any separate component units that have a significant operational or financial relationship with the Town. The Town has not identified any component units that are required to be included in the basic financial statements in accordance with standards established in GASB Statement No. 61.

#### 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 Town. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues are reported. The Town has no business-type activities.

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 the general fund.

The Town reports the following major governmental fund:

#### General Fund

This is the Town's primary operating fund. It accounts for all financial resources of the general government.

#### 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*. 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.

# Town of Cooperstown Manitowoc County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 "SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

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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 Town 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.

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.

### 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.

#### 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 Town 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 Town. Special charges not paid by January 31 are held in trust by the County and remitted to the Town, including interest, when collected by the County.

In addition to its levy, the Town also levies and collects taxes for the Denmark School District, Mishicot School District, Reedsville School District, Manitowoc County, Northeast Wisconsin Technical College, Lakeshore Technical College and the State of Wisconsin.

#### 3. Accounts Receivable

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

#### 4. 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.

# Town of Cooperstown Manitowoc County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 "SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

### 5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$2,000 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 Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20 - 40
Machinery and equipment	5 - 20
Vehicles	7
Infrastructure	15 - 30

### 6. 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.

### 7. 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 Town Board. These constraints can only be removed or changed by the Town Board using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of Town management. The Town Board has not authorized an employee to assign fund balance.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose.

The Town 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.

# Town of Cooperstown Manitowoc County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 "SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

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### *Government-Wide 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. There is no restricted net position on December 31, 2017.
- ▶ **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 Town'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.

## **NOTE 2: STEWARDSHIP AND COMPLIANCE**

### **A. BUDGETS AND BUDGETARY ACCOUNTING**

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

1. Prior to December, the Town Clerk submits to the Town Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Town Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. 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.

# Town of Cooperstown Manitowoc County, Wisconsin

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
"SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"**

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4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Town. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Town Board.
5. Encumbrance accounting is not used by the Town to record commitments related to unperformed contracts for goods or services.

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

**B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS**

The following expenditure accounts of the governmental fund had actual expenditures in excess of budget appropriations for the year ended December 31, 2017 as follows:

Fund(s)	Excess Expenditures
General fund	
Public safety	
Fire department	\$ 4,114
Public works	
Street maintenance	3,459
Garbage collection	266
Weed and nuisance control	4

**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 Town's January 1 equalized value as a result of net new construction. The actual limit for the Town for the 2017 budget was 1.08%. The actual limit for the Town for the 2018 budget was 0.92%. 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.

# Town of Cooperstown Manitowoc County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 "SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

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### NOTE 3: DETAILED NOTES ON ALL FUNDS

#### A. CASH AND INVESTMENTS

The Town maintains various cash and investment accounts which are displayed on the financial statements as "Cash and investments".

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

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

The carrying amount of the Town's cash and investments totaled \$684,072 on December 31, 2017 as summarized below:

Petty cash and cash on hand	\$	6
Deposits with financial institutions		684,066
	\$	<u>684,072</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position		
Cash and investments	\$	<u>684,072</u>

#### Fair Value Measurements

The Town 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 Town currently has no investments that are subject to fair value measurement.

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

#### Custodial Credit Risk

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



# Town of Cooperstown

## Manitowoc County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 "SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

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, \$35,893 of the Town's deposits with financial institutions were in excess of federal and state depository insurance limits. The entire amount was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Town's name.

#### B. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, nondepreciable:				
Land	\$ 55,774	\$ -	\$ -	\$ 55,774
Construction in progress	-	37,618	-	37,618
Total capital assets, nondepreciable	<u>55,774</u>	<u>37,618</u>	<u>-</u>	<u>93,392</u>
Capital assets, depreciable:				
Buildings and improvements	67,739	-	-	67,739
Machinery and equipment	350,262	-	-	350,262
Vehicles	20,211	-	-	20,211
Infrastructure	559,863	55,650	-	615,513
Subtotals	<u>998,075</u>	<u>55,650</u>	<u>-</u>	<u>1,053,725</u>
Less accumulated depreciation for:				
Buildings and improvements	39,263	1,227	-	40,490
Machinery and equipment	290,929	9,970	-	300,899
Vehicles	20,211	-	-	20,211
Infrastructure	232,872	29,626	-	262,498
Subtotals	<u>583,275</u>	<u>40,823</u>	<u>-</u>	<u>624,098</u>
Total capital assets, depreciable, net	<u>414,800</u>	<u>14,827</u>	<u>-</u>	<u>429,627</u>
Governmental activities capital assets, net	<u>\$ 470,574</u>	<u>\$ 52,445</u>	<u>\$ -</u>	<u>\$ 523,019</u>

# Town of Cooperstown Manitowoc County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 "SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

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

Governmental activities	
General government	\$ 659
Public works	40,164
Total depreciation expense - governmental activities	<u>\$ 40,823</u>

### C. LONG-TERM DEBT

The Town had no long-term debt during the year ended December 31, 2017.

### D. LEGAL MARGIN FOR NEW DEBT

The Town's legal margin for creation of additional general obligation debt on December 31, 2017 was \$5,464,250 as follows:

Equalized valuation of the Town	\$ 109,285,000
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>5,464,250</u>
Net outstanding general obligation debt applicable to debt limitation	-
Legal margin for new debt	<u>\$ 5,464,250</u>

### E. FUND EQUITY

#### Nonspendable Fund Balance

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

General Fund	
Nonspendable	
Inventory	<u>\$ 5,007</u>

#### Committed Fund Balance

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

General Fund	
Committed for	
General public building	\$ 500
General government outlay	565
Highway equipment outlay	17,800
Highway building outlay	870
Subsequent years' budget	<u>49,606</u>
Total Committed Fund Balance	<u>\$ 69,341</u>

# Town of Cooperstown Manitowoc County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 "SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT"

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### NOTE 4: OTHER INFORMATION

#### A. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Town completes an annual review of its insurance coverage to ensure adequate coverage.

#### B. CONTINGENCIES

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

#### C. UPCOMING ACCOUNTING PRONOUNCEMENTS

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 Town is currently evaluating the impact this standard will have on the financial statements when adopted.

**SUPPLEMENTARY INFORMATION**

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# Town of Cooperstown, Wisconsin

Manitowoc County, Wisconsin

## GENERAL FUND

### DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
<b>Taxes</b>					
General property	\$ 285,113	\$ 285,113	\$ 285,113	\$ -	\$ 282,078
Forest crop/MFL taxes	-	-	1,645	1,645	1,505
Interest on taxes	-	-	396	396	-
<b>Total taxes</b>	<b>285,113</b>	<b>285,113</b>	<b>287,154</b>	<b>2,041</b>	<b>283,583</b>
<b>Intergovernmental</b>					
<b>State</b>					
State shared taxes	49,395	49,395	49,395	-	49,395
Fire insurance dues	-	-	4,115	4,115	3,837
Tax exempt computer aid	-	-	17	17	16
Transportation	136,150	136,150	136,150	-	136,150
Municipal service aid	-	-	356	356	371
Forest crop aid	-	-	649	649	658
Severance yield	-	-	2,049	2,049	-
Payment in lieu of taxes	600	600	611	11	615
Recycling	5,000	5,000	6,927	1,927	6,577
<b>County</b>					
Bridge aid	9,000	9,000	9,434	434	5,318
<b>Total intergovernmental</b>	<b>200,145</b>	<b>200,145</b>	<b>209,703</b>	<b>9,558</b>	<b>202,937</b>
<b>Licenses and permits</b>					
<b>Licenses</b>					
Business and occupational licenses	650	650	800	150	794
Dog	-	-	1,118	1,118	1,196
<b>Permits</b>					
Building	3,000	3,500	4,317	817	4,361
Zoning	-	-	1,050	1,050	1,050
Other	-	-	50	50	-
<b>Total licenses and permits</b>	<b>3,650</b>	<b>4,150</b>	<b>7,335</b>	<b>3,185</b>	<b>7,401</b>
<b>Fines and forfeits</b>					
Court fines and penalties	-	-	210	210	225
<b>Public charges for services</b>					
General government	-	-	229	229	333
Highway	-	-	4,748	4,748	6,588
Garbage and recycling	2,500	2,500	3,987	1,487	3,390
<b>Total public charges for services</b>	<b>2,500</b>	<b>2,500</b>	<b>8,964</b>	<b>6,464</b>	<b>10,311</b>

# Town of Cooperstown, Wisconsin

Manitowoc County, Wisconsin

## GENERAL FUND

### DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

See Independent Accountants Review Report

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
Intergovernmental charges for services					
Highway	20,000	34,025	34,048	23	24,299
Miscellaneous					
Interest on investments	400	400	634	234	492
Donations	-	-	200	200	-
Other	-	-	11	11	64
Total miscellaneous	400	400	845	445	556
<b>Total Revenues</b>	<u>\$ 511,808</u>	<u>\$ 526,333</u>	<u>\$ 548,259</u>	<u>\$ 21,926</u>	<u>\$ 529,312</u>

# Town of Cooperstown, Wisconsin

Manitowoc County, Wisconsin

## GENERAL FUND

### DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
<b>General Government</b>					
Town board	\$ 23,000	\$ 23,000	\$ 19,263	\$ 3,737	\$ 17,676
Legal	5,000	5,000	-	5,000	624
General administration	29,000	29,000	24,426	4,574	27,908
Financial administration	23,000	23,000	22,794	206	23,238
Town hall	2,000	2,000	1,161	839	1,195
Insurance and bonds	12,000	12,000	11,192	808	10,526
<b>Total general government</b>	<b>94,000</b>	<b>94,000</b>	<b>78,836</b>	<b>15,164</b>	<b>81,167</b>
<b>Public Safety</b>					
Constable	1,500	1,500	1,082	418	953
Inspection	2,000	2,500	2,139	361	1,955
Fire department	79,621	79,621	83,735	(4,114)	82,084
Rescue squad	15,300	15,300	15,289	11	14,926
<b>Total public safety</b>	<b>98,421</b>	<b>98,921</b>	<b>102,245</b>	<b>(3,324)</b>	<b>99,918</b>
<b>Public Works</b>					
Salaries and wages	80,000	70,480	70,478	2	71,715
Street maintenance	222,000	253,065	256,524	(3,459)	175,370
Street lighting	3,000	2,600	2,584	16	2,584
Garbage collection	30,000	30,380	30,646	(266)	26,576
Recycling	20,000	18,000	17,953	47	17,165
Weed and nuisance control	-	-	4	(4)	-
<b>Total public works</b>	<b>355,000</b>	<b>374,525</b>	<b>378,189</b>	<b>(3,664)</b>	<b>293,410</b>
<b>Conservation and Development</b>					
Planning commission	10,000	4,500	1,967	2,533	3,562
<b>Capital Outlay</b>					
Public works	-	50,993	50,993	-	-
<b>Total Expenditures</b>	<b>\$ 557,421</b>	<b>\$ 622,939</b>	<b>\$ 612,230</b>	<b>\$ 10,709</b>	<b>\$ 478,057</b>