

CITY OF FRANKLIN, WISCONSIN
Balance Sheet
Governmental Funds
As of December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>TIF Districts</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 7,098,754	\$ 702,878	\$ 3,696,480	\$ 13,863,094	\$ 25,361,206
Receivables					
Accounts	551,983	-	-	201,773	753,756
Taxes	16,951,582	1,332,144	2,471,104	4,180,341	24,935,171
Special assessments	-	89,463	-	755,921	845,384
Due from other funds	65,742	-	-	-	65,742
Due from other governments	111,159	-	-	144,866	256,025
Prepaid items	12,057	-	-	650	12,707
Inventories	3,791	-	-	-	3,791
Advances to other funds	230,700	-	-	25,000	255,700
TOTAL ASSETS	\$ 25,025,768	\$ 2,124,485	\$ 6,167,584	\$ 19,171,645	\$ 52,489,482
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 557,932	\$ -	\$ 1,324,784	\$ 343,254	\$ 2,225,970
Accrued liabilities	700,783	-	-	115,423	816,206
Due to other funds	18,352	-	24,695	36,552	79,599
Due to other governments	116,915	-	-	-	116,915
Special deposits	107,725	-	-	-	107,725
Advance from other funds	-	-	125,000	-	125,000
Total liabilities	<u>1,501,707</u>	<u>-</u>	<u>1,474,479</u>	<u>495,229</u>	<u>3,471,415</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned & unavailable revenue	<u>16,936,550</u>	<u>1,389,463</u>	<u>2,471,104</u>	<u>4,782,535</u>	<u>25,579,652</u>
FUND BALANCES					
Nonspendable:					
Inventories and prepaid items	15,848	-	-	650	16,498
Advances to other funds	230,700	-	-	-	230,700
Restricted:					
Debt service	-	735,022	-	-	735,022
Utility improvements	-	-	-	1,413,378	1,413,378
Development	-	-	-	4,166,500	4,166,500
TIF Districts	-	-	2,405,999	-	2,405,999
Donations	-	-	-	150,136	150,136
Health services	-	-	-	199,428	199,428
Library services	-	-	-	580,430	580,430
Solid waste	-	-	-	393,677	393,677
Recreational services	-	-	-	65,727	65,727
Tourism	-	-	-	211,793	211,793
Assigned:					
Purchases on order	150,565	-	-	-	150,565
Capital projects	-	-	-	6,746,614	6,746,614
Unassigned (deficit)	<u>6,190,398</u>	<u>-</u>	<u>(183,998)</u>	<u>(34,452)</u>	<u>5,971,948</u>
Total fund balances	<u>6,587,511</u>	<u>735,022</u>	<u>2,222,001</u>	<u>13,893,881</u>	<u>23,438,415</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 25,025,768	\$ 2,124,485	\$ 6,167,584	\$ 19,171,645	\$ 52,489,482

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
As of December 31, 2017

Fund balances - total governmental funds	\$	23,438,415
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental funds are not financial resources and are therefore are not reported in the funds		
Capital assets, net of depreciation		121,923,878
Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenues when earned in the government-wide statements		
Special assessments		845,383
Deferred outflows of resources and deferred inflows of resources related to pensions are applicable to future periods, and, therefore are not reported in fund statements		
Deferred outflows		7,287,434
Deferred inflows		(2,340,698)
Internal Service Fund net position		1,886,196
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due		
General obligation debt		(8,845,000)
Compensated absences		(2,022,103)
Net pension and OPEB obligations		(4,284,420)
Unamortized debt premiums		(217,622)
Accrued Interest		(54,488)
Net position of governmental activities	\$	<u>137,616,975</u>

CITY OF FRANKLIN, WISCONSIN
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Debt Service	TIF Districts	Nonmajor Governmental Funds	Total Governmental Funds
REVENUE					
Taxes	\$ 17,093,625	\$ 1,300,000	\$ 2,415,641	\$ 3,005,893	\$ 23,815,159
Intergovernmental revenue	2,264,961	-	474,156	389,852	3,128,969
Licenses and permits	773,877	-	-	25,885	799,762
Fines, forfeitures and penalties	485,407	-	-	-	485,407
Public charges for services	1,603,247	-	-	2,536,224	4,139,471
Special assessments	-	106,779	-	424,950	531,729
Intergovernmental charges for services	172,796	-	-	-	172,796
Investment earnings	189,275	11,613	41,332	154,343	396,563
Miscellaneous revenue	148,853	-	-	147,046	295,899
Total revenue	<u>22,732,041</u>	<u>1,418,392</u>	<u>2,931,129</u>	<u>6,684,193</u>	<u>33,765,755</u>
EXPENDITURES					
Current					
General government	2,940,898	-	61,072	-	3,001,970
Public safety	16,660,351	-	-	36,101	16,696,452
Public works	3,852,472	-	37,378	1,575,395	5,465,245
Health and human services	675,875	-	-	182,566	858,441
Culture, recreation and education	187,959	-	-	1,451,667	1,639,626
Conservation and development	520,314	-	39,758	-	560,072
Capital outlay	-	-	1,353,609	3,392,327	4,745,936
Debt service					
Principal	-	1,355,000	1,675,000	-	3,030,000
Interest	-	144,736	74,152	-	218,888
Debt issuance costs	-	-	-	40,442	40,442
Total expenditures	<u>24,837,869</u>	<u>1,499,736</u>	<u>3,240,969</u>	<u>6,678,498</u>	<u>36,257,072</u>
Excess (deficiency) of revenue over expenditures	<u>(2,105,828)</u>	<u>(81,344)</u>	<u>(309,840)</u>	<u>5,695</u>	<u>(2,491,317)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	179,355	179,355
Transfers in	1,059,793	113,997	-	57,799	1,231,589
Transfers out	(57,138)	-	-	(141,608)	(198,746)
General obligation debt issued	-	-	-	1,630,000	1,630,000
Premium on debt issued	-	51,071	-	-	51,071
Total other financing sources and uses	<u>1,002,655</u>	<u>165,068</u>	<u>-</u>	<u>1,725,546</u>	<u>2,893,269</u>
Net change in fund balances	(1,103,173)	83,724	(309,840)	1,731,241	401,952
Fund balances - beginning	<u>7,690,684</u>	<u>651,298</u>	<u>2,531,841</u>	<u>12,162,640</u>	<u>23,036,463</u>
Fund balances - ending	<u>\$ 6,587,511</u>	<u>\$ 735,022</u>	<u>\$ 2,222,001</u>	<u>\$ 13,893,881</u>	<u>\$ 23,438,415</u>

CITY OF FRANKLIN, WISCONSIN
Reconciliation of the Statement of Revenue
Expenditures and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds	\$	401,952
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 these assets is allocated over their estimated useful lives and reported as depreciation expense or losses when disposed of.		
Capital outlays		4,177,822
Depreciation		(3,435,868)
Net book value of assets disposed		(79,687)
Contributed capital assets are reported as revenues in the statement of activities.		
		2,862,164
The issuance of long-term debt (e.g. notes, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes current financial resources of government funds. Neither transaction, however, has any effect on net position.		
Principal paid on long-term debt		3,030,000
Proceeds from long-term debt, net of premium/discount		(1,681,071)
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 government funds		
Compensated absences		(194,285)
Accrued interest payable		34,737
Revenue in the governmental funds that provides current financial resources but has been previously reported as revenue in the statement of activities		
Net special assessments		(120,270)
Internal service fund change in net position		(859,879)
Net change in net position of governmental activities	\$	<u>4,135,615</u>

CITY OF FRANKLIN, WISCONSIN
General Fund
Statement of Revenue, Expenditures and Changes in Fund Balances -
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31, 2017

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with final budget - Excess (Deficiency)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Taxes	\$ 18,200,458	\$ 18,200,458	\$ 18,126,468	\$ (73,990)
Intergovernmental revenue	2,237,400	2,237,400	2,264,961	27,561
Licenses and permits	1,051,865	1,051,865	773,877	(277,988)
Fines, forfeitures and penalties	500,000	500,000	485,407	(14,593)
Public charges for services	1,753,250	1,764,250	1,603,247	(161,003)
Intergovernmental charges for services	203,200	203,200	172,796	(30,404)
Investment earnings	220,000	220,000	189,275	(30,725)
Miscellaneous revenue	125,650	125,650	148,853	23,203
Total revenue	<u>24,291,823</u>	<u>24,302,823</u>	<u>23,764,884</u>	<u>(537,939)</u>
EXPENDITURES				
Current				
General government	3,314,937	3,058,849	2,994,101	64,748
Public safety	16,768,325	17,010,635	16,706,741	303,894
Public works	4,196,359	4,183,759	3,835,608	348,151
Health and human services	684,797	695,797	675,875	19,922
Culture and recreation	172,218	194,504	186,969	7,535
Conservation and development	623,677	623,677	527,514	96,163
Total expenditures	<u>25,760,313</u>	<u>25,767,221</u>	<u>24,926,808</u>	<u>840,413</u>
Excess (deficiency) of revenue over (under) expenditures	(1,468,490)	(1,464,398)	(1,161,924)	302,474
OTHER FINANCING SOURCES (USES)				
Transfers in	-	26,950	26,950	-
Transfers out	(24,000)	(57,138)	(57,138)	-
Net change in fund balance - budgetary basis	(1,492,490)	(1,494,586)	(1,192,112)	302,474
Adjustments to generally accepted accounting principles basis				
2017 encumbrances	-	150,565	150,565	-
2016 encumbrances	-	(61,626)	(61,626)	-
Net change in fund balance - generally accepted accounting principles basis	(1,492,490)	(1,405,647)	(1,103,173)	302,474
Fund Balances - beginning	<u>7,690,684</u>	<u>7,690,684</u>	<u>7,690,684</u>	<u>-</u>
Fund Balances - ending	<u>\$ 6,198,194</u>	<u>\$ 6,285,037</u>	<u>\$ 6,587,511</u>	<u>\$ 302,474</u>

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Statement of Net Position
Proprietary Funds
As of December 31, 2017
(with comparative information for December 31, 2016)

	Business-type Activities - Enterprise Funds				Current Year Totals	Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year		
ASSETS						
Current assets						
Cash and investments	\$ 1,900,126	\$ 1,189,005	\$ 1,508,191	\$ 519,301	\$ 3,408,317	\$ 2,100,065
Receivables						
Accounts receivable	1,474,084	1,415,091	853,366	866,739	2,327,450	50,646
Taxes receivable	161,856	183,461	97,015	121,939	258,871	-
Due from other funds	39,260	26,276	44,650	56,171	83,910	-
Due from other governments	-	-	1,214,723	3,940,408	1,214,723	-
Prepaid expenses	-	2,304	-	2,214	-	1,500
Advance to other funds	-	-	-	-	-	25,000
Total current assets	<u>3,575,326</u>	<u>2,816,137</u>	<u>3,717,945</u>	<u>5,506,772</u>	<u>7,293,271</u>	<u>2,177,211</u>
Noncurrent assets						
Restricted cash and investments	-	-	178,590	394,227	178,590	-
Due from other governments	-	-	18,799,969	20,014,692	18,799,969	-
Regulatory assets	171,767	303,391	-	-	171,767	-
Capital assets						
Land	162,885	162,885	725,594	725,594	888,479	-
Buildings and improvements	3,010,304	3,049,279	3,298,163	3,292,878	6,308,467	-
Improvements other than buildings	55,434,661	55,420,201	78,754,451	78,725,671	134,189,112	-
Machinery and equipment	5,067,718	4,908,476	1,056,096	811,870	6,123,814	-
Construction in progress	-	-	-	-	-	-
Less accumulated depreciation	<u>(19,203,715)</u>	<u>(18,128,361)</u>	<u>(20,592,321)</u>	<u>(18,484,127)</u>	<u>(39,796,036)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>44,471,853</u>	<u>45,412,480</u>	<u>63,241,983</u>	<u>65,071,886</u>	<u>107,713,836</u>	<u>-</u>
Total noncurrent assets	<u>44,643,620</u>	<u>45,715,871</u>	<u>82,220,542</u>	<u>85,480,805</u>	<u>126,864,162</u>	<u>-</u>
Total assets	<u>48,218,946</u>	<u>48,532,008</u>	<u>85,938,487</u>	<u>90,987,577</u>	<u>134,157,433</u>	<u>2,177,211</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	447,267	188,850	386,276	168,109	833,543	-

Continued

CITY OF FRANKLIN, WISCONSIN
Statement of Net Position
Proprietary Funds
As of December 31, 2017
(with comparative information for December 31, 2016)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
LIABILITIES						
Current liabilities						
Accounts payable	\$ 711,295	\$ 730,533	\$ 800,489	\$ 558,085	\$ 1,511,784	\$ 315
Accrued liabilities	6,558	689	28,084	27,937	34,642	290,700
Accrued interest payable	10,829	11,196	82,127	86,991	92,956	-
Due to other funds	49,145	70,899	20,908	20,492	70,053	-
Current portion of long-term advances	16,000	-	-	-	16,000	-
Current portion of long-term obligations	55,000	91,219	1,214,723	1,221,754	1,269,723	-
Total current liabilities	<u>848,827</u>	<u>904,536</u>	<u>2,146,331</u>	<u>1,915,259</u>	<u>2,995,158</u>	<u>291,015</u>
Noncurrent liabilities						
Net pension liability	418,383	202,705	361,331	180,443	779,714	-
Net OPEB liability	19,727	-	19,727	-	39,454	-
General obligation notes payable	1,059,575	1,077,247	18,799,970	19,978,474	19,859,545	-
Accrued compensated absences	75,021	74,066	75,021	74,067	150,042	-
Total noncurrent liabilities	<u>1,572,706</u>	<u>1,354,018</u>	<u>19,256,049</u>	<u>20,232,984</u>	<u>20,828,755</u>	<u>-</u>
Long-term advances	139,700	-	-	2,198,616	139,700	-
Total liabilities	<u>2,561,233</u>	<u>2,258,554</u>	<u>21,402,380</u>	<u>24,346,859</u>	<u>23,963,613</u>	<u>291,015</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related	37,695	58,347	32,555	51,939	70,250	-
NET POSITION						
Net investment in capital assets	43,357,278	44,244,014	43,227,290	43,871,658	86,584,568	-
Restricted						
Sewer equipment replacement	-	-	178,590	394,227	178,590	-
Intergovernmental cooperation agreement	-	-	20,014,692	21,200,228	20,014,692	-
Unrestricted	2,710,007	2,159,943	1,469,256	1,290,775	4,179,263	1,886,196
Total net position	<u>\$ 46,067,285</u>	<u>\$ 46,403,957</u>	<u>\$ 64,889,828</u>	<u>\$ 66,756,888</u>	<u>\$ 110,957,113</u>	<u>\$ 1,886,196</u>

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Statement of Revenue, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017
(with comparative information for December 31, 2016)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
OPERATING REVENUE						
Metered sales						
Residential	\$ 3,008,260	\$ 3,040,247	\$ 1,801,699	\$ 1,789,296	\$ 4,809,959	\$ -
Multi-Family	741,401	717,806	447,952	457,801	1,189,353	-
Commercial	848,981	819,012	492,742	487,248	1,341,723	-
Industrial	475,367	467,973	396,229	406,631	871,596	-
Public authority	258,312	270,342	143,731	151,190	402,043	-
Total metered sales	5,332,321	5,315,380	3,282,353	3,292,166	8,614,674	-
Group health & dental charges	-	-	-	-	-	3,035,082
Unmetered sales	7,355	27,284	-	-	7,355	-
Public fire protection service	541,486	534,028	-	-	541,486	-
Private fire protection service	122,350	122,290	-	-	122,350	-
Forfeited discounts, penalties and other	53,573	55,591	31,501	36,384	85,074	-
Total operating revenue	6,057,085	6,054,573	3,313,854	3,328,550	9,370,939	3,035,082
OPERATING EXPENSES						
Cost of sales and services	3,444,137	3,609,058	2,279,953	2,240,685	5,724,090	3,924,549
Depreciation	1,194,029	1,214,163	2,119,900	2,123,035	3,313,929	-
Amortization	130,666	130,666	-	-	130,666	-
Administration	624,581	560,354	822,289	834,149	1,446,870	-
Total operating expenses	5,393,413	5,514,241	5,222,142	5,197,869	10,615,555	3,924,549
Operating income (loss)	663,672	540,332	(1,908,288)	(1,869,319)	(1,244,616)	(889,467)
NONOPERATING REVENUE (EXPENSES)						
Investment earnings (loss)	9,926	2,589	519,078	435,320	529,004	29,588
Sundry	64,168	56,317	21,775	2,515	85,943	-
Interest expense	(36,530)	(35,267)	(502,491)	(531,445)	(539,021)	-
Total non-operating revenue (expenses)	37,564	23,639	38,362	(93,610)	75,926	29,588
Income (loss) before capital contributions and transfers	701,236	563,971	(1,869,926)	(1,962,929)	(1,168,690)	(859,879)
Capital contributions	14,461	962,223	28,780	124,962	43,241	-
Transfers out	(1,029,649)	(1,047,053)	(3,194)	(3,329)	(1,032,843)	-
Change in net position	(313,952)	479,141	(1,844,340)	(1,841,296)	(2,158,292)	(859,879)
Net position - beginning	46,403,957	45,924,816	66,756,888	46,146,724	113,160,845	2,746,075
Restatement	(22,720)	-	(22,720)	22,451,460	(45,440)	-
Net position - beginning (restated)	46,381,237	45,924,816	66,734,168	68,598,184	113,115,405	2,746,075
Net position - ending	\$ 46,067,285	\$ 46,403,957	\$ 64,889,828	\$ 66,756,888	\$ 110,957,113	\$ 1,886,196

CITY OF FRANKLIN, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017
(with comparative information for December 31, 2016)

	Business-type Activities - Enterprise Funds				Current Year Totals	Governmental Activities - Internal Service Funds
	Water Utility	Water Utility	Sanitary Sewer	Sanitary Sewer		
	Current Year	Prior Year	Current Year	Prior Year		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 6,070,881	\$ 5,794,402	\$ 3,385,447	\$ 3,640,557	\$ 9,456,328	\$ 2,984,436
Receipts for interfund services provided	-	276,338	-	2,897	-	-
Payments to suppliers	(3,426,397)	(3,649,633)	(2,288,910)	(2,627,146)	(5,715,307)	(3,781,301)
Payments to employees	(618,718)	(629,943)	(527,153)	(436,869)	(1,145,871)	-
Payments for interfund services used	(110,144)	(107,264)	(111,406)	(107,982)	(221,550)	-
Net cash flows provided by (used in) operating activities	<u>1,915,622</u>	<u>1,683,900</u>	<u>457,978</u>	<u>471,457</u>	<u>2,373,600</u>	<u>(796,865)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances from other funds	155,700	-	-	-	155,700	250,000
Transfer out - paid for tax equivalent	(1,029,649)	(1,047,053)	(3,194)	(3,329)	(1,032,843)	-
Net Cash Flows from Noncapital Financing Activities	<u>(873,949)</u>	<u>(1,047,053)</u>	<u>(3,194)</u>	<u>(3,329)</u>	<u>(877,143)</u>	<u>250,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Payments on capital debt	(55,000)	(55,000)	(1,185,535)	(1,157,048)	(1,240,535)	-
Payments from other governments	-	-	3,940,408	1,356,800	3,940,408	-
Payment of advances from other funds	-	-	(2,198,616)	-	(2,198,616)	-
Interest on capital debt	(35,788)	(34,487)	(507,355)	(536,193)	(543,143)	-
Capital contribution received	14,461	38,975	28,780	38,975	43,241	-
Acquisition of capital assets	(264,151)	(228,283)	(278,291)	(48,560)	(542,442)	-
Net cash provided (used) by capital and related financing activities	<u>(340,478)</u>	<u>(278,795)</u>	<u>(200,609)</u>	<u>(346,026)</u>	<u>(541,087)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment earnings	9,926	2,589	519,078	435,320	529,004	29,588
Net cash provided (used) by investing activities	<u>9,926</u>	<u>2,589</u>	<u>519,078</u>	<u>435,320</u>	<u>529,004</u>	<u>29,588</u>
Net increase (decrease) in cash and cash equivalents	711,121	360,641	773,253	557,422	1,484,374	(517,277)
Cash and cash equivalents - Beginning	1,189,005	828,364	913,528	356,106	2,102,533	2,617,342
Cash and cash equivalents - Ending	<u>\$ 1,900,126</u>	<u>\$ 1,189,005</u>	<u>\$ 1,686,781</u>	<u>\$ 913,528</u>	<u>\$ 3,586,907</u>	<u>\$ 2,100,065</u>
Cash and Investments - Unrestricted	\$ 1,900,126	\$ 1,189,005	\$ 1,508,191	\$ 519,301	\$ 3,408,317	\$ 2,100,065
Cash and Investments - Restricted	-	-	178,590	394,227	178,590	-
	<u>\$ 1,900,126</u>	<u>\$ 1,189,005</u>	<u>\$ 1,686,781</u>	<u>\$ 913,528</u>	<u>\$ 3,586,907</u>	<u>\$ 2,100,065</u>

Continued

CITY OF FRANKLIN, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017
(with comparative information for December 31, 2016)

	<u>Business-type Activities - Enterprise Funds</u>				<u>Current Year Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility Current Year</u>	<u>Water Utility Prior Year</u>	<u>Sanitary Sewer Current Year</u>	<u>Sanitary Sewer Prior Year</u>		
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	\$ 663,672	\$ 540,332	\$ (1,908,288)	\$ (1,869,319)	\$ (1,244,616)	\$ (889,467)
Adjustments to reconcile operating income (loss) to net cash flows provided by operating activities						
Depreciation	1,194,029	1,214,163	2,119,900	2,123,035	3,313,929	-
Depreciation allocated to other funds	11,706	12,363	(11,706)	(12,363)	-	-
Amortization	130,666	130,666	-	-	130,666	-
Nonoperating revenues	64,168	56,317	21,775	2,515	85,943	-
(Increase) decrease in assets and deferred outflows of resources						
Accounts receivable	(58,993)	(105,275)	13,302	276,646	(45,691)	(50,646)
Taxes receivable	21,605	(16,409)	24,924	2,694	46,529	-
Prepaid expense	2,304	1,735	2,214	(105)	4,518	149,465
Due from other funds	(12,984)	81,534	-	45,411	(12,984)	-
Due from other governments	-	-	11,592	-	11,592	-
Other post employment benefits asset	-	2,319	-	2,319	-	-
Pension benefits	-	(8,584)	-	(61,995)	-	-
Increase (decrease) in liabilities and deferred inflow of resources						
Accounts payable	(19,237)	(99,670)	242,404	(39,846)	223,167	(26,417)
Accrued liabilities	955	17,577	1,101	24,756	2,056	20,200
Due to other funds	(15,885)	(127,799)	416	(89,423)	(15,469)	-
Pension obligations	(63,391)	16,480	(56,663)	98,981	(120,054)	-
Post employment retirement benefit	(2,993)	-	(2,993)	-	(5,986)	-
Compensated absences	-	(31,849)	-	(31,849)	-	-
Total adjustments	<u>1,251,950</u>	<u>1,143,568</u>	<u>2,366,266</u>	<u>2,340,776</u>	<u>3,618,216</u>	<u>92,602</u>
Net cash flows provided by (used in) operating activities	\$ 1,915,622	\$ 1,683,900	\$ 457,978	\$ 471,457	\$ 2,373,600	\$ (796,865)
Noncash Capital Activities						
Cost of Utility plant installed and/or financed by external parties or the City	<u>\$ 14,461</u>	<u>\$ 923,248</u>	<u>\$ 28,780</u>	<u>\$ 85,987</u>	<u>\$ 43,241</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

CITY OF FRANKLIN, WISCONSIN
Statement of Fiduciary Net Position
Fiduciary Funds
As of December 31, 2017

	Agency Funds	City of Franklin Post Employment Benefits Trust
ASSETS		
Cash	\$ 58,030,499	\$ 174,890
Investments:		
Fixed Income Securities - Corporate Bonds	-	1,749,564
Domestic Equities	-	2,867,256
International Equities	-	817,376
Total Cash & Investments	58,030,499	5,609,086
Accounts receivable	48,113	95,777
Taxes receivable	13,997,006	-
Total assets	\$ 72,075,618	\$ 5,704,863
LIABILITIES		
Accounts payable	\$ 102,642	\$ -
Accrued liabilities	-	131,100
Due to other governments	71,959,258	-
Due to municipality	-	-
Special deposits	13,718	-
Total liabilities	\$ 72,075,618	131,100
Total net position restricted for post employment benefits		\$ 5,573,763

CITY OF FRANKLIN, WISCONSIN
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2017

	City of Franklin Post Employment Benefits Trust
ADDITIONS	
Contributions	
City of Franklin	\$ 422,684
Retirees	91,969
Net investment earnings	673,624
Total additions	1,188,277
DEDUCTIONS	
Incurring claims	377,833
Prescription drug claims	111,666
Claims fees	19,879
Stop loss premiums less claims received	(9,028)
Total deductions	500,350
Change in net position	687,927
NET POSITION HELD IN TRUST FOR POST EMPLOYMENT BENEFITS:	
Beginning of year	4,885,836
End of year	\$ 5,573,763