

**VILLAGE OF PEWAUKEE**

Pewaukee, Wisconsin

**FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

# VILLAGE OF PEWAUKEE

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## INDEPENDENT AUDITORS' REPORT

To the Village Board  
Village of Pewaukee  
Pewaukee, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Pewaukee, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of Pewaukee'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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor considers internal control relevant to the Village of Pewaukee'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 Village of Pewaukee'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, each major fund, and the aggregate remaining fund information of the Village of Pewaukee, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note I, the Village of Pewaukee adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Pewaukee's basic financial statements. The Supplementary Information as 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 basic financial statements. The 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 is fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Baker Tilly Veitch Krause, LLP*

Madison, Wisconsin  
May 18, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# VILLAGE OF PEWAUKEE

## MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED As of and for the Year Ended December 31, 2019

The management of the Village of Pewaukee offers all persons interested in the financial position of the village this narrative overview and analysis of the village's financial performance during the fiscal year ended December 31, 2019. You are invited to read this narrative in conjunction with the village's financial statements.

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### FINANCIAL HIGHLIGHTS

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- > The assets and deferred outflows of the Village of Pewaukee exceeded its liabilities and deferred inflows by \$51,043,034 (net position). Of this amount, \$10,225,942 is considered unrestricted, \$2,497,742 is restricted for specific purposes (restricted net position), and \$38,319,350 is the net investment in capital assets.
- > The village's total net position increased by \$478,098. Governmental activities net position increased by \$408,432, while business-type net position increased by \$69,666.
- > On December 31, 2019, the village's governmental funds reported combined fund balances of \$5,354,165, a decrease of \$538,392 from 2018. Unassigned fund balance was \$2,710,485.

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### OVERVIEW OF THE FINANCIAL STATEMENTS

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This discussion and analysis is intended to serve as an introduction to the village's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the village:

- > The first two statements are government-wide financial statements that provide both long-term and short-term information about the village's overall financial status.
- > The remaining statements are fund financial statements that focus on individual parts of village government, reporting the village's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

# VILLAGE OF PEWAUKEE

## MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED

As of and for the Year Ended December 31, 2019

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### **OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)**

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#### ***GOVERNMENT-WIDE STATEMENTS***

The government-wide statements report information about the village as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows and inflows of resources, and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the village's net position and how they have changed. Net Position – the difference between the village's assets, deferred outflows and inflows of resources, and its liabilities – is one way to measure the village's financial health, or position. Over time, increases or decreases in the village's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the village you need to consider additional non-financial factors such as changes in the village's property tax base and the condition of the village's roads.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

#### ***FUND FINANCIAL STATEMENTS***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*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 the end of the fiscal year. Such information may be useful in evaluating a government'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 governmental activities.

# VILLAGE OF PEWAUKEE

## MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED As of and for the Year Ended December 31, 2019

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### **OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)**

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#### *FUND FINANCIAL STATEMENTS (cont.)*

The village maintains seven (7) individual governmental funds. One of these funds, the Lake Patrol fund, was reclassified from an agency fund to a special revenue fund in 2019 due to the village implementing GASB No. 84, *Fiduciary Activities* as of January 1, 2019. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and the capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The village adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

*Proprietary Funds* – The village maintains four proprietary funds, all of which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

*Notes to the 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.

*Other Information* – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

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### **FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

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An analysis of the village's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the village's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.



# VILLAGE OF PEWAUKEE

## MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED As of and for the Year Ended December 31, 2019

### FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

A summary of the village's Statement of Net Position is presented below in Table 1.

**Table 1  
Condensed Statements of Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019*	2018*
Current and Other Assets	\$ 10,936,663	\$ 12,134,667	\$ 8,803,773	\$ 9,514,572	\$ 19,740,436	\$ 21,649,239
Capital Assets	<u>18,946,616</u>	<u>18,366,812</u>	<u>29,004,727</u>	<u>28,393,141</u>	<u>47,951,343</u>	<u>46,759,953</u>
Total Assets	<u>29,883,279</u>	<u>30,501,479</u>	<u>37,808,500</u>	<u>37,907,713</u>	<u>67,691,779</u>	<u>68,409,192</u>
Deferred Outflows of Resources	<u>1,998,634</u>	<u>1,190,243</u>	<u>239,985</u>	<u>131,445</u>	<u>2,238,619</u>	<u>1,321,688</u>
Long-term Liabilities	9,352,502	9,328,409	2,781,717	2,870,546	12,134,219	12,198,955
Other Liabilities	<u>264,369</u>	<u>404,971</u>	<u>374,105</u>	<u>335,000</u>	<u>638,474</u>	<u>739,971</u>
Total Liabilities	<u>9,616,871</u>	<u>9,733,380</u>	<u>3,155,822</u>	<u>3,205,546</u>	<u>12,772,693</u>	<u>12,938,926</u>
Deferred Inflows of Resources	<u>5,981,671</u>	<u>6,131,857</u>	<u>133,000</u>	<u>143,615</u>	<u>6,114,671</u>	<u>6,275,472</u>
Net Investment in Capital Assets	12,081,810	11,641,596	26,305,881	25,522,595	38,319,350	37,089,605
Restricted	290,618	845,058	2,207,124	2,191,835	2,497,742	3,036,893
Unrestricted	<u>3,910,943</u>	<u>3,339,831</u>	<u>6,246,658</u>	<u>6,975,567</u>	<u>10,225,942</u>	<u>10,389,984</u>
Total Net Position	<u>\$ 16,283,371</u>	<u>\$ 15,826,485</u>	<u>\$ 34,759,663</u>	<u>\$ 34,689,997</u>	<u>\$ 51,043,034</u>	<u>\$ 50,516,482</u>

\* The total column reflects a capital debt adjustment; see Note 1.D.11 for further information.

The largest portion of the village's net position (75%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the village's net position (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (20%) may be used to meet the government's ongoing obligation to citizens and creditors.

# VILLAGE OF PEWAUKEE

## MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED As of and for the Year Ended December 31, 2019

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### FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

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**Table 2**  
**Condensed Statement of Activities**

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 1,629,744	\$ 1,543,984	\$ 3,268,990	\$ 3,327,796	\$ 4,898,734	\$ 4,871,780
Operating grants and contributions	510,788	498,184	-	-	510,788	498,184
Capital grants and contributions	157,739	150,000	222,912	214,718	380,651	364,718
General Revenues						
Property taxes	4,976,269	5,044,397	-	-	4,976,269	5,044,397
Other taxes	101,888	105,385	-	-	101,888	105,385
Intergovernmental	254,847	214,970	-	-	254,847	214,970
Investment income	125,230	101,277	130,101	99,004	255,331	200,281
Gain on sale of assets	20,650	36,561	-	-	20,650	36,561
Miscellaneous	<u>75,519</u>	<u>36,675</u>	<u>494</u>	<u>7,747</u>	<u>76,013</u>	<u>44,422</u>
Total Revenues	<u>7,852,674</u>	<u>7,731,433</u>	<u>3,622,497</u>	<u>3,649,265</u>	<u>11,475,171</u>	<u>11,380,698</u>
<b>Expenses</b>						
General government	898,147	828,043	-	-	898,147	828,043
Public safety	4,343,893	4,006,850	-	-	4,343,893	4,006,850
Health and human services	23,472	26,976	-	-	23,472	26,976
Public works	1,305,856	1,153,119	-	-	1,305,856	1,153,119
Culture, recreation and education	748,121	728,669	-	-	748,121	728,669
Conservation and development	269,977	36,450	-	-	269,977	36,450
Water	-	-	1,215,076	1,169,173	1,215,076	1,169,173
Sewer	-	-	1,598,810	1,508,256	1,598,810	1,508,256
Lakeside Park	-	-	140,899	137,054	140,899	137,054
Stormwater	-	-	215,898	216,637	215,898	216,637
Interest and fiscal charges	<u>236,924</u>	<u>267,623</u>	<u>-</u>	<u>-</u>	<u>236,924</u>	<u>267,623</u>
Total Expenses	<u>7,826,390</u>	<u>7,047,730</u>	<u>3,170,683</u>	<u>3,031,120</u>	<u>10,997,073</u>	<u>10,078,850</u>
Income (Loss) Before Transfers	26,284	683,703	451,814	618,145	478,098	1,301,848
Transfers	<u>382,148</u>	<u>378,515</u>	<u>(382,148)</u>	<u>(378,515)</u>	<u>-</u>	<u>-</u>
Changes in Net Position	408,432	1,062,218	69,666	239,630	478,098	1,301,848
Beginning Net Position (as restated)	<u>15,874,939</u>	<u>14,764,267</u>	<u>34,689,997</u>	<u>34,450,367</u>	<u>50,564,936</u>	<u>49,214,634</u>
Ending Net Position	<u>\$ 16,283,371</u>	<u>\$ 15,826,485</u>	<u>\$ 34,759,663</u>	<u>\$ 34,689,997</u>	<u>\$ 51,043,034</u>	<u>\$ 50,516,482</u>

# VILLAGE OF PEWAUKEE

## MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED As of and for the Year Ended December 31, 2019

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### FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

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As previously noted, the Statement of Net Position shows the financial position as of year-end. The specific nature or source of these changes then becomes more evident in the Statement of Activities as shown above in Table 2.

#### **GOVERNMENTAL ACTIVITIES**

Governmental activities increased the village's net position by \$408,432. This is the result of the net change in fund balances of the governmental funds, a decrease of \$538,392, plus the reconciling items as detailed on page 9 of the financial statements.

#### **BUSINESS-TYPE ACTIVITIES**

Net position of the business-type activities increased \$69,666. This was due to positive financial results in all of the enterprise funds other than the water utility fund which saw a decrease of \$22,404.

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### FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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#### **GOVERNMENTAL FUNDS**

The focus of the Village of Pewaukee's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At December 31, 2019, the village's governmental funds reported combined fund balances of \$5,354,165. Approximately 50% of this amount, \$2,710,485 constitutes unassigned fund balance, which is available to meet the village's current and future needs. An additional \$1,446,573 is assigned for specific projects or expenditures. Restricted fund balance is \$1,043,865 and the remaining \$153,242 of fund balance is attributed to non-spendable amounts for prepaid expenditures and long-term receivables.

#### **General Fund**

The village's general fund is the chief operating fund of the village. Total fund balance in the general fund decreased by \$25,185 during 2019. Unassigned fund balance decreased by \$16,070. See the following General Fund Budgetary Highlights section for further details.

The village evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the subsequent year's general fund budget. For 2019, unassigned fund balance is \$2,713,964, and the 2020 general fund expenditure budget is \$6,784,910, resulting in an unassigned fund balance ratio of 40%, the same as the prior two years. The decrease in general fund balance was primarily due to a budgeted use of fund balance for this fiscal year, fines from citations, ambulance fees and law enforcement fees all being under budget, as well as building inspection fees, other general government costs, and capital outlay being over budgeted expenditures.

# VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS  
UNAUDITED  
As of and for the Year Ended December 31, 2019

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## FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (cont.)

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### *GOVERNMENTAL FUNDS (cont.)*

#### ***General Debt Service Fund***

The village's debt service fund accounts for the accumulation of resources for, and payment of, long-term debt principal, interest, and related costs. The entire amount of the fund balance, \$516,985 is restricted for future debt service. Included in this restricted fund balance is \$90,000 received from the Pewaukee Public Library Foundation and \$156,711 from unspent debt proceeds, for a total of \$246,711 to be used for debt service on obligations previously issued to construct the Pewaukee Public Library.

#### ***General Capital Projects***

The village's general capital projects fund is used to account for the purchase or construction of major capital items, other than those reported in the other capital project funds. The fund balance is \$677,630, a decrease of \$1,238,441 from the prior year. This was due to completion of capital projects during the year without issuing debt.

#### ***NONMAJOR GOVERNMENTAL FUNDS***

Fund balance of all other governmental funds is \$148,172, of which \$52,181 is restricted for cemetery projects and \$61,977 is restricted for lake patrol purposes. The balance is made up of \$37,493 in TID No. 2 and a negative \$3,479 in the downtown loan fund.

#### ***PROPRIETARY FUNDS***

The Village of Pewaukee's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. At December 31, 2019, the village's proprietary funds reported combined net position of \$34,759,663.

#### ***Water Utility***

The water utility net position decreased \$22,404 or less than 1% from prior year. Operating revenues decreased \$14,173 or less than 1%. Operating expenses increased \$47,424 or 4%.

The increase in operating expenses is primarily due to increased depreciation expense and amounts allocated for pension expense.

# VILLAGE OF PEWAUKEE

## MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED

As of and for the Year Ended December 31, 2019

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### FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (cont.)

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#### *PROPRIETARY FUNDS* (cont.)

##### *Sewer Utility*

The sewer utility net position increased \$32,800, or less than 1%. Operating revenues decreased \$72,422 or approximately 5%. Operating expenses increased \$90,919 or approximately 6%. The increase in net position was primarily due to investment income and capital contributed by a developer.

##### *Laimon Family Lakeside Park Fund*

The village created this fund during 2015 upon the acquisition of a marina, a building, property and equipment and is now being used for outdoor recreational purposes. A state trust fund loan was issued by the village to finance the capital acquisitions. In addition, a grant was obtained from the State of Wisconsin and funds were transferred from the general fund to fulfill matching obligations required by the grant. At year end, the fund had \$832,167 of net position which was an increase of \$40,900 from the prior year. Operating revenues at year end were \$180,960, \$3,440 less than last year, and operating expenses were \$122,879, \$4,604, more than last year.

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### GENERAL FUND BUDGETARY HIGHLIGHTS

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Overall fund balance decreased by \$25,185 or less than 1%. There were no budget amendments made during the year.

Total revenues were \$6,417,238, \$188,317 more than budget. There were several contributing factors to the additional revenues. The first was building permit revenues higher than anticipated, insurance recoveries occurred that were not expected, and investment income exceeding expectations due to strong market conditions.

Total expenses were \$6,845,221, \$13,585 more than budgeted. Significant variances with budgeted expenditures were due to public works costing less than anticipated, building inspection fees being over budget (similar to the revenues being over), and capital outlay coming in \$79,220 more than the amount budgeted.

## VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS  
UNAUDITED  
As of and for the Year Ended December 31, 2019

### CAPITAL ASSETS

At the end of 2019, the village had invested a total of \$47,951,343 in capital assets. This investment in capital assets includes land, buildings, machinery and equipment, utility plant, construction in progress, and infrastructure.

**Table 3**  
**Capital Assets**

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 6,564,438	\$ 6,564,438	\$ 925,238	\$ 925,238	\$ 7,489,676	\$ 7,489,676
Land improvements	-	-	239,280	239,280	239,280	239,280
Buildings	10,323,969	10,323,969	114,603	114,603	10,438,572	10,438,572
Machinery and equipment	3,082,376	2,706,636	-	-	3,082,376	2,706,636
Water plant	-	-	19,501,107	19,068,805	19,501,107	19,068,805
Sewer plant	-	-	23,399,751	22,791,501	23,399,751	22,791,501
Storm water	-	-	816,976	816,976	816,976	816,976
Construction in progress	14,102	187,323	278,553	117,704	292,655	305,027
Infrastructure	4,188,766	3,369,055	-	-	4,188,766	3,369,055
Total Capital Assets	24,173,651	23,151,421	45,275,508	44,074,107	69,449,159	67,225,528
Less: Accumulated Depreciation	(5,227,035)	(4,784,609)	(16,270,781)	(15,680,966)	(21,497,816)	(20,465,575)
Net Capital Assets	\$ 18,946,616	\$ 18,366,812	\$ 29,004,727	\$ 28,393,141	\$ 47,951,343	\$ 46,759,953

Significant projects for 2019 include:

- > Reconstruction of Spring, Lookout, Caldwell, and Third streets and Highland Avenue
- > Purchase of a Gator for Public Works
- > Purchase of a dump truck
- > Purchase of a patrol truck
- > Purchase of a replacement Ford Explorer for the Police Department damaged in an accident
- > SCADA system upgrades
- > Watermain and well improvements
- > Sewer main improvements
- > Various capital contributed to the village from the Shops at Meadow Ridge development

See Note III.D. for additional information.

# VILLAGE OF PEWAUKEE

## MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED As of and for the Year Ended December 31, 2019

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### **LONG-TERM DEBT**

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At December 31, 2019, the village and utilities had \$11,210,828 of long-term bonds outstanding. Of this amount, \$8,515,614 are general obligation issues to be repaid by future levies.

Total long-term bonds outstanding at December 31, 2019 decreased by a net amount of \$838,901, or 7%.

At the end of the year, the village was at 21% of its general obligation debt capacity. The prior year was 24%. Excluding general obligation debt to be financed by user charges of the enterprise funds, the debt capacity was 16%.

See Note III.F. for additional information.

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### **CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS**

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All currently known facts and economic conditions were considered in preparing the 2020 village budget. None of these conditions are anticipated to change the overall financial position of the village.

On March 24 of 2020, the village issued \$6,625,000 of general obligation bonds to refund the 2010 taxable Build America Bonds and to finance costs related to utility and road projects.

The Village of Pewaukee is located approximately 25 miles west of Milwaukee. The village has successful business and commercial areas, which continue to see activity and interest. New and continuing development projects of note are: 1) the continued build-out of The Shops at Meadow Ridge, a four-lot commercial/retail Planned Unit Development for a 9-acre parcel at the southeast corner of Capitol Drive and Meadow Creek Drive, which allows for the construction of up to five buildings – three buildings are complete and occupied as of May 2020 with the fourth currently under construction for a financial institution; 2) the approval of a Conditional Use Grant for the redevelopment of a former gas station property along the lakefront for a two-story building for use a chiropractic and wellness office; and 3) the construction of a commercial acute care medical facility in the Meadow Creek Market that is anticipated to open November 2020.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the Village. The Village's evaluation of the effects of these events is ongoing; however, we anticipate this situation could impact investments and decreased investment income; declines in revenues such as building permits, state aids, fines and tickets; decline in recreation program revenues due to potential inability to offer programs; increased costs related to pensions and insurance.

The extent of the impact of COVID-19 on the Village's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

# VILLAGE OF PEWAUKEE

## MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED

As of and for the Year Ended December 31, 2019

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### **REQUESTS FOR INFORMATION**

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The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the village's finances. If you have questions about this report or need any additional information, contact Scott A. Gosse, Village Administrator at 262-691-5660 or [sgosse@villageofpewaukee.com](mailto:sgosse@villageofpewaukee.com).

General information relating to the Village of Pewaukee, Wisconsin, can be found at the village's website, [www.villageofpewaukee.us](http://www.villageofpewaukee.us).



# VILLAGE OF PEWAUKEE

## STATEMENT OF NET POSITION As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 4,942,832	\$ 4,081,392	\$ 9,024,224
Receivables			
Taxes - real estate	5,179,493	-	5,179,493
Accounts	131,447	659,040	790,487
Loans	16,504	-	16,504
Special assessments	800	-	800
Internal balances	238,003	(238,003)	-
Inventories and prepaid items	61,060	48,146	109,206
Investment in Brookfield Plant (net of amortization)	-	2,046,074	2,046,074
Investment in Pewaukee Public Library	366,524	-	366,524
Restricted Assets			
Cash and investments	-	2,207,124	2,207,124
Capital Assets (net of accumulated depreciation)			
Land	6,564,438	925,238	7,489,676
Construction in progress	14,102	278,553	292,655
Other capital assets, net of accumulated depreciation	<u>12,368,076</u>	<u>27,800,936</u>	<u>40,169,012</u>
Total Assets	<u>29,883,279</u>	<u>37,808,500</u>	<u>67,691,779</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	85,017	-	85,017
Pension related amount	<u>1,913,617</u>	<u>239,985</u>	<u>2,153,602</u>
Total Deferred Outflows of Resources	<u>1,998,634</u>	<u>239,985</u>	<u>2,238,619</u>
<b>LIABILITIES</b>			
Accounts payable	114,309	306,386	420,695
Accrued liabilities and deposits	150,060	45,532	195,592
Unearned revenue	-	22,187	22,187
Noncurrent Liabilities			
Net pension liability	709,537	82,871	792,408
Due within one year	923,659	177,174	1,100,833
Due in more than one year	<u>7,719,306</u>	<u>2,521,672</u>	<u>10,240,978</u>
Total Liabilities	<u>9,616,871</u>	<u>3,155,822</u>	<u>12,772,693</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	961,651	133,000	1,094,651
Unearned revenues	<u>5,020,020</u>	-	<u>5,020,020</u>
Total Deferred Inflows of Resources	<u>5,981,671</u>	<u>133,000</u>	<u>6,114,671</u>
<b>NET POSITION</b>			
Net investment in capital assets	12,081,810	26,305,881	38,319,350
Restricted for			
Debt service	184,555	-	184,555
Equipment replacement	-	2,207,124	2,207,124
TIF activities	37,493	-	37,493
Park maintenance	3,364	-	3,364
Cemetery	52,181	-	52,181
Loans	13,025	-	13,025
Unrestricted	<u>3,910,943</u>	<u>6,246,658</u>	<u>10,225,942</u>
<b>TOTAL NET POSITION</b>	<u>\$ 16,283,371</u>	<u>\$ 34,759,663</u>	<u>\$ 51,043,034</u>

See accompanying notes to financial statements.

# VILLAGE OF PEWAUKEE

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 898,147	\$ 170,545	\$ 5,200	\$ -
Public safety	4,343,893	1,044,683	150,115	-
Public works	1,305,856	297,813	355,473	157,739
Health and human services	23,472	25,648	-	-
Culture, recreation and education	748,121	91,055	-	-
Conservation and development	269,977	-	-	-
Interest and fiscal charges	<u>236,924</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>7,826,390</u>	<u>1,629,744</u>	<u>510,788</u>	<u>157,739</u>
<b>Business-type Activities</b>				
Water	1,215,076	1,435,672	-	119,124
Sewer	1,598,810	1,419,039	-	103,788
Lakeside park	140,899	180,960	-	-
Stormwater	<u>215,898</u>	<u>233,319</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>3,170,683</u>	<u>3,268,990</u>	<u>-</u>	<u>222,912</u>
Totals	<u>\$ 10,997,073</u>	<u>\$ 4,898,734</u>	<u>\$ 510,788</u>	<u>\$ 380,651</u>

**General Revenues**

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for tax increment financing districts

Payment in lieu of taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Gain on sale of assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

**Change in Net Position**

NET POSITION - Beginning of Year (as restated)

**NET POSITION - END OF YEAR**

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (722,402)	\$ -	\$ (722,402)
(3,149,095)	-	(3,149,095)
(494,831)	-	(494,831)
2,176	-	2,176
(657,066)	-	(657,066)
(269,977)	-	(269,977)
<u>(236,924)</u>	<u>-</u>	<u>(236,924)</u>
<u>(5,528,119)</u>	<u>-</u>	<u>(5,528,119)</u>
-	339,720	339,720
-	(75,983)	(75,983)
-	40,061	40,061
-	17,421	17,421
<u>-</u>	<u>321,219</u>	<u>321,219</u>
<u>(5,528,119)</u>	<u>321,219</u>	<u>(5,206,900)</u>
3,860,068	-	3,860,068
1,074,201	-	1,074,201
42,000	-	42,000
101,888	-	101,888
254,847	-	254,847
125,230	130,101	255,331
20,650	-	20,650
75,519	494	76,013
5,554,403	130,595	5,684,998
<u>382,148</u>	<u>(382,148)</u>	<u>-</u>
<u>5,936,551</u>	<u>(251,553)</u>	<u>5,684,998</u>
408,432	69,666	478,098
<u>15,874,939</u>	<u>34,689,997</u>	<u>50,564,936</u>
<u>\$ 16,283,371</u>	<u>\$ 34,759,663</u>	<u>\$ 51,043,034</u>

See accompanying notes to financial statements.

## VILLAGE OF PEWAUKEE

### BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	General Fund	General Debt Service	Capital Projects Fund
<b>ASSETS</b>			
Cash and investments	\$ 3,586,543	\$ 516,985	\$ 692,617
Receivables			
Taxes - real estate	4,050,681	1,074,277	205
Accounts	125,584	-	-
Special assessments	-	-	800
Loans	-	-	-
Other	-	-	-
Due from other funds	148,727	-	-
Advances to other funds	92,755	-	-
Prepaid items	60,487	-	-
	<u>\$ 8,064,777</u>	<u>\$ 1,591,262</u>	<u>\$ 693,622</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 98,561	\$ -	\$ 14,987
Accrued liabilities	53,813	-	-
Advances from other funds	-	-	-
Deposits	9,817	-	-
Total Liabilities	<u>162,191</u>	<u>-</u>	<u>14,987</u>
Deferred Inflows of Resources			
Unearned revenues	3,891,208	1,074,277	205
Unavailable revenues	-	-	800
Total Deferred Inflows of Resources	<u>3,891,208</u>	<u>1,074,277</u>	<u>1,005</u>
Fund Balances (Deficit)			
Nonspendable	153,242	-	-
Restricted	3,364	516,985	371,865
Assigned	1,140,808	-	305,765
Unassigned (deficit)	2,713,964	-	-
Total Fund Balances (Deficit)	<u>4,011,378</u>	<u>516,985</u>	<u>677,630</u>
	<u>\$ 8,064,777</u>	<u>\$ 1,591,262</u>	<u>\$ 693,622</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 146,687	\$ 4,942,832
54,330	5,179,493
-	125,584
-	800
16,504	16,504
5,863	5,863
-	148,727
-	92,755
<u>573</u>	<u>61,060</u>
<u>\$ 223,957</u>	<u>\$ 10,573,618</u>

\$ 761	\$ 114,309
711	54,524
3,479	3,479
-	9,817
<u>4,951</u>	<u>182,129</u>

54,330	5,020,020
<u>16,504</u>	<u>17,304</u>
<u>70,834</u>	<u>5,037,324</u>

-	153,242
151,651	1,043,865
-	1,446,573
<u>(3,479)</u>	<u>2,710,485</u>
<u>148,172</u>	<u>5,354,165</u>

<u>\$ 223,957</u>	<u>\$ 10,573,618</u>
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See accompanying notes to financial statements.

## VILLAGE OF PEWAUKEE

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2019

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Total Fund Balances - Governmental Funds	\$ 5,354,165
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, therefore, are not reported in the funds.	18,946,616
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	17,304
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(709,537)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	1,913,617
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(961,651)
The village's investment in the library joint venture is not a financial resource and, therefore, is not reported in the fund statements.	366,524
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(8,515,614)
Compensated absences	(26,225)
Accrued interest	(85,719)
Unamortized debt premium	(101,126)
A deferred charge on refunding represents a consumption of net position that applies to a future period and, therefore, is not reported in the funds.	<u>85,017</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 16,283,371</u></b>

See accompanying notes to financial statements.

## VILLAGE OF PEWAUKEE

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

For the Year Ended December 31, 2019

	General Fund	General Debt Service	Capital Projects Fund
<b>REVENUES</b>			
Taxes	\$ 3,961,956	\$ 1,074,201	\$ -
Intergovernmental	672,264	21,388	-
Licenses and permits	381,647	-	-
Fines, forfeitures and penalties	187,587	-	-
Public charges for services	1,032,162	-	-
Special assessments	-	-	6,951
Investment income	100,803	-	22,043
Miscellaneous revenues	80,819	-	-
Total Revenues	6,417,238	1,095,589	28,994
<b>EXPENDITURES</b>			
Current			
General government	845,266	-	-
Public safety	3,892,856	-	-
Public works	1,076,640	-	-
Health and human services	4,043	-	-
Culture, recreation and education	576,356	-	-
Conservation and development	64,075	-	-
Capital Outlay	385,985	-	589,805
Debt Service			
Principal	-	865,369	-
Interest and fiscal charges	-	233,135	-
Total Expenditures	6,845,221	1,098,504	589,805
Excess (Deficiency) of Revenues Over Expenditures	(427,983)	(2,915)	(560,811)
<b>OTHER FINANCING SOURCES</b>			
Debt issued	-	-	-
Sales of fixed assets	20,650	-	-
Transfers in	382,148	-	-
Total Other Financing Sources	402,798	-	-
<b>Net Change in Fund Balances</b>	(25,185)	(2,915)	(560,811)
FUND BALANCES - Beginning of Year (as restated)	4,036,563	519,900	1,238,441
<b>FUND BALANCES - END OF YEAR</b>	\$ 4,011,378	\$ 516,985	\$ 677,630

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 42,000	\$ 5,078,157
90,771	784,423
-	381,647
-	187,587
28,268	1,060,430
-	6,951
2,372	125,218
-	80,819
<u>163,411</u>	<u>7,705,232</u>
-	845,266
74,487	3,967,343
-	1,076,640
19,429	23,472
-	576,356
1,051	65,126
208,760	1,184,550
8,112	873,481
<u>7,053</u>	<u>240,188</u>
<u>318,892</u>	<u>8,852,422</u>
<u>(155,481)</u>	<u>(1,147,190)</u>
206,000	206,000
-	20,650
-	382,148
<u>206,000</u>	<u>608,798</u>
50,519	(538,392)
<u>97,653</u>	<u>5,892,557</u>
<u>\$ 148,172</u>	<u>\$ 5,354,165</u>

See accompanying notes to financial statements.



## VILLAGE OF PEWAUKEE

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$	(538,392)
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 net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		1,184,550
Some items are reported as operating expenditures in the fund financial statements, but are capitalized in the government-wide statements		(285,565)
Depreciation is reported in the government-wide financial statements		(455,803)
Net book value of assets retired		(13,378)
Contributed capital assets are reported as revenues in the government-wide financial statements.		150,000
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		(1,820)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Debt issued		(206,000)
Principal repaid		873,481
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.		
Amortization of debt premium		16,132
Amortization of loss on refunding		(34,794)
Some expenses 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.		
Compensated absences		1,831
Accrued interest on debt		538
Net pension asset/liability		(1,290,237)
Deferred outflows of resources related to pensions		843,185
Deferred inflows of resources related to pensions		174,624
The proportionate share of the change in net position related to joint ventures reported in the statement of activities neither provides nor uses current financial resources and is not reported in the fund financial statements.		(9,920)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>408,432</u></b>

See accompanying notes to financial statements.

# VILLAGE OF PEWAUKEE

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2019

	Business-type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Laimon Family Lakeside Park Fund	Nonmajor Enterprise Fund - Stormwater Utility	
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 766,752	\$ 3,035,759	\$ 278,881	\$ -	\$ 4,081,392
Accounts receivable	212,600	386,813	412	59,215	659,040
Materials and supplies	27,176	-	-	-	27,176
Prepayments	13,506	6,364	371	729	20,970
Total Current Assets	<u>1,020,034</u>	<u>3,428,936</u>	<u>279,664</u>	<u>59,944</u>	<u>4,788,578</u>
Noncurrent Assets					
Restricted Assets					
Equipment replacement	-	2,207,124	-	-	2,207,124
Capital Assets					
Land	10,742	250	914,246	-	925,238
Construction work in progress	2,279	12,347	8,958	254,969	278,553
Land improvements	-	-	239,280	-	239,280
Buildings and improvements	-	-	114,603	-	114,603
Plant in service	19,501,107	23,399,751	-	816,976	43,717,834
Less: Accumulated depreciation	(6,604,705)	(9,128,941)	(196,406)	(340,729)	(16,270,781)
Other Assets					
Investment in Brookfield plant	-	6,192,698	-	-	6,192,698
Less: Accumulated amortization	-	(4,146,624)	-	-	(4,146,624)
Total Noncurrent Assets	<u>12,909,423</u>	<u>18,536,605</u>	<u>1,080,681</u>	<u>731,216</u>	<u>33,257,925</u>
Total Assets	<u>13,929,457</u>	<u>21,965,541</u>	<u>1,360,345</u>	<u>791,160</u>	<u>38,046,503</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	90,695	149,290	-	-	239,985

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				
	Water Utility	Sewer Utility	Laimon Family Lakeside Park Fund	Nonmajor Enterprise Fund - Stormwater Utility	Totals
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	\$ 10,063	\$ 279,464	\$ 12,482	\$ 4,377	\$ 306,386
Due to other funds	148,727	-	-	-	148,727
Accrued wages	3,505	2,450	-	1,904	7,859
Accrued interest	15,904	3,152	14,295	322	33,673
Unearned revenue	-	-	22,187	-	22,187
General obligation debt	110,000	20,000	22,174	25,000	177,174
Deposits	-	-	4,000	-	4,000
Total Current Liabilities	<u>288,199</u>	<u>305,066</u>	<u>75,138</u>	<u>31,603</u>	<u>700,006</u>
Noncurrent Liabilities					
Long-Term Debt					
General obligation debt	1,715,000	350,000	453,040	-	2,518,040
Advances from other funds	-	-	-	89,276	89,276
Unamortized premium	-	3,632	-	-	3,632
Net pension liability	40,290	42,581	-	-	82,871
Total Noncurrent Liabilities	<u>1,755,290</u>	<u>396,213</u>	<u>453,040</u>	<u>89,276</u>	<u>2,693,819</u>
Total Liabilities	<u>2,043,489</u>	<u>701,279</u>	<u>528,178</u>	<u>120,879</u>	<u>3,393,825</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related items	<u>57,933</u>	<u>75,067</u>	-	-	<u>133,000</u>
<b>NET POSITION</b>					
Net investment in capital assets	11,084,423	13,909,775	605,467	706,216	26,305,881
Restricted for Replacement of equipment and capital assets	-	2,207,124	-	-	2,207,124
Unrestricted net position (deficit)	<u>834,307</u>	<u>5,221,586</u>	<u>226,700</u>	<u>(35,935)</u>	<u>6,246,658</u>
<b>TOTAL NET POSITION</b>	<u>\$ 11,918,730</u>	<u>\$ 21,338,485</u>	<u>\$ 832,167</u>	<u>\$ 670,281</u>	<u>\$ 34,759,663</u>

See accompanying notes to financial statements.

# VILLAGE OF PEWAUKEE

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Laimon Family Lakeside Park Fund	Nonmajor Enterprise Fund - Stormwater Utility	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,178,498	\$ 1,419,039	\$ 180,960	\$ 233,319	\$ 3,011,816
Other operating revenue	257,174	-	-	-	257,174
Total Operating Revenues	<u>1,435,672</u>	<u>1,419,039</u>	<u>180,960</u>	<u>233,319</u>	<u>3,268,990</u>
<b>OPERATING EXPENSES</b>					
Operation and maintenance	777,276	996,573	73,766	172,434	2,020,049
Depreciation	428,029	362,635	49,113	42,294	882,071
Amortization	-	230,368	-	-	230,368
Total Operating Expenses	<u>1,205,305</u>	<u>1,589,576</u>	<u>122,879</u>	<u>214,728</u>	<u>3,132,488</u>
Operating Income (Loss)	<u>230,367</u>	<u>(170,537)</u>	<u>58,081</u>	<u>18,591</u>	<u>136,502</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	20,023	108,783	839	456	130,101
Miscellaneous revenues	-	-	-	494	494
Interest expense	(9,770)	(9,234)	(18,020)	(1,171)	(38,195)
Total Nonoperating Revenues (Expenses)	<u>10,253</u>	<u>99,549</u>	<u>(17,181)</u>	<u>(221)</u>	<u>92,400</u>
Income (Loss) Before Contributions and Transfers	<u>240,620</u>	<u>(70,988)</u>	<u>40,900</u>	<u>18,370</u>	<u>228,902</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>					
Capital contributions	\$ 119,124	\$ 103,788	\$ -	\$ -	\$ 222,912
Transfers out	(130,420)	-	-	-	(130,420)
Transfers - tax equivalent	(251,728)	-	-	-	(251,728)
Total Contributions and Transfers	<u>(263,024)</u>	<u>103,788</u>	<u>-</u>	<u>-</u>	<u>(159,236)</u>
<b>Change in Net Position</b>	<u>(22,404)</u>	<u>32,800</u>	<u>40,900</u>	<u>18,370</u>	<u>69,666</u>
NET POSITION - Beginning of Year	<u>11,941,134</u>	<u>21,305,685</u>	<u>791,267</u>	<u>651,911</u>	<u>34,689,997</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 11,918,730</u></u>	<u><u>\$ 21,338,485</u></u>	<u><u>\$ 832,167</u></u>	<u><u>\$ 670,281</u></u>	<u><u>\$ 34,759,663</u></u>

See accompanying notes to financial statements.

# VILLAGE OF PEWAUKEE

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Laimon Family Lakeside Park Fund	Nonmajor Enterprise Fund - Stormwater Utility	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from customers	\$ 1,034,445	\$ 1,413,999	\$ 180,691	\$ 225,454	\$ 2,854,589
Received from municipality	421,027	-	-	-	421,027
Customer deposits	-	-	(71)	-	(71)
Paid to suppliers for goods and services	(496,194)	(786,144)	(59,790)	(45,477)	(1,387,605)
Paid to employees for services	(287,108)	(140,038)	(2,530)	(124,351)	(554,027)
Net Cash Flows From Operating Activities	<u>672,170</u>	<u>487,817</u>	<u>118,300</u>	<u>55,626</u>	<u>1,333,913</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income	<u>17,131</u>	<u>108,783</u>	<u>839</u>	<u>-</u>	<u>126,753</u>
Net Cash Flows From Investing Activities	<u>17,131</u>	<u>108,783</u>	<u>839</u>	<u>-</u>	<u>126,753</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Paid to municipality for tax equivalent	(248,095)	-	-	-	(248,095)
Transfers	(130,420)	-	-	-	(130,420)
Advance from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,276</u>	<u>89,276</u>
Net Cash Flows From Noncapital Financing Activities	<u>(378,515)</u>	<u>-</u>	<u>-</u>	<u>89,276</u>	<u>(289,239)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Debt retired	(110,000)	(20,000)	(21,420)	(20,000)	(171,420)
Interest paid	(10,524)	(9,633)	(18,624)	(1,462)	(40,243)
Build America Bonds interest rate subsidy	2,892	-	-	456	3,348
Acquisition and construction of capital assets	(436,708)	(694,229)	(8,958)	(172,700)	(1,312,595)
Capital contributions received	<u>13,440</u>	<u>13,043</u>	<u>-</u>	<u>-</u>	<u>26,483</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(540,900)</u>	<u>(710,819)</u>	<u>(49,002)</u>	<u>(193,706)</u>	<u>(1,494,427)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(230,114)	(114,219)	70,137	(48,804)	(323,000)
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<u>996,866</u>	<u>5,357,102</u>	<u>208,744</u>	<u>48,804</u>	<u>6,611,516</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 766,752</u>	<u>\$ 5,242,883</u>	<u>\$ 278,881</u>	<u>\$ -</u>	<u>\$ 6,288,516</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Laimon Family Lakeside Park Fund	Nonmajor Enterprise Fund - Stormwater Utility	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 230,366	\$ (170,537)	\$ 58,081	\$ 18,591	\$ 136,501
Nonoperating revenue	-	-	-	494	494
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Depreciation	428,029	362,635	49,113	42,294	882,071
Depreciation charged to other funds	15,365	-	-	-	15,365
Other operating amortization expenses	-	230,368	-	-	230,368
Changes in assets and liabilities					
Customer accounts receivable	4,435	(5,040)	(269)	(8,359)	(9,233)
Materials and supplies	(77)	-	-	-	(77)
Prepayments	2,653	154	(20)	861	3,648
Accounts payable	(35,735)	62,786	11,466	861	39,378
Other current liabilities	(69)	753	-	884	1,568
Pension related deferrals and liabilities	27,203	6,698	-	-	33,901
Customer deposits	-	-	(71)	-	(71)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 672,170</b>	<b>\$ 487,817</b>	<b>\$ 118,300</b>	<b>\$ 55,626</b>	<b>\$ 1,333,913</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>					
Cash and investments	\$ 766,752	\$ 3,035,759	\$ 278,881	\$ -	\$ 4,081,392
Restricted cash and investments	-	-	-	-	-
Equipment replacement	-	2,207,124	-	-	2,207,124
<b>CASH AND CASH EQUIVALENTS</b>	<b>\$ 766,752</b>	<b>\$ 5,242,883</b>	<b>\$ 278,881</b>	<b>\$ -</b>	<b>\$ 6,288,516</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Amortization of premiums and loss on refunding	\$ -	\$ 280	\$ -	\$ -	\$ -
Developer financed additions to utility plant	\$ 105,684	\$ 90,745	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**VILLAGE OF PEWAUKEE**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
As of December 31, 2019

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	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 7,188,127
Taxes receivable	5,509,428
Prepaid items	<u>22,653</u>
Total Assets	<u>12,720,208</u>
<b>LIABILITIES</b>	
Accounts payable	23,924
Accrued liabilities	9,072
Due to other governments	<u>12,503,100</u>
Total Liabilities	<u>12,536,096</u>
<b>NET POSITION</b>	
Restricted	<u>184,112</u>
<b>TOTAL NET POSITION</b>	<u>\$ 184,112</u>

See accompanying notes to financial statements.

**VILLAGE OF PEWAUKEE**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

For the Year Ended December 31, 2019

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	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Intergovernmental	\$ 1,185,248
Fines	17,437
Donations	12,646
Investment income	4,242
Other miscellaneous	5,713
Property taxes collected for other governments	<u>8,419,760</u>
Total Additions	<u>9,645,046</u>
<b>DEDUCTIONS</b>	
Library activities	1,182,902
Property Taxes collected for other governments	<u>8,419,760</u>
Total Deductions	<u>9,602,662</u>
<b>Change in Fiduciary Net Position</b>	42,384
NET POSITION - Beginning of Year	<u>141,728</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 184,112</u></u>

See accompanying notes to financial statements.



# VILLAGE OF PEWAUKEE

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies of the Village of Pewaukee, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **A. REPORTING ENTITY**

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The village has not identified any organizations that meet this criteria.

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

#### **Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. 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 or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements***

Financial statements of the village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The village reports the following major governmental funds:

- General Fund - accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- General Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities.

The village reports the following major enterprise funds:

- Water Utility - accounts for operations of the water system
- Sewer Utility - accounts for operations of the sewer system
- Laimon Family Lakeside Park Fund - accounts for operations of the park and its marina facilities

# VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

---

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

#### ***Fund Financial Statements (cont.)***

The village reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Cemetery Fund  
Downtown Loan Fund  
Lake Patrol Fund

Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Tax Incremental District (TID) No. 2

Enterprise Fund - used to account for and report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Stormwater Utility

In addition, the village reports the following fund types:

Custodial Funds - used to account for and report assets controlled by the village and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Pewaukee Public Library  
Tax Collection

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION*

##### *Government-Wide Financial Statements*

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the village's water and sewer and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

##### *Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held by the county are reported as receivables and unavailable revenues. At December 31, 2019, there were \$13,288 of unrecorded anticipated future assessments which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***Fund Financial Statements (cont.)***

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The 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 water, sewer, Laimon Family Lakeside Park, and stormwater funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY***

##### ***1. Deposits and Investments***

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of village funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.

# VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***1. Deposits and Investments (cont.)***

- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

The village has adopted an investment policy. That policy follows the state statute for allowable investments.

The village is exposed to custodial credit risk for its deposits as well as credit risk for its investments (see Note III.A.). The village's investment policy addresses both of these types of risks. For depository custodial credit risk, the investment policy requires all financial institutions acting as depository for the village to enter into a depository agreement pledging collateral to secure amounts over and above the guaranteed amounts. All collateral is required to be held by a third party.

Investment credit risk is the risk that the market value of the securities will fall due to changes in market interest rates. The village's policy states that the portfolio is to be structured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. In addition, funds are to be invested in shorter-term securities, money market mutual funds, or similar investment pools that limit the average maturity of the portfolio.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (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, 2019, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

##### **2. Receivables**

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

It is the village's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.



# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***3. Inventories and Prepaid Items***

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

##### ***4. Restricted Assets***

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

##### ***5. Capital Assets***

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$15,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$41,872 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **5. Capital Assets (cont.)**

###### ***Government-Wide Statements (cont.)***

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	20-75 Years
Land Improvements	20-75 Years
Machinery and Equipment	5-30 Years
Utility System	7-108 Years
Infrastructure	30-75 Years

###### ***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

##### **6. Other Assets**

Other assets in the utility funds represents the investment in the Brookfield Wastewater Treatment Plant (see Note IV.H.)

##### **7. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

##### **8. Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Sick leave does not vest to employees. Compensatory time earned is also accrued within this liability.

# VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***8. Compensated Absences (cont.)***

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

#### ***9. Long-Term Obligations/Conduit Debt***

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At year end, the aggregate principal amount for the series outstanding could not be determined; however, their original issue amounts totaled \$1,900,000.

#### ***10. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

# VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### **11. Equity Classifications**

##### ***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either 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.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 12,081,810	\$ 26,305,881	\$ (68,341)	\$ 38,319,350
Unrestricted	3,910,943	6,246,658	68,341	10,225,942

When both restricted and unrestricted resources are available for use, it is the village's policy to use restricted resources first, then unrestricted resources as they are needed.

##### ***Fund Statements***

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either 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.

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***11. Equity Classifications (cont.)***

###### ***Fund Statements (cont.)***

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by resolution, adopted a financial policy authorizing the Village Clerk/Treasurer and/or Administrator to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The village has a working capital policy to meet cash flow needs during the year and to preserve credit worthiness. The working capital amount is to equal 10% of the ensuing year's budgeted expenditures. This amount is \$678,491 and is included within the unassigned fund balance of the general fund at year-end.

The village has a fund balance policy that includes a requirement to maintain as of December 31 of each year a minimum of 35% of the ensuing year's budgeted general fund expenditures, with a targeted maximum of 40% for the purpose of strengthening the village's financial position and maintaining and/or increasing the village's bond rating. Any amount over the 40% targeted maximum may be assigned by management for future capital projects and/or infrastructure needs. As of December 31, 2019, the village reported 40% of the ensuing year's budgeted general fund expenditures in its unassigned fund balance.

See Note III. G. for further information.

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **12. Pension**

For purposes of measuring the net pension asset (liability), 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.

##### **13. Basis for Existing Rates**

###### ***Water Utility***

Current water rates were approved by the Public Service Commission of Wisconsin on April 2, 1996.

###### ***Sewer Utility***

Current sewer rates were approved by the village board on December 2, 2008.

###### ***Stormwater Utility***

Current stormwater rates were approved by the village board on November 20, 2018.

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### NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### **A. BUDGETARY INFORMATION**

A budget has been adopted for the general fund, capital projects fund, debt service fund, TID District #2, lake patrol fund, and the cemetery special revenue fund. A budget has not been formally adopted for downtown loan special revenue fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

#### **B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Debt Service Fund	\$ 1,095,635	\$ 1,098,504	\$ 2,869
TID District No. 2	17,315	224,976	207,661
Lake Patrol Fund	58,405	74,487	16,082

**VILLAGE OF PEWAUKEE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

**B. EXCESS EXPENDITURES OVER APPROPRIATIONS (cont.)**

The village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

**C. DEFICIT BALANCES**

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2019, the following individual funds held a deficit balance:

Fund	Amount	Reason
Downtown Loan Fund	\$ 3,479	Loan disbursements have exceeded repayments

**D. LIMITATIONS ON THE VILLAGE'S TAX LEVY**

Wisconsin law limits the village's future tax levies. Generally the village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

**NOTE III - DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

The village's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 8,757,355	\$ 8,851,001	Custodial credit
LGIP	9,661,470	9,661,470	Credit
Petty cash	650	-	N/A
<b>Total Deposits and Investments</b>	<b><u>\$ 18,419,475</u></b>	<b><u>\$ 18,512,471</u></b>	

# VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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### A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements

Per statement of net position

Unrestricted cash and investments	\$ 9,024,224
Restricted cash and investments	2,207,124

Per statement of assets and liabilities -  
agency funds

Custodial Funds	<u>7,188,127</u>
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Total Deposits and Investments	<u>\$ 18,419,475</u>
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Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The village maintains collateral agreements with its banks. At December 31, 2019, the banks had pledged various government securities in the amount of \$11,451,430 to secure the village's deposits.

### ***Custodial Credit Risk***

#### **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

The village does not have any deposits exposed to custodial credit risk.

### ***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note I.D.1. for further information on deposit and investment policies.



# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### ***B. RECEIVABLES***

All of the receivables on the balance sheet are expected to be collected within one year except for loans and delinquent personal property taxes receivable.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 4,965,535	\$ -
Licenses for the subsequent year	155	-
Deferred loan receivable	-	17,304
Special assessments	<u>54,330</u>	<u>-</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 5,020,020</u>	<u>\$ 17,304</u>

#### ***C. RESTRICTED ASSETS***

The following represent the balances of the restricted assets:

##### ***Equipment Replacement Account***

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2019:

Restricted Assets	
Equipment replacement	<u>\$ 2,207,124</u>

## VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land and right of way	\$ 6,564,438	\$ -	\$ -	\$ 6,564,438
Construction in progress	<u>187,323</u>	<u>14,102</u>	<u>187,323</u>	<u>14,102</u>
Total Capital Assets Not Being Depreciated	<u>6,751,761</u>	<u>14,102</u>	<u>187,323</u>	<u>6,578,540</u>
Capital assets being depreciated				
Buildings	10,323,969	-	-	10,323,969
Machinery and equipment	2,706,636	402,495	26,755	3,082,376
Streets	2,636,082	669,711	-	3,305,793
Dams	582,973	-	-	582,973
Bridges	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>300,000</u>
Total Capital Assets Being Depreciated	<u>16,399,660</u>	<u>1,222,206</u>	<u>26,755</u>	<u>17,595,111</u>
Total Capital Assets	<u>23,151,421</u>	<u>1,236,308</u>	<u>214,078</u>	<u>24,173,651</u>
Less: Accumulated depreciation for				
Buildings	(2,712,798)	(232,125)	-	(2,944,923)
Machinery and equipment	(1,631,536)	(143,532)	13,377	(1,761,691)
Streets	(366,820)	(65,902)	-	(432,722)
Dams	(73,455)	(10,494)	-	(83,949)
Bridges	<u>-</u>	<u>(3,750)</u>	<u>-</u>	<u>(3,750)</u>
Total Accumulated Depreciation	<u>(4,784,609)</u>	<u>(455,803)</u>	<u>13,377</u>	<u>(5,227,035)</u>
Net Capital Assets Being Depreciated	<u>11,615,051</u>	<u>766,403</u>	<u>13,378</u>	<u>12,368,076</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 18,366,812</u>	<u>\$ 780,505</u>	<u>\$ 200,701</u>	<u>\$ 18,946,616</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 22,722
Public safety	103,278
Public works	178,660
Culture, recreation, and education	<u>151,143</u>
Total Governmental Activities Depreciation Expense	<u>\$ 455,803</u>

## VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

##### Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 10,742	\$ -	\$ -	\$ 10,742
Construction work in progress	19,122	2,279	19,122	2,279
Total Capital Assets Not Being Depreciated	29,864	2,279	19,122	13,021
Capital assets being depreciated				
Source of supply	1,048,022	-	-	1,048,022
Pumping	2,723,322	135,300	118,038	2,740,584
Water treatment	1,663,589	41,871	-	1,705,460
Transmission and distribution	13,299,388	382,064	8,895	13,672,557
General	334,484	-	-	334,484
Total Capital Assets Being Depreciated	19,068,805	559,235	126,933	19,501,107
Total Capital Assets	19,098,669	561,514	146,055	19,514,128
Less: Accumulated depreciation for				
Water	(6,288,244)	(443,394)	126,933	(6,604,705)
Total Accumulated Depreciation	(6,288,244)	(443,394)	126,933	(6,604,705)
Net Capital Assets Being Depreciated	12,780,561	115,841	-	12,896,402
Net Water Capital Assets	\$ 12,810,425	\$ 118,120	\$ 19,122	\$ 12,909,423

## VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### *D. CAPITAL ASSETS* (cont.)

#### **Business-type Activities** (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Land and land rights	\$ 250	\$ -	\$ -	\$ 250
Construction work in progress	16,313	12,347	16,313	12,347
Total Capital Assets Not Being Depreciated	16,563	12,347	16,313	12,597
Capital assets being depreciated				
Collection system	19,707,344	715,515	114,734	20,308,125
Pumping	2,602,165	73,425	65,956	2,609,634
Treatment and disposal	219,808	-	-	219,808
General	262,184	-	-	262,184
Total Capital Assets Being Depreciated	22,791,501	788,940	180,690	23,399,751
Total Capital Assets	22,808,064	801,287	197,003	23,412,348
Less: Accumulated depreciation for				
Sewer	(8,946,994)	(362,635)	180,688	(9,128,941)
Total Accumulated Depreciation	(8,946,994)	(362,635)	180,688	(9,128,941)
Net Capital Assets Being Depreciated	13,844,507	426,305	2	14,270,810
Net Sewer Capital Assets	\$ 13,861,070	\$ 438,652	\$ 16,315	\$ 14,283,407

## VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

##### Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Stormwater</u>				
Capital assets not being depreciated				
Construction work in progress	\$ 82,269	\$ 172,700	\$ -	\$ 254,969
Total Capital Assets Not Being Depreciated	82,269	172,700	-	254,969
Capital assets being depreciated				
Mains	569,787	-	-	569,787
Equipment	247,189	-	-	247,189
Total Capital Assets Being Depreciated	816,976	-	-	816,976
Total Capital Assets	899,245	172,700	-	1,071,945
Less: Accumulated depreciation for Stormwater	(298,435)	(42,294)	-	(340,729)
Total Accumulated Depreciation	(298,435)	(42,294)	-	(340,729)
Net Capital Assets Being Depreciated	518,541	(42,294)	-	476,247
Net Stormwater Capital Assets	\$ 600,810	\$ 130,406	\$ -	\$ 731,216
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Laimon Family Lakeside Park</u>				
Capital assets not being depreciated				
Land	\$ 914,246	\$ -	\$ -	\$ 914,246
Construction work in progress	-	8,958	-	8,958
Total Capital Assets Not Being Depreciated	914,246	8,958	-	923,204
Capital assets being depreciated				
Land improvements	239,280	-	-	239,280
Buildings and improvements	114,603	-	-	114,603
Total Capital Assets Being Depreciated	353,883	-	-	353,883
Total Capital Assets	1,268,129	8,958	-	1,277,087

## VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### *D. CAPITAL ASSETS* (cont.)

#### **Business-type Activities** (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Laimon Family Lakeside Park</u> (cont.)				
Less: Accumulated depreciation for				
Land improvements	\$ (132,829)	\$ (43,789)	\$ -	\$ (176,618)
Buildings and improvements	(14,464)	(5,324)	-	(19,788)
Total Accumulated Depreciation	(147,293)	(49,113)	-	(196,406)
Net Capital Assets Being Depreciated	206,590	(49,113)	-	157,477
Net Other Enterprise Capital Assets	\$ 1,120,836	\$ (40,155)	\$ -	\$ 1,080,681
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 28,393,141	\$ 647,023	\$ 35,437	\$ 29,004,727

Depreciation expense was charged to functions as follows:

#### **Business-type Activities**

Water	\$ 428,029
Sewer	362,635
Storm	42,294
Laimon	49,113
Total Business-type Activities Depreciation Expense	\$ 882,071

The difference in depreciation expense and additions to accumulated depreciation is due to salvage and cost of removal.

**VILLAGE OF PEWAUKEE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS***

***Interfund Receivables/Payables***

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	Water utility	\$ 148,727	\$ -
Total - Fund Financial Statements		148,727	
Add: Interfund advances		89,276	
Total Internal Balances - Government-Wide Statement of Net Position		\$ 238,003	

The purpose of the water utility interfund is for the tax equivalent.

***Advances***

The general fund is advancing funds to the downtown loan fund. The amount advanced is determined by the deficiency of loan repayments over loan disbursements. No repayment schedule has been established and interest is not being charged.

The general fund is advancing funds to the stormwater utility. The amount advanced is determined by the deficiency of revenues over expenditures. A repayment schedule has not been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	Stormwater	\$ 89,276	\$ 89,276
General	Downtown loan fund	3,479	3,479
Total - Fund Financial Statements		92,755	
Less: Fund eliminations		(3,479)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ 89,276	

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### *E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)*

##### **Transfers**

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Water utility	\$ 251,728	Payment in lieu of taxes
General	Water utility	<u>130,420</u>	Tower rental allocation
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 382,148</u></u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

#### **F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 8,810,000	\$ -	\$ 845,000	\$ 7,965,000	\$ 860,000
General obligation notes from direct borrowings and direct placements	373,095	206,000	28,481	550,614	37,434
Premiums	117,258	-	16,132	101,126	-
Sub-totals	<u>9,300,353</u>	<u>206,000</u>	<u>889,613</u>	<u>8,616,740</u>	<u>897,434</u>
Other Liabilities					
Vested compensated absences	28,056	26,225	28,056	26,225	26,225
Total Other Liabilities	<u>28,056</u>	<u>26,225</u>	<u>28,056</u>	<u>26,225</u>	<u>26,225</u>
Total Governmental Activities Long-Term Liabilities	<u><u>\$ 9,328,409</u></u>	<u><u>\$ 232,225</u></u>	<u><u>\$ 917,669</u></u>	<u><u>\$ 8,642,965</u></u>	<u><u>\$ 923,659</u></u>



## VILLAGE OF PEWAUKEE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

#### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 2,370,000	\$ -	\$ 150,000	\$ 2,220,000	\$ 155,000
General obligation notes from direct borrowings and direct placements	496,634	-	21,420	475,214	22,174
Premiums	3,912	-	280	3,632	-
Sub-totals	<u>2,870,546</u>	<u>-</u>	<u>171,700</u>	<u>2,698,846</u>	<u>177,174</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 2,870,546</u>	<u>\$ -</u>	<u>\$ 171,700</u>	<u>\$ 2,698,846</u>	<u>\$ 177,174</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2019, was \$53,012,060. Total general obligation debt outstanding at year end was \$11,210,828.

In addition to the liabilities above, information on the net pension liability (asset) is provided in Note IV.A

#### **General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

#### **Governmental Activities**

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
G.O. Corporate Purpose Bonds (Build America)	7/27/2010	3/1/2030	4.80 - 5.75%	\$ 1,115,000	\$ 90,000
G.O. Promissory Notes (Build America)	7/27/2010	3/1/2020	1.00 - 4.25%	815,000	1,115,000
G.O. Refunding Bonds	6/11/2013	3/1/2025	.50 - 2.0%	2,610,000	1,695,000
G.O. Corporate Purpose Bonds	6/11/2013	3/1/2033	2.25 - 3.0%	545,000	545,000
Taxable G.O. Refunding Bonds	6/11/2013	3/1/2023	.70 - 2.50%	1,960,000	965,000
G.O. Promissory Notes	6/11/2013	3/1/2023	.75 - 2.25%	475,000	200,000
G.O. Promissory Note	12/30/2014	2/15/2022	0%	37,051	13,896

## VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### *F. LONG-TERM OBLIGATIONS* (cont.)

##### *General Obligation Debt* (cont.)

#### Governmental Activities (cont.)

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
G.O. State Trust Fund Loan	9/23/2015	3/15/2035	3.75%	\$ 200,000	\$ 179,979
G.O. Corporate Purpose Bonds	4/3/2017	3/1/2032	1.10 - 3.0%	1,475,000	1,385,000
G.O. Corporate Purpose Bonds	4/3/2017	3/1/2032	1.10 - 3.0%	2,170,000	1,970,000
G.O. State Trust Fund Loan	2/20/2018	3/15/2027	3.50%	166,477	150,739
G.O. State Trust Fund Loan	3/12/2019	3/15/2038	4.75%	68,670	68,670
G.O. State Trust Fund Loan	5/29/19	3/15/2039	4.75%	137,330	<u>137,330</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 8,515,614</u>

#### Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
G.O. Corporate Purpose Bonds (Build America)	7/27/2010	3/1/2030	4.80 - 5.75%	\$ 150,000	\$ 25,000
G.O. Promissory Notes (Build America)	7/27/2010	3/1/2020	1.00 - 4.25%	305,000	160,000
G.O. Corporate Purpose Bonds	6/11/2013	3/1/2033	2.25 - 3.00%	1,425,000	1,425,000
G.O. Promissory Notes	6/11/2013	3/1/2033	.75 - 2.25%	845,000	480,000
G.O. State Trust Fund Loan	10/4/2015	3/15/2035	3.75%	528,800	475,214
G.O. Corporate Purpose Bonds	4/3/2017	3/1/2032	1.10 - 3.0%	145,000	<u>130,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 2,695,214</u>

## VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### *F. LONG-TERM OBLIGATIONS* (cont.)

##### **General Obligation Debt** (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2020	\$ 860,000	\$ 208,712	\$ 155,000	\$ 59,229
2021	875,000	190,796	150,000	55,575
2022	895,000	171,112	145,000	52,193
2023	915,000	149,487	150,000	48,642
2024	795,000	126,097	150,000	44,850
2025-2029	2,780,000	352,766	805,000	161,481
2030-2034	845,000	39,961	665,000	39,429
Totals	<u>\$ 7,965,000</u>	<u>\$ 1,238,931</u>	<u>\$ 2,220,000</u>	<u>\$ 461,399</u>

Years	Governmental Activities Notes from Direct Borrowings and Direct Placements		Business-type Activities General Obligation Notes From Direct Borrowings And Direct Placements	
	Principal	Interest	Principal	Interest
2020	\$ 37,434	\$ 20,557	\$ 22,174	\$ 17,869
2021	37,445	20,543	23,055	16,989
2022	38,705	19,288	23,919	16,124
2023	35,376	17,984	24,816	15,227
2024	36,685	16,673	25,707	14,336
2025-2029	161,241	61,693	143,924	56,294
2030-2034	122,642	34,491	173,023	27,195
2035-2039	81,086	9,817	38,596	1,447
Totals	<u>\$ 550,614</u>	<u>\$ 201,046</u>	<u>\$ 475,214</u>	<u>\$ 165,481</u>

The Village's outstanding State Trust Fund Loans from Direct borrowings related to governmental activities of \$550,614 and \$475,214 related to business-type activities contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the city.

#### **Other Debt Information**

Estimated payments of vested compensated absences are not included in the debt service requirement schedules. The vested compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund of the village.

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### *F. LONG-TERM OBLIGATIONS* (cont.)

##### *Lessor - Operating Leases*

A lease agreement exists between the Village of Pewaukee, the City of Pewaukee (city) and the Joint Library Board dealing with the relative rights and the responsibilities of the parties relative to the land and building of the Pewaukee Public Library. This agreement also states that the cost of maintenance of the grounds, parking, pavement, landscaping, and maintenance of the library facility are considered expenses of the Joint Library Board - not of the village or the city. The lease agreement also states that the Joint Library Board provide insurance coverage naming the city and village as additional insured's with limits acceptable to both municipalities and further indemnifying and holding harmless the village and city against any liability which may arise as a result of the operation and maintenance of the joint library and the duties of the village as fiscal agent and as employer of joint library for payroll and benefit purposes. The land lease has a cost of \$230,000 and the building lease has a cost of \$4,099,602 and accumulated depreciation of \$1,064,636 at December 31, 2019. Both lease agreements expire on August 31, 2024. The library does not pay rent on either lease.

#### *G. NET POSITION/FUND BALANCES*

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

##### *Governmental Activities*

Net Investment in Capital Assets	
Land	\$ 6,564,438
Construction in progress	14,102
Other capital assets, net of accumulated depreciation	12,368,076
Less: Long-term debt outstanding	(7,467,273)
Plus: Unspent capital related debt proceeds	618,576
Plus: Unamortized loss on refunding	85,017
Less: Unamortized debt premium	<u>(101,126)</u>
Total Net Investment in Capital Assets	<u>12,081,810</u>
Restricted	
Debt service	184,555
TIF activities	37,493
Park maintenance	3,364
Cemetery	52,181
Downtown loan	<u>13,025</u>
Total Restricted	<u>290,618</u>
Unrestricted	<u>3,910,943</u>
Total Governmental Activities Net Position	<u>\$ 16,283,371</u>

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### G. NET POSITION/FUND BALANCES (cont.)

##### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General Fund	General Debt Service Fund	Capital Projects Fund	Nonmajor Funds	Totals
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Prepaid items	\$ 60,487	\$ -	\$ -	\$ -	\$ 60,487
Advances	92,755	-	-	-	92,755
Sub-total	153,242	-	-	-	153,242
<b>Restricted for:</b>					
Capital projects	-	-	371,865	-	371,865
Debt service	-	516,985	-	-	516,985
Cemetery purposes	-	-	-	52,181	52,181
Koepp park maintenance	3,364	-	-	-	3,364
TIF related purposes	-	-	-	37,493	37,493
Lake patrol purposes	-	-	-	61,977	61,977
Sub-total	3,364	516,985	371,865	151,651	1,043,865
<b>Assigned to:</b>					
DARE	1,245	-	-	-	1,245
Motorcycle donations	246	-	-	-	246
Joint pistol range	632	-	-	-	632
Park equipment	74,260	-	-	-	74,260
Parks and open spaces	1,331	-	-	-	1,331
Tax equivalent	148,727	-	-	-	148,727
Capital projects	-	-	305,765	-	305,765
Police	449	-	-	-	449
Infrastructure	913,918	-	-	-	913,918
Sub-total	1,140,808	-	305,765	-	1,446,573
<b>Unassigned (deficit):</b>	2,713,964	-	-	(3,479)	2,710,485
<b>Total Fund Balances</b>	\$ 4,011,378	\$ 516,985	\$ 677,630	\$ 148,172	\$ 5,354,165

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### **G. NET POSITION/FUND BALANCES (cont.)**

##### ***Business-type Activities***

Net Investment in Capital Assets	
Land	\$ 925,238
Construction in progress	278,553
Other capital assets, net of accumulated depreciation	27,800,936
Less: Long-term debt outstanding	(2,695,214)
Less: Unamortized debt premium	<u>(3,632)</u>
Total Net Investment in Capital Assets	<u>\$ 26,305,881</u>

#### **H. RESTATEMENT OF NET POSITION**

Net position has been restated to implement GASB No. 84. Refer to Note I.B for additional information related to this standard. The details of the restatement are as follows:

Governmental Activities Net Position - December 31, 2018 (as reported)	\$ 15,826,485
Add: Lake Patrol Fund (previously reported as an agency fund)	<u>48,454</u>
Net Position - December 31, 2018 (as restated)	<u>\$ 15,874,939</u>
Nonmajor Governmental Fund Balance Net Position - December 31, 2018 (as reported)	\$ 49,199
Add: Lake Patrol Fund (previously reported as an agency fund)	<u>48,454</u>
Fund Balance - December 31, 2018 (as restated)	<u>\$ 97,653</u>

# VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## NOTE IV - OTHER INFORMATION

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### **A. EMPLOYEES' RETIREMENT SYSTEM**

**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 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>.

**Vesting.** 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.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to receive retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Employees may retire at age 55 (50 for protective occupation employees) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

# VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## NOTE IV - OTHER INFORMATION (cont.)

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### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0



# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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 and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category 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, the WRS recognized \$229,489 in contributions from the village.

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

#### ***Pension Liability (Asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2019, the village reported a liability (asset) of \$792,408 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension liability (asset) was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the village's proportion was 0.02227313%, which was an increase of 0.00029466% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the village recognized pension expense of \$539,153.

## VILLAGE OF PEWAUKEE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

#### NOTE IV - OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2019, the village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 615,361	\$ 1,091,838
Changes in assumptions	133,874	-
Net differences between projected and actual earnings on pension plan investments	1,162,996	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,499	2,813
Employer contributions subsequent to the measurement date	<u>234,872</u>	<u>-</u>
Totals	<u>\$ 2,153,602</u>	<u>\$ 1,094,651</u>

\$234,872 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ 300,786
2021	75,719
2022	129,844
2023	317,730

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial assumptions.** The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
<u>Variable Fund Asset Class</u>			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%  
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

**Single discount rate.** A single discount rate of 7.00% 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 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 member 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.

# VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

## NOTE IV - OTHER INFORMATION (cont.)

### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Sensitivity of the village's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the village'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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	\$3,149,113	\$792,408	\$(959,985)

**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>.

At December 31, 2019, the village reported a payable to the pension plan of \$32,069 which represents contractually required contributions outstanding as of the end of the year.

### B. RISK MANAGEMENT

The village 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. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

### C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

The village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE IV - OTHER INFORMATION (cont.)**

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#### ***C. COMMITMENTS AND CONTINGENCIES (cont.)***

The village has active construction projects as of December 31, 2019. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

#### ***D. JOINT VENTURES***

##### ***Pewaukee Public Library***

The Village of Pewaukee and the City of Pewaukee jointly operate the library, which is called the Pewaukee Public Library (library) and provides library services to both communities.

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the library. The village is obligated by the joint venture agreement to remit an amount annually to the library. The village made a payment to the library of \$256,489 in 2019.

Financial information of the library as of December 31, 2019 is available directly from the library's office.

The equity interest is reported in the governmental activities column of the government-wide statement of net position. Changes in the equity interest are reported on the statement of activities.

##### ***Park and Recreation Service***

The Village of Pewaukee and the City of Pewaukee jointly operate the local park and recreation service. The communities share in the operation of the district based 50% on their percentage of total equalized value and 50% on their percentage of total population.

The advisory board consists of three city citizens and one common council alderman as well as two village citizens and one village board trustee. The advisory board controls the financial affairs of the district. The board prepares budgets which are then approved by the village and city governing bodies. The village believes the joint venture will continue to provide services in the future at similar rates. The village share for 2019 was \$319,867.

Financial information of the district as of December 31, 2019 is available directly from the park and recreation service office.

The village does not have an equity interest in the joint venture.

# VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## **NOTE IV - OTHER INFORMATION (cont.)**

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### ***D. JOINT VENTURES (cont.)***

#### ***Lake Patrol Service***

The Village of Pewaukee, the City of Pewaukee, and the Town of Delafield jointly provide winter and summer lake patrol services on Pewaukee Lake. This agreement began December 20, 2010.

The village, through its police department water safety patrol unit, provides the patrol services and enforces the terms of the Pewaukee Lake summer and winter lake rules as well as other applicable statutes and ordinances. All offenses cited by the water safety patrol will be prosecuted in the Village of Pewaukee Municipal Court.

Expenses associated with the administration and implementation of the services are allocated on the following basis: 43% to the City of Pewaukee, 43% to the Town of Delafield and 14% to the Village of Pewaukee. The village share for 2019 was \$8,177.

The village reports the financial activity of the Lake Patrol Service in a special revenue fund.

### ***E. OTHER POSTEMPLOYMENT BENEFITS***

The village provides postemployment health insurance benefits for all eligible employees. Eligibility is based on being employed by the village for fifteen years for protective service employees and twenty years or more for general employees. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the village. Funding for those costs is provided out of the current operating budget of the village. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were not material. The number of participants currently eligible to receive benefits is 5.

### ***F. SUBSEQUENT EVENT***

On March 24, 2020, the village issued general obligation corporate purpose bonds in the amount of \$6,625,000 with an interest rate of 2.00%. This amount will be used to refund the 2010 Taxable Bonds (BABs) and to finance costs related to utility and road related construction projects.

# VILLAGE OF PEWAUKEE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 91, *Conduit Debt Obligations*

When they become effective, application of these standards may restate portions of these financial statements.

#### **H. INVESTMENT IN BROOKFIELD WASTEWATER TREATMENT FACILITY**

The Village of Pewaukee sewer utility and the City of Brookfield, Town of Brookfield, City of Pewaukee, and the Village of Menominee Falls are all contributing parties for a construction upgrade at the City of Brookfield Wastewater Treatment Facility. The communities share in the upgrade costs as follows:

<u>Municipality</u>	<u>% Exp Paid</u>
City of Brookfield	47.59 %
Town of Brookfield Sanitary District #4	13.62
City of Pewaukee Sanitary District #3	17.48
Village of Pewaukee	14.49
Village of Menominee Falls	1.65
Lake Pewaukee Sanitary District	<u>5.17</u>
Total	<u><u>100.00 %</u></u>

The costs reflected in the Village of Pewaukee's sewer utility financial statements reflect the pro-rata share of costs for treatment plant capacity and do not constitute an ownership right in the facility. These costs will be amortized over the life of the facility.



**REQUIRED SUPPLEMENTARY INFORMATION**

## VILLAGE OF PEWAUKEE

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
<b>TAXES</b>			
General property taxes	\$ 3,860,069	\$ 3,860,068	\$ (1)
Payments in lieu of taxes	105,000	101,888	(3,112)
Total Taxes	<u>3,965,069</u>	<u>3,961,956</u>	<u>(3,113)</u>
<b>INTERGOVERNMENTAL REVENUES</b>			
State shared revenues	237,388	237,478	90
State aid - general transportation aids	342,815	342,658	(157)
Fire insurance tax (2% fire dues)	38,000	40,374	2,374
State aid - other public safety	2,000	2,600	600
Exempt computer aid	14,262	14,608	346
State recycling - operating	34,362	12,815	(21,547)
State aid - other law enforcement	7,560	14,880	7,320
Other	27,000	6,851	(20,149)
Total Intergovernmental Revenues	<u>703,387</u>	<u>672,264</u>	<u>(31,123)</u>
<b>LICENSES AND PERMITS</b>			
Liquor and malt beverage licenses	14,460	26,929	12,469
Operators' license	12,000	12,175	175
Cigarette licenses	800	800	-
Bicycle licenses	6,500	13,559	7,059
Dog and cat licenses	4,000	5,475	1,475
Cable television franchise fees	87,000	87,409	409
Building permits	40,000	128,161	88,161
Heating and air conditioning permits	7,500	19,909	12,409
Electrical permits	12,000	36,233	24,233
Plumbing permits	10,000	32,892	22,892
Occupancy permits	200	350	150
Mobile home park licenses	2,300	1,910	(390)
Zoning permits and fees	1,000	2,675	1,675
Other regulatory permits and fees	7,500	13,170	5,670
Total Licenses and Permits	<u>205,260</u>	<u>381,647</u>	<u>176,387</u>
<b>FINES, FORFEITURES AND PENALTIES</b>			
Court penalties and costs	180,000	149,685	(30,315)
Parking violations	45,000	36,301	(8,699)
Other law and ordinance violations	647	1,601	954
Total Fines, Forfeitures and Penalties	<u>225,647</u>	<u>187,587</u>	<u>(38,060)</u>

See accompanying notes to required supplementary information.

## VILLAGE OF PEWAUKEE

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>PUBLIC CHARGES FOR SERVICES</b>			
Ambulance fees	\$ 230,000	\$ 219,958	\$ (10,042)
Refuse and garbage collection	291,000	293,853	2,853
Property inquiry fees	3,000	3,960	960
Fire inspection fees	73,500	82,644	9,144
Law enforcement fees	328,030	314,274	(13,756)
Fiscal agent fees	22,188	22,188	-
Recreation programs	76,200	81,877	5,677
Park rental	6,000	9,178	3,178
Other public charges for services	6,000	2,980	(3,020)
Joint pistol range	1,500	1,250	(250)
Total Public Charges for Services	1,037,418	1,032,162	(5,256)
<b>INVESTMENT INCOME</b>			
Interest on investments	80,000	100,803	20,803
<b>MISCELLANEOUS REVENUES</b>			
Other miscellaneous	5,040	5,790	750
Rent	7,100	5,200	(1,900)
Insurance recoveries	-	69,829	69,829
Total Miscellaneous Revenues	12,140	80,819	68,679
Total Revenues	6,228,921	6,417,238	188,317
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Village board	32,070	31,409	661
Municipal court	64,341	61,755	2,586
Legal	76,250	68,932	7,318
Administrator	97,866	96,309	1,557
Clerk	184,596	169,641	14,955
Elections	19,150	7,556	11,594
Data processing	14,000	12,991	1,009
Assessment of property	43,500	44,538	(1,038)
Accounting and auditing	34,900	31,714	3,186
Village hall	53,000	54,966	(1,966)
Property and liability insurance	170,000	160,133	9,867
Other general government	35,270	105,322	(70,052)
Total General Government	824,943	845,266	(20,323)
<b>PUBLIC SAFETY</b>			
Police	2,376,195	2,296,625	79,570
Water patrol	8,177	8,177	-
Fire service	1,444,003	1,439,693	4,310
Building inspection	58,870	148,361	(89,491)
Total Public Safety	3,887,245	3,892,856	(5,611)

See accompanying notes to required supplementary information.

## VILLAGE OF PEWAUKEE

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>HEALTH AND SOCIAL SERVICES</b>			
Animal control	\$ 4,043	\$ 4,043	\$ -
<b>PUBLIC WORKS</b>			
Public works administration	69,126	68,582	544
Public works wages and benefits	467,103	393,700	73,403
Engineering	10,400	11,229	(829)
Equipment maintenance & general operations	66,000	75,725	(9,725)
Garage expenses	40,785	40,438	347
Street maintenance	66,185	66,938	(753)
Snow and ice control	62,850	64,798	(1,948)
Street lighting	63,500	57,366	6,134
Sidewalks	6,000	5,000	1,000
Curb and gutter	2,850	2,019	831
Other sanitation	500	615	(115)
Tree and brush removal	1,000	-	1,000
Refuse and garbage collection	212,000	219,929	(7,929)
Recycling	73,000	70,301	2,699
Total Public Works	1,141,299	1,076,640	64,659
<b>LEISURE ACTIVITIES</b>			
Library	256,489	256,489	-
Parks and recreation	344,500	319,867	24,633
Total Leisure Activities	600,989	576,356	24,633
<b>CONSERVATION AND DEVELOPMENT</b>			
Urban development	49,012	44,635	4,377
Weed control	800	1,159	(359)
Planning commission	16,540	18,281	(1,741)
Total Conservation and Development	66,352	64,075	2,277
<b>CAPITAL OUTLAY</b>			
Police	59,723	77,986	(18,263)
Parks	37,042	7,952	29,090
Highway	210,000	300,047	(90,047)
Total Capital Outlay	306,765	385,985	(79,220)
Total Expenditures	6,831,636	6,845,221	(13,585)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(602,715)	(427,983)	174,732
<b>OTHER FINANCING SOURCES</b>			
Debt issued	180,000	-	(180,000)
Sales of fixed assets	15,000	20,650	5,650
Transfers in	390,420	382,148	(8,272)
Total Other Financing Sources	585,420	402,798	(182,622)
Net Change in Fund Balance	(17,295)	(25,185)	(7,890)
FUND BALANCE - Beginning of Year	4,036,563	4,036,563	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 4,019,268</b>	<b>\$ 4,011,378</b>	<b>\$ (7,890)</b>

See accompanying notes to required supplementary information.

## VILLAGE OF PEWAUKEE

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/19	0.02227313%	\$ 792,408	\$ 2,559,799	30.96%	96.45%
12/31/18	0.02192185%	(650,885)	2,488,305	26.16%	102.93%
12/31/17	0.02200528%	181,376	2,615,778	6.93%	99.12%
12/31/16	0.02205735%	358,496	2,563,304	13.99%	98.20%
12/31/15	0.02259796%	(555,068)	2,563,809	21.65%	102.74%

### SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 234,872	\$ 234,872	\$ -	\$ 2,621,355	8.96%
12/31/18	232,824	232,824	-	2,559,779	9.10%
12/31/17	225,984	225,984	-	2,495,876	9.05%
12/31/16	214,160	214,160	-	2,686,236	7.97%
12/31/15	217,941	217,941	-	2,577,196	8.46%

See accompanying notes to the required supplementary information.

# VILLAGE OF PEWAUKEE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2019

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### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

### ***WISCONSIN RETIREMENT SYSTEM***

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The village is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in assumptions.* Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

**SUPPLEMENTARY INFORMATION**

## VILLAGE OF PEWAUKEE

### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2019

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Cemetery Fund	Downtown Loan Fund	Lake Patrol Fund	TID No. 2	
<b>ASSETS</b>					
Assets					
Cash and investments	\$ 53,653	\$ -	\$ 55,541	\$ 37,493	\$ 146,687
Receivables					
Tax roll receivable	-	-	-	54,330	54,330
Accounts	-	-	5,863	-	5,863
Loans	-	16,504	-	-	16,504
Prepaid items	-	-	573	-	573
	-	-	573	-	573
<b>TOTAL ASSETS</b>	<b>\$ 53,653</b>	<b>\$ 16,504</b>	<b>\$ 61,977</b>	<b>\$ 91,823</b>	<b>\$ 223,957</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 761	\$ -	\$ -	\$ -	\$ 761
Accrued liabilities	711	-	-	-	711
Advances from other funds	-	3,479	-	-	3,479
Total Liabilities	1,472	3,479	-	-	4,951
Deferred Inflows of Resources					
Unearned revenues	-	-	-	54,330	54,330
Unavailable revenues	-	16,504	-	-	16,504
Total Deferred Inflows of Resources	-	16,504	-	54,330	70,834
Fund Balances (Deficit)					
Restricted	52,181	-	61,977	37,493	151,651
Unassigned (deficit)	-	(3,479)	-	-	(3,479)
Total Fund Balances (deficit)	52,181	(3,479)	61,977	37,493	148,172
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 53,653</b>	<b>\$ 16,504</b>	<b>\$ 61,977</b>	<b>\$ 91,823</b>	<b>\$ 223,957</b>



## VILLAGE OF PEWAUKEE

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Cemetery Fund	Downtown Loan Fund	Lake Patrol Fund	TID No. 2	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ 42,000	\$ 42,000
Intergovernmental	-	-	88,010	2,761	90,771
Public charges for services	25,648	2,620	-	-	28,268
Investment income	<u>732</u>	<u>-</u>	<u>-</u>	<u>1,640</u>	<u>2,372</u>
Total Revenues	<u>26,380</u>	<u>2,620</u>	<u>88,010</u>	<u>46,401</u>	<u>163,411</u>
<b>EXPENDITURES</b>					
Current					
Health and human services	19,429	-	-	-	19,429
Conservation and development	-	-	-	1,051	1,051
Capital outlay	-	-	-	208,760	208,760
Public safety	-	-	74,487	-	74,487
Debt Service					
Principal	-	-	-	8,112	8,112
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,053</u>	<u>7,053</u>
Total Expenditures	<u>19,429</u>	<u>-</u>	<u>74,487</u>	<u>224,976</u>	<u>318,892</u>
Excess (deficiency) of revenues over expenditures	6,951	2,620	13,523	(178,575)	(155,481)
<b>OTHER FINANCING SOURCES</b>					
Debt issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,000</u>	<u>206,000</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,000</u>	<u>206,000</u>
<b>Net Change in Fund Balances</b>	6,951	2,620	13,523	27,425	50,519
FUND BALANCES (DEFICIT)					
- Beginning of Year (as restated)	<u>45,230</u>	<u>(6,099)</u>	<u>48,454</u>	<u>10,068</u>	<u>97,653</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 52,181</u>	<u>\$ (3,479)</u>	<u>\$ 61,977</u>	<u>\$ 37,493</u>	<u>\$ 148,172</u>

## VILLAGE OF PEWAUKEE

### COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS As of December 31, 2019

	Tax Collection Fund	Pewaukee Library Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 6,993,672	\$ 194,455	\$ 7,188,127
Receivables			
Taxes receivable	5,509,428	-	5,509,428
Prepaid items	-	22,653	22,653
Total Assets	12,503,100	217,108	12,720,208
<b>LIABILITIES</b>			
Accounts payable	-	23,924	23,924
Accrued liabilities	-	9,072	9,072
Due to other governments	12,503,100	-	12,503,100
Total Liabilities	12,503,100	32,996	12,536,096
<b>NET POSITION</b>			
Restricted	\$ -	\$ 184,112	\$ 184,112

## VILLAGE OF PEWAUKEE

### COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

For the Year Ended December 31, 2019

	Tax Collection Fund	Pewaukee Library Fund	Total
<b>ADDITIONS</b>			
Intergovernmental	\$ -	\$ 1,185,248	\$ 1,185,248
Fines	-	17,437	17,437
Donations	-	12,646	12,646
Investment income	-	4,242	4,242
Miscellaneous	-	5,713	5,713
Property taxes collected for other governments	8,419,760	-	8,419,760
Total Additions	8,419,760	1,225,286	9,645,046
<b>DEDUCTIONS</b>			
Library activities	-	1,182,902	1,182,902
Property taxes collected for other governments	8,419,760	-	8,419,760
Total Deductions	8,419,760	1,182,902	9,602,662
<b>Change in Net Position</b>	-	42,384	42,384
NET POSITION - Beginning of Year	-	141,728	141,728
<b>NET POSITION - END OF YEAR</b>	\$ -	\$ 184,112	\$ 184,112