

# **City of Pewaukee**

Financial Statements and Supplementary Information

December 31, 2020

# City of Pewaukee

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December 31, 2020

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# City of Pewaukee

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## INDEPENDENT AUDITORS' REPORT

To the Common Council  
City 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 City of Pewaukee, Wisconsin as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City 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 City 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 City 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.

To the Common Council  
City of Pewaukee

### ***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 City of Pewaukee, Wisconsin as of December 31, 2020 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 4 to the financial statements, net position and fund balance as of December 31, 2019 have been restated to correct a material misstatement. 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.

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

To the Common Council  
City of Pewaukee

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City 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 US, LLP*

Milwaukee, Wisconsin  
July 12, 2021

## **BASIC FINANCIAL STATEMENTS**

# City of Pewaukee

## Statement of Net Position

December 31, 2020

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 19,490,980	\$ 12,884,670	\$ 32,375,650
Receivables (net):			
Taxes	11,446,787	-	11,446,787
Delinquent personal property taxes	1,090	-	1,090
Accounts	418,866	1,084,895	1,503,761
Accrued interest	49,931	-	49,931
Special assessments	1,154,152	475,361	1,629,513
Due from other governments	138,932	-	138,932
Internal balances	(202,439)	202,439	-
Investment in Pewaukee Public Library	382,332	-	382,332
Inventories and prepaid expenses	249,795	11,877	261,672
Restricted assets:			
Cash and investments	-	60,070	60,070
Net pension asset	1,300,549	97,101	1,397,650
Capital assets:			
Land	3,723,769	530,387	4,254,156
Construction in progress	644,290	1,570,374	2,214,664
Other capital assets, net of accumulated depreciation	48,722,215	73,189,405	121,911,620
Total assets	<u>87,521,249</u>	<u>90,106,579</u>	<u>177,627,828</u>
<b>Deferred Outflows of Resources</b>			
Pension related items	3,050,569	257,018	3,307,587
<b>Liabilities</b>			
Accounts payable and accrued expenses	1,864,928	1,908,147	3,773,075
Deposits	349,950	26,177	376,127
Current portion of long-term obligations	998,361	595,123	1,593,484
Noncurrent portion of long-term obligations	5,155,668	7,543,081	12,698,749
Total liabilities	<u>8,368,907</u>	<u>10,072,528</u>	<u>18,441,435</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenue	12,746,842	-	12,746,842
Pension related items	3,878,078	318,067	4,196,145
Total deferred inflows of resources	<u>16,624,920</u>	<u>318,067</u>	<u>16,942,987</u>
<b>Net Position</b>			
Net investment in capital assets	47,699,229	67,239,939	114,939,168
Restricted	3,737,421	157,171	3,894,592
Unrestricted	14,141,341	12,575,892	26,717,233
Total net position	<u>\$ 65,577,991</u>	<u>\$ 79,973,002</u>	<u>\$ 145,550,993</u>

See notes to the financial statements

**City of Pewaukee**

Statement of Activities

Year Ended December 31, 2020

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Primary Government							
Governmental activities:							
General government	\$ 2,516,236	\$ 747,387	\$ 150,106	\$ -	\$ (1,618,743)	\$ -	\$ (1,618,743)
Public safety	8,608,841	2,451,812	30,731	2,496	(6,123,802)	-	(6,123,802)
Public works	5,910,278	3,432,629	560,240	1,154,152	(763,257)	-	(763,257)
Health and sanitation	31,916	15,795	-	-	(16,121)	-	(16,121)
Culture and recreation	2,468,987	586,308	-	118,108	(1,764,571)	-	(1,764,571)
Conservation and development	220,812	-	-	-	(220,812)	-	(220,812)
Interest and other related charges	114,229	-	-	-	(114,229)	-	(114,229)
Total governmental activities	19,871,299	7,233,931	741,077	1,274,756	(10,621,535)	-	(10,621,535)
Business-type activities:							
Water utility	2,768,631	2,271,457	-	481,186	-	(15,988)	(15,988)
Sewer utility	3,795,004	3,453,260	-	268,102	-	(73,642)	(73,642)
Total business-type activities	6,563,635	5,724,717	-	749,288	-	(89,630)	(89,630)
Total primary government	\$ 26,434,934	\$ 12,958,648	\$ 741,077	\$ 2,024,044	\$ (10,621,535)	\$ (89,630)	\$ (10,711,165)
General revenues and transfers:							
Taxes:							
Property taxes					9,788,617	-	9,788,617
Other taxes					924,987	-	924,987
Intergovernmental revenues not restricted to specific programs					934,741	-	934,741
Investment income					392,052	54,125	446,177
Gain on sale of fixed assets					91,000	-	91,000
Miscellaneous					26,178	31,157	57,335
Transfers					570,154	(570,154)	-
Total general revenues and transfers					12,727,729	(484,872)	12,242,857
Change in net position					2,106,194	(574,502)	1,531,692
<b>Net Position, Beginning (as restated)</b>					63,471,797	80,547,504	144,019,301
<b>Net Position, Ending</b>					<u>\$ 65,577,991</u>	<u>\$ 79,973,002</u>	<u>\$ 145,550,993</u>

See notes to the financial statements

**City of Pewaukee**

Balance Sheet - Government Funds  
December 31, 2020

	<u>General</u>	<u>Storm Water Management</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
<b>Cash and Investments</b>	\$ 6,972,929	\$ 3,876,084	\$ 1,836,762	\$ 6,805,205	\$ 19,490,980
Receivables (net):					
Taxes	9,949,065	579,880	832,842	85,000	11,446,787
Delinquent personal property taxes	1,090	-	-	-	1,090
Accounts	323,205	22,161	-	73,500	418,866
Special assessments	-	-	1,154,152	-	1,154,152
Accrued interest	49,931	-	-	-	49,931
Due from other governments	138,932	-	-	-	138,932
Inventories	190,134	-	-	-	190,134
Prepaid items	56,051	3,610	-	-	59,661
					-
Total assets	<u>\$ 17,681,337</u>	<u>\$ 4,481,735</u>	<u>\$ 3,823,756</u>	<u>\$ 6,963,705</u>	<u>\$ 32,950,533</u>
<b>Liabilities, Deferred Inflows of Resources and Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 748,509	\$ 142,253	\$ -	\$ 780,317	\$ 1,671,079
Accrued liabilities	161,082	-	-	-	161,082
Deposits	349,950	-	-	-	349,950
Due to other funds	202,439	-	-	-	202,439
Total liabilities	<u>1,461,980</u>	<u>142,253</u>	<u>-</u>	<u>780,317</u>	<u>2,384,550</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	10,214,807	1,614,193	832,842	85,000	12,746,842
Unavailable revenues	94,375	-	1,154,152	-	1,248,527
Total deferred inflows of resources	<u>10,309,182</u>	<u>1,614,193</u>	<u>1,986,994</u>	<u>85,000</u>	<u>13,995,369</u>
<b>Fund Balances</b>					
Nonspendable	247,275	3,610	-	-	250,885
Restricted	-	-	1,836,762	632,877	2,469,639
Committed	-	-	-	5,465,511	5,465,511
Assigned	-	2,721,679	-	-	2,721,679
Unassigned	5,662,900	-	-	-	5,662,900
Total fund balances	<u>5,910,175</u>	<u>2,725,289</u>	<u>1,836,762</u>	<u>6,098,388</u>	<u>16,570,614</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,681,337</u>	<u>\$ 4,481,735</u>	<u>\$ 3,823,756</u>	<u>\$ 6,963,705</u>	<u>\$ 32,950,533</u>

See notes to the financial statements

## City of Pewaukee

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
December 31, 2020

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**Total Fund Balances - Governmental Funds** \$ 16,570,614

**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 (See Note 2).	53,090,274
The City's investment in the library joint venture is not a financial resource and, therefore, is not reported in the fund statements.	382,332
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.	1,248,527
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	1,300,549
Deferred inflows and outflows of resources related to pension do not related to current financial resources and are not reported in the governmental funds.	(827,509)
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds (See Note 2).	<u>(6,186,796)</u>
Net position of governmental activities	<u><u>\$ 65,577,991</u></u>

**City of Pewaukee**

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
Year Ended December 31, 2020

	<b>General</b>	<b>Storm Water Management</b>	<b>Debt Service</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Taxes	\$ 8,109,284	\$ -	\$ 1,743,346	\$ 1,195,171	\$ 11,047,801
Intergovernmental	1,783,343	-	-	16,763	1,800,106
Licenses and permits	840,666	300	-	-	840,966
Fines forfeitures and penalties	324,529	-	-	-	324,529
Public charges for services	1,843,032	1,601,665	-	55,746	3,500,443
Intergovernmental charges for services	1,952,442	39,684	-	-	1,992,126
Investment income	229,421	33,371	47,296	59,617	369,705
Miscellaneous revenues	98,671	87,278	-	15,000	200,949
<b>Total revenues</b>	<b>15,181,388</b>	<b>1,762,298</b>	<b>1,790,642</b>	<b>1,342,297</b>	<b>20,076,625</b>
<b>Expenditures</b>					
Current:					
General government	2,176,094	-	-	-	2,176,094
Public safety	8,128,524	-	-	10,297	8,138,821
Public works	2,789,776	703,369	-	-	3,493,145
Health and human services	-	-	-	31,916	31,916
Culture and recreation	2,053,148	-	-	-	2,053,148
Conservation and development	-	-	-	220,812	220,812
Capital Outlay	-	1,710,106	-	2,416,101	4,126,207
Debt Service:					
Principal	-	-	1,244,040	-	1,244,040
Interest, issuance costs and fiscal charges	-	-	133,420	-	133,420
<b>Total expenditures</b>	<b>15,147,542</b>	<b>2,413,475</b>	<b>1,377,460</b>	<b>2,679,126</b>	<b>21,617,603</b>
Excess (deficiency) of revenues over expenditures	33,846	(651,177)	413,182	(1,336,829)	(1,540,978)
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital assets	91,000	-	-	-	91,000
Transfers in	590,154	17,940	257,577	1,115,990	1,981,661
Transfers out	(992,810)	(257,577)	-	(161,120)	(1,411,507)
<b>Total other financing sources (uses)</b>	<b>(311,656)</b>	<b>(239,637)</b>	<b>257,577</b>	<b>954,870</b>	<b>661,154</b>
Net change in fund balances	(277,810)	(890,814)	670,759	(381,959)	(879,824)
<b>Fund Balances, Beginning (as restated)</b>	<b>6,187,985</b>	<b>3,616,103</b>	<b>1,166,003</b>	<b>6,480,347</b>	<b>17,450,438</b>
<b>Fund Balances, Ending</b>	<b>\$ 5,910,175</b>	<b>\$ 2,725,289</b>	<b>\$ 1,836,762</b>	<b>\$ 6,098,388</b>	<b>\$ 16,570,614</b>

See notes to the financial statements

## City of Pewaukee

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds  
Year Ended December 31, 2020

**Net Change in Fund Balances - Total Governmental Funds** \$ (879,824)

### 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 statements	4,126,207
Some items reported as capital outlay were not capitalized	(395,976)
Contributed assets	65,653
Depreciation is reported in the government-wide statements	(3,112,924)
Net book value of assets retired	(63,435)

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. 1,174,061

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. 15,809

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.

Principal repaid	1,244,040
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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	(102,348)
Accrued interest on debt	9,578
Net pension liability/asset	2,670,107
Deferred inflows/outflows of resources related to pension	(2,654,367)

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 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 premiums	<u>9,613</u>
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Change in net position of governmental activities	<u>\$ 2,106,194</u>
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**City of Pewaukee**Statement of Net Position - Proprietary Funds  
December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 237,500	\$ 12,647,170	\$ 12,884,670
Receivables:			
Accounts	424,832	660,063	1,084,895
Special assessments	82,553	392,808	475,361
Due from other funds	34,492	167,947	202,439
Inventory	11,877	-	11,877
Restricted assets - cash and investments	60,070	-	60,070
	<u>851,324</u>	<u>13,867,988</u>	<u>14,719,312</u>
Total current assets			
<b>Noncurrent Assets</b>			
Capital assets:			
Land	530,387	-	530,387
Construction in progress	327,950	1,242,424	1,570,374
Capital assets, net of accumulated depreciation	36,931,297	36,258,108	73,189,405
Restricted asset - net pension asset	62,906	34,195	97,101
Advance to water	-	7,404,609	7,404,609
	<u>37,852,540</u>	<u>44,939,336</u>	<u>82,791,876</u>
Total noncurrent assets			
Total assets	<u>38,703,864</u>	<u>58,807,324</u>	<u>97,511,188</u>
<b>Deferred Outflows of Resources</b>			
Pension related items	170,779	86,239	257,018
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	231,217	1,604,133	1,835,350
Accrued liabilities	59,754	13,043	72,797
General obligation debt	467,225	95,194	562,419
Compensated absences	21,258	11,446	32,704
	<u>779,454</u>	<u>1,723,816</u>	<u>2,503,270</u>
Total current liabilities			
Noncurrent Liabilities:			
General obligation debt	6,335,390	1,152,418	7,487,808
Compensated absences	35,927	19,346	55,273
Advance from sewer	7,404,609	-	7,404,609
Deposits	26,177	-	26,177
	<u>13,802,103</u>	<u>1,171,764</u>	<u>14,973,867</u>
Total noncurrent liabilities			
Total liabilities	<u>14,581,557</u>	<u>2,895,580</u>	<u>17,477,137</u>
<b>Deferred Inflows of Resources</b>			
Pension related items	207,887	110,180	318,067
<b>Net Position</b>			
Net investment in capital assets	30,987,019	36,252,920	67,239,939
Restricted for radium capital projects	60,070	-	60,070
Restricted for pensions	62,906	34,195	97,101
Unrestricted (deficit)	(7,024,796)	19,600,688	12,575,892
	<u>\$ 24,085,199</u>	<u>\$ 55,887,803</u>	<u>\$ 79,973,002</u>
Total net position			

See notes to the financial statements

**City of Pewaukee**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
Year Ended December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Operating Revenues</b>	<u>\$ 2,271,457</u>	<u>\$ 3,453,260</u>	<u>\$ 5,724,717</u>
<b>Operating Expenses</b>			
Operation and maintenance	1,260,303	2,976,745	4,237,048
Depreciation	1,307,869	787,184	2,095,053
Taxes	27,908	-	27,908
Total operating expenses	<u>2,596,080</u>	<u>3,763,929</u>	<u>6,360,009</u>
Operating income (loss)	<u>(324,623)</u>	<u>(310,669)</u>	<u>(635,292)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest income	5,881	48,244	54,125
Interest and fiscal charges	(172,551)	(31,075)	(203,626)
Miscellaneous revenue	-	144	144
Proceeds on sale of capital assets	8,425	8,425	16,850
Amortization	11,649	2,514	14,163
Total nonoperating income (expense)	<u>(146,596)</u>	<u>28,252</u>	<u>(118,344)</u>
Income (loss) before contributions and transfers	<u>(471,219)</u>	<u>(282,417)</u>	<u>(753,636)</u>
<b>Contributions and Transfers</b>			
Capital contributions	481,186	268,102	749,288
Transfers	(570,154)	-	(570,154)
Total contributions and transfers	<u>(88,968)</u>	<u>268,102</u>	<u>179,134</u>
Change in net position	<u>(560,187)</u>	<u>(14,315)</u>	<u>(574,502)</u>
<b>Net Position, Beginning (as restated)</b>	<u>24,645,386</u>	<u>55,902,118</u>	<u>80,547,504</u>
<b>Net Position, Ending</b>	<u>\$ 24,085,199</u>	<u>\$ 55,887,803</u>	<u>\$ 79,973,002</u>

See notes to the financial statements

**City of Pewaukee**Statement of Cash Flows - Proprietary Funds  
Year Ended December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	\$ 2,249,805	\$ 3,504,899	\$ 5,754,704
Paid to vendors for goods and services	(1,226,272)	(2,156,294)	(3,382,566)
Paid to employees for services	(95,559)	(141,768)	(237,327)
Net cash flows from operating activities	<u>927,974</u>	<u>1,206,837</u>	<u>2,134,811</u>
<b>Cash Flows From Noncapital and Related Financing Activities</b>			
Principal (paid)/collected on advances from/to other funds	636,332	(636,332)	-
Transfers to other funds	(570,154)	-	(570,154)
Net cash flows from noncapital and related financing activities	<u>66,178</u>	<u>(636,332)</u>	<u>(570,154)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(688,276)	(688,654)	(1,376,930)
Principal paid on long-term debt retirements	(460,960)	(89,663)	(550,623)
Proceeds from sale of capital assets	8,425	8,425	16,850
Collection of special assessments, net	13,097	141,722	154,819
Interest paid	(175,372)	(31,542)	(206,914)
Net cash used by capital and related financing activities	<u>(1,303,086)</u>	<u>(659,712)</u>	<u>(1,962,798)</u>
<b>Cash Flows From Investing Activities</b>			
Investment income	5,881	48,244	54,125
Net Change in Cash and Investments	(303,053)	(40,963)	(344,016)
<b>Cash and Investments, Beginning (restated)</b>	<u>600,623</u>	<u>12,688,133</u>	<u>13,288,756</u>
<b>Cash and Investments, Ending</b>	<u>\$ 297,570</u>	<u>\$ 12,647,170</u>	<u>\$ 12,944,740</u>

See notes to the financial statements

**City of Pewaukee**

Statement of Cash Flows - Proprietary Funds

Year Ended December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities</b>			
Operating income (loss)	\$ (324,623)	\$ (310,669)	\$ (635,292)
Nonoperating income	-	144	144
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation expense	1,307,869	787,184	2,095,053
Changes in assets, deferred outflows/inflows of resources and liabilities:			
Accounts receivable	(27,144)	31,052	3,908
Due from other funds	6,623	20,443	27,066
Pension related deferrals and assets	3,524	(2,351)	1,173
Accounts payable	(23,862)	675,024	651,162
Prepays	207	-	207
Customer deposits	(1,131)	-	(1,131)
Inventory	(3,391)	-	(3,391)
Accrued liabilities	(10,098)	6,010	(4,088)
<b>Net Cash Flows From Operating Activities</b>	<b>\$ 927,974</b>	<b>\$ 1,206,837</b>	<b>\$ 2,134,811</b>
<b>Reconciliation of Cash and Investments to the Statement of Net Position - Proprietary Funds</b>			
Cash and investments - statement of net position	237,500	12,647,170	12,884,670
Restricted cash and investments - statement of net position	60,070	-	60,070
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 297,570</b>	<b>\$ 12,647,170</b>	<b>\$ 12,944,740</b>
<b>Noncash Capital and Related Financing Activities</b>			
Amortization on premiums	\$ 11,649	\$ 2,514	

See notes to the financial statements

# City of Pewaukee

Statement of Fiduciary Net Position  
December 31, 2020

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	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>Assets</b>	
Cash and investments	\$ 24,829,749
Taxes receivable	13,705,180
Total assets	<u>38,534,929</u>
<b>Liabilities</b>	
Due to other taxing units	<u>38,534,929</u>
<b>Net Position</b>	
Total net position	<u>\$ -</u>

See notes to the financial statements

## City of Pewaukee

Statement of Changes in Fiduciary Net Position  
Year Ended December 31, 2020

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	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>Additions</b>	
Tax collections	<u>\$ 27,002,038</u>
<b>Deductions</b>	
Tax disbursements to other entities	<u>27,002,038</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

See notes to the financial statements

# City of Pewaukee

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December 31, 2020

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# City of Pewaukee

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Notes to Financial Statements  
December 31, 2020

## 1. Summary of Significant Accounting Policies

The accounting policies of the City of Pewaukee, Wisconsin, (the "City"), 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).

### Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City 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 City has not identified any organizations that meet this criteria.

### Government-Wide and Fund Financial Statements

#### 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. 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 City 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.

#### Fund Financial Statements

Financial statements of the City 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 City 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 percent 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 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

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- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

## Governmental Funds

The City reports the following major governmental funds:

### General Fund

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

### Special Revenue Fund

Storm Water Management Special Revenue Fund is used to account for and report resources accumulated and payments made for storm water management projects.

### Debt Service Fund

Debt Service Fund accounts for resources accumulated and payments made for principal and interest on long-term debt other than proprietary fund debt

### Enterprise Funds

The City reports the following major enterprise funds:

Water Utility accounts for operations of the water system.

Sewer Utility accounts for operations of the sewer system.

The City reports the following nonmajor governmental funds:

### Special Revenue Funds

Special Revenue Funds are 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).

Impact Fee  
Public Safety Grants

Tourism and Convention  
Expendable Cemetery

### Capital Projects Funds

Capital Projects Funds are 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.

Road Construction  
Capital Equipment

Sports Complex  
Bike Path

## **Permanent Fund**

Permanent Fund are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Non-expendable Cemetary

In addition, the City reports the following fund types:

## **Custodial Fund**

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

Tax Collection Fund

## **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 City'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 City 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.

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

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Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City 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 City are reported as receivables and unavailable revenues. At December 31, 2020, there were \$421,564, \$3,552,933 and \$1,270,832 of unrecorded anticipated future assessments for City, Water and Sewer respectively, which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

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 Funds**

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 and sewer 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.

## **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity**

### **Deposits and Investments**

Investment of City 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.

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

- c. Bonds or securities issued or guaranteed by the federal government.
- 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.

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 4. 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, 2020, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 4. for further information.

## Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, 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 - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

Accounts receivable have been shown net of an allowance for uncollectible accounts. 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.

# City of Pewaukee

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Notes to Financial Statements  
December 31, 2020

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.

## **Inventories and Prepaid Items**

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. 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.

## **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.

## **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 for infrastructure assets and an estimated useful life in excess of 1 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. No 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.

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization 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 and improvements	15-40	Years
Land improvements	10-40	Years
Equipment	2-20	Years
Water and sewer plant	4-100	Years
Infrastructure	20-60	Years
Intangibles	3-20	Years
Library	15-50	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.

## 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.

## Compensated Absences

Compensated absences represent liabilities arising from the City's sick and vacation leave policies. The sick leave policy allows employees (excluding firefighters) to accrue sick leave at a rate of one day per month to a maximum of 130 days. Represented firefighters are allowed to accrue up to 135 hours per year to a maximum of 1,920 hours. The maximum accumulation for full-time employees hired after January 1, 2016 is 1,456 hours. If such days are not taken as paid time off during the course of employment, payment may be received upon termination at a rate of 50% of total accrued benefits. A liability is recorded only to the extent that it is estimated to result in termination payments.

The City's vacation leave policy allows employees hired before 2015 to accrue vacation benefits beginning in the year of hire. Vacation leave accrues to a maximum of five weeks based upon each employee's length of service. Vacation leave can only be accrued to a maximum of 150% of the earned benefit based upon the employee's seniority at any point during the year. Represented firefighters are not allowed to carryover any days to the next year. For employees hired after January 1, 2015 vacation leave can only be accrued to a maximum of 100% of the earned benefit based upon the employee's seniority at any point during the year.

All vested vacation and sick leave pay is accrued when earned in the full-accrual government-wide and proprietary fund financial statements.

## Long-Term Obligations

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.

# City of Pewaukee

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Notes to Financial Statements  
December 31, 2020

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 straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

## 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.

## 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/amortization 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."

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

### 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.

## City of Pewaukee

Notes to Financial Statements  
December 31, 2020

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- 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 Common Council. 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 Common Council 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 Council may take official action to assign amounts. 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 City 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 City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 10% of subsequent years general fund budgeted expenditures. The balance at year end was \$1,700,294, and is included in unassigned general fund balance. Furthermore, the City's policy states that the unassigned fund balance shall be maintained as of December 31 of each year equal to a minimum of 20% of the ensuing year's budgeted general fund revenue. As of December 31, 2020, the City's unassigned fund balance was 33% of subsequent year's budgeted general fund revenue.

See Note 4. for further information.

### **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.

### **Basis for Existing Rates**

#### **Water and Sewer Rates**

Current water rates were approved by the Public Service Commission of Wisconsin and effective on September 21, 2020.

Current sewer rates were approved by the Common Council December 2012.

## City of Pewaukee

Notes to Financial Statements  
December 31, 2020

### 2. Reconciliation of Government-Wide and Fund Financial Statements

#### Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Land	\$	3,723,769
Construction in progress		644,290
Buildings and improvements		14,705,483
Land improvements		4,737,894
Equipment		10,812,409
Infrastructure		55,699,229
Intangibles		82,492
Library		1,024,901
Less accumulated depreciation/amortization		<u>(38,340,193)</u>
Combined adjustment for capital assets	\$	<u>53,090,274</u>

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position.

Bonds and notes payable	\$	5,260,980
Compensated absences		762,984
Accrued interest		32,767
Unamortized debt premium		<u>130,065</u>
Combined adjustment for long-term liabilities	\$	<u>6,186,796</u>

### 3. Stewardship, Compliance and Accountability

#### Excess Expenditures and Other Financing Uses Over Appropriations

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Special Revenue - Impact Fee Fund	\$ 50,512	\$ 140,700	\$ 90,188
Special Revenue - Public Safety Grant Fund	-	10,297	10,297

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

## **Limitations on the City's Tax Levy**

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount, increased by the greater of the percentage change in the City'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 City 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.

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

## 4. Detailed Notes on All Funds

### Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

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

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 33,670,557	\$ 25,114,738	Custodial Credit
US Agencies	3,022,002	3,022,002	Credit, Custodial Credit, Interest, Concentration of Credit
Certificate of deposits - negotiable	6,482,224	6,482,224	Credit, Custodial Credit, Interest, Concentration of Credit
Municipal bonds	2,320,023	2,320,023	Credit, Custodial Credit, Interest, Concentration of Credit
LGIP	11,770,312	11,770,312	Credit
Petty cash	<u>351</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 57,265,469</u>	<u>\$ 48,709,299</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 32,375,650		
Restricted cash and investments	60,070		
Per statement of fiduciary net position - custodial funds			
Tax Collection Fund	<u>24,829,749</u>		
Total deposits and investments	<u>\$ 57,265,469</u>		

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 not been considered in computing custodial credit risk.

The City maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities in the amount of \$27,378,036 to secure the City's deposits.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

## City of Pewaukee

Notes to Financial Statements  
December 31, 2020

The valuation methods for recurring fair value measurements are as follows:

Investment Type	December 31, 2020			Total
	Level 1	Level 2	Level 3	
Certificate of deposit - negotiable	\$ -	\$ 6,482,224	\$ -	\$ 6,482,224
Municipal bonds	-	2,320,023	-	2,320,023
US Agencies	-	3,022,002	-	3,022,002
Total	<u>\$ -</u>	<u>\$ 11,824,249</u>	<u>\$ -</u>	<u>\$ 11,824,249</u>

### Custodial Credit Risk

#### Deposits

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

As of December 31, 2020, \$379,636 of the City's total bank balances was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 379,436
Total	<u>\$ 379,436</u>

#### Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments 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.

As of December 31, 2020, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
US Agencies	AA+	Aaa
Municipal Bonds	AA to AA-	Aa3 to A1
Certificates of deposit - negotiable	A+ to A-	Aa3 to Aa1

The City also held investments in the following external pool which is not rated:

LGIP

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

At December 31, 2020, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Mortgage Corp	US Agencies	11.80 %
Federal Farm Credit Banks Funding Corp	US Agencies	7.67

## Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2020, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)	
		Less than 1	1-5
US Agencies	\$ 3,022,002	\$ 155,708	\$ 2,866,294
Certificate of deposits - negotiable	6,482,224	4,193,130	2,289,094
Municipal Bonds	2,320,023	700,025	1,619,998
Total	<u>\$ 11,824,249</u>	<u>\$ 5,048,863</u>	<u>\$ 6,775,386</u>

## Investments Highly Sensitive to Interest Rate Changes

At December 31, 2020, the City held \$3,022,002, \$6,482,224, and \$2,320,023 in US agencies, certificates of deposit - negotiable, and municipal bonds, respectively. With all fixed income securities, as interest rates rise, the value will fall. The longer the time to maturity, the more sensitive the value will be to a change in interest rates. The longest time to maturity on any holding is 5 years maturing December 17, 2025. The market value of this investment at December 31, 2020, was \$558,054.

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

## Receivables

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

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:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 12,746,842	\$ -
Special assessments not yet due	-	1,154,152
Ambulance revenue	-	94,375
Total unearned/unavailable revenue for governmental funds	<u>\$ 12,746,842</u>	<u>\$ 1,248,527</u>

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

## Restricted Assets

The following represent the balances of the restricted assets:

### Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

### Other Restricted Assets

The Water Utility has restricted assets of \$60,070 for radium removal.

## Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance (Restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 3,736,474	\$ -	\$ 12,705	\$ 3,723,769
Construction in progress	<u>1,877,580</u>	<u>3,083,649</u>	<u>4,316,939</u>	<u>644,290</u>
Total capital assets not being depreciated / amortized	<u>5,614,054</u>	<u>3,083,649</u>	<u>4,329,644</u>	<u>4,368,059</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	13,881,653	832,141	8,311	14,705,483
Land improvements	4,718,316	20,173	595	4,737,894
Equipment	10,591,607	703,435	482,633	10,812,409
Infrastructure	52,253,864	3,445,365	-	55,699,229
Intangibles	54,432	28,060	-	82,492
Library	<u>1,024,901</u>	<u>-</u>	<u>-</u>	<u>1,024,901</u>
Total capital assets being depreciated/amortized	<u>82,524,773</u>	<u>5,029,174</u>	<u>491,539</u>	<u>87,062,408</u>
Total capital assets	<u>88,138,827</u>	<u>8,112,823</u>	<u>4,821,183</u>	<u>91,430,467</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(5,377,954)	(402,086)	8,311	(5,771,729)
Land improvements	(1,470,644)	(222,545)	595	(1,692,594)
Equipment	(5,074,080)	(809,613)	431,903	(5,451,790)
Infrastructure	(23,479,155)	(1,603,720)	-	(25,082,875)
Intangibles	(53,318)	(3,119)	-	(56,437)
Library	<u>(212,927)</u>	<u>(71,841)</u>	<u>-</u>	<u>(284,768)</u>
Total accumulated depreciation/amortization	<u>(35,668,078)</u>	<u>(3,112,924)</u>	<u>440,809</u>	<u>(38,340,193)</u>
Net capital assets being depreciated/amortized	<u>46,856,695</u>	<u>1,916,250</u>	<u>50,730</u>	<u>48,722,215</u>
Total governmental activities capital assets, net of accumulated depreciation/amortization	<u>\$ 52,470,749</u>	<u>\$ 4,999,899</u>	<u>\$ 4,380,374</u>	<u>\$ 53,090,274</u>

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

Depreciation/amortization expense was charged to functions as follows:

## Governmental Activities

General government	\$ 296,409
Public safety	443,854
Public works	1,987,740
Culture and recreation	<u>384,921</u>

Total governmental activities depreciation/amortization expense	<u><u>\$ 3,112,924</u></u>
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 530,387	\$ -	\$ -	\$ 530,387
Construction in progress	<u>208,084</u>	<u>1,658,614</u>	<u>296,324</u>	<u>1,570,374</u>
Total capital assets not being depreciated/amortized	<u>738,471</u>	<u>1,658,614</u>	<u>296,324</u>	<u>2,100,761</u>
Capital assets being depreciated/amortized:				
Buildings	10,704,467	15,400	-	10,719,867
Improvements other than buildings	90,548,093	1,163,348	258,182	91,453,259
Furniture and equipment	1,379,028	120,164	26,926	1,472,266
Intangibles	<u>10,772,106</u>	<u>-</u>	<u>-</u>	<u>10,772,106</u>
Total capital assets being depreciated/amortized	<u>113,403,694</u>	<u>1,298,912</u>	<u>285,108</u>	<u>114,417,498</u>
Total capital assets	<u>114,142,165</u>	<u>2,957,526</u>	<u>581,432</u>	<u>116,518,259</u>
Less accumulated depreciation/amortization for:				
Buildings	(4,078,056)	(297,092)	-	(4,375,148)
Improvements other than buildings	(23,330,761)	(1,679,358)	258,182	(24,751,937)
Furniture and equipment	(1,237,226)	(118,603)	26,926	(1,328,903)
Intangibles	<u>(10,772,105)</u>	<u>-</u>	<u>-</u>	<u>(10,772,105)</u>
Total accumulated depreciation/amortization	<u>(39,418,148)</u>	<u>(2,095,053)</u>	<u>285,108</u>	<u>(41,228,093)</u>
Net capital assets being depreciated/amortized	<u>73,985,546</u>	<u>(796,141)</u>	<u>-</u>	<u>73,189,405</u>
Business-type capital assets, net of accumulated depreciation/amortization	<u><u>\$ 74,724,017</u></u>	<u><u>\$ 862,473</u></u>	<u><u>\$ 296,324</u></u>	<u><u>\$ 75,290,166</u></u>

Depreciation/amortization expense was charged to functions as follows:

## Business-Type Activities

Sewer	\$ 787,184
Water	<u>1,307,869</u>

Total business-type activities depreciation / amortization expense	<u><u>\$ 2,095,053</u></u>
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# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

## 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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Utility	General Fund	\$ 34,492
Sewer Utility	General Fund	<u>167,947</u>
Total internal balances, government-wide statement of net position		<u>\$ 202,439</u>

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ -
Business-type activities	Governmental activities	<u>202,439</u>
Total government-wide financial statements		<u>\$ 202,439</u>

All amounts are due within one year.

The principal purpose of these interfunds is to fund timing differences and fund temporary cash deficits. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

### Advances

The sewer utility is advancing funds to the water utility. The amount advanced is determined by the amount the water utility assets as of May 31, 2016 were when the water and sewer divisions were split along with the debt payments from 2016-2020 for the water utility that were funded by the sewer utility. A repayment schedule has not been established.

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
Sewer Utility	Water Utility	<u>\$ 7,404,609</u>	\$ 7,404,609
Less fund eliminations		<u>(7,404,609)</u>	
Total, interfund advances, government-wide statement of net position		<u>\$ -</u>	

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

## Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Water Utility	\$ 570,154	Tax equivalent
	Storm Water Management		
Debt Service Fund	Fund	257,577	Debt service
Sports Complex Fund	Impact Fee Fund	32,700	Sports complex development
Capital Equipment Fund	General Fund	800,000	Capital equipment
Capital Equipment Fund	Impact Fee Fund	108,000	Fire department garage
Bike Path Fund	General Fund	9,340	Bike path study
Storm Water Management			Council approved
Fund	General Fund	17,520	contribution
General Fund	Tourism and Convention	20,000	Operating subsidy
Sports Complex Fund	General Fund	165,950	Fund deficit
Total - Fund Financial Statements		1,981,241	
Less fund eliminations		<u>(1,411,087)</u>	
Total transfers, government-wide statement of activities		<u>\$ 570,154</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental activities	Business-type activities	\$ 570,154	
Business-type activities	Governmental activities	<u>-</u>	
Total government-wide financial statements		<u>\$ 570,154</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.

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 6,505,020	\$ -	\$ 1,244,040	\$ 5,260,980	\$ 727,775
(Discounts)/Premiums:	<u>139,678</u>	<u>-</u>	<u>9,613</u>	<u>130,065</u>	<u>-</u>
Subtotal	<u>6,644,698</u>	<u>-</u>	<u>1,253,653</u>	<u>5,391,045</u>	<u>727,775</u>
Other liabilities:					
Vested compensated absences	660,636	285,413	183,065	762,984	270,586
Net pension liability	<u>1,369,558</u>	<u>-</u>	<u>1,369,558</u>	<u>-</u>	<u>-</u>
Total other liabilities	<u>2,030,194</u>	<u>285,413</u>	<u>1,552,623</u>	<u>762,984</u>	<u>270,586</u>
Total governmental activities long-term liabilities	<u>\$ 8,674,892</u>	<u>\$ 285,413</u>	<u>\$ 2,806,276</u>	<u>\$ 6,154,029</u>	<u>\$ 998,361</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 8,174,980	\$ -	\$ 530,960	\$ 7,644,020	\$ 542,225
Intergovernmental agreements from direct borrowings and direct placements	242,950	-	19,662	223,288	20,194
(Discounts)/Premiums:	<u>197,082</u>	<u>-</u>	<u>14,163</u>	<u>182,919</u>	<u>-</u>
Subtotal	<u>8,615,012</u>	<u>-</u>	<u>564,785</u>	<u>8,050,227</u>	<u>562,419</u>
Other liabilities:					
Vested compensated absences	76,681	33,543	22,247	87,977	32,704
Net pension liability	<u>102,940</u>	<u>-</u>	<u>102,940</u>	<u>-</u>	<u>-</u>
Total other liabilities	<u>179,621</u>	<u>33,543</u>	<u>125,187</u>	<u>87,977</u>	<u>32,704</u>
Total business-type activities long-term liabilities	<u>\$ 8,794,633</u>	<u>\$ 33,543</u>	<u>\$ 689,972</u>	<u>\$ 8,138,204</u>	<u>\$ 595,123</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5 percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2020, was \$176,307,400. Total general obligation debt outstanding at year end was \$12,905,000.

## General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. 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.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
<b>General Obligation Debt</b>					
2012 G.O. Debt	6/12/12	12/1/24	1.05 - 2.15%	\$ 3,040,788	\$ 1,000,980
2013 G.O. Debt	5/30/13	9/1/32	2.0 - 3.0%	3,060,000	2,025,000
2016 G.O. Debt	10/12/16	9/1/27	2.0 - 2.25%	2,995,000	<u>2,235,000</u>
Total governmental activities, general obligation debt					<u>\$ 5,260,980</u>

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

<u>Business-Type Activities</u>					<u>Balance</u>
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2020</u>
2010 G.O. Note - direct	5/1/10	5/1/29	2.91%	\$ 222,618	\$ 121,199
2011 G.O. Note - direct	7/13/11	5/1/31	2.40%	174,403	102,089
2012 G.O. Debt	6/12/12	12/1/24	1.05 - 2.15%	834,212	339,020
2013 G.O. Debt	5/30/13	9/1/32	2.0 - 3.0%	5,915,000	3,925,000
2016 G.O. Debt	10/12/16	9/1/36	2.0 - 2.25%	2,550,000	2,075,000
2018 G.O. Debt	11/1/18	9/1/38	3.0 - 4.0%	1,425,000	1,305,000

Total business-type activities, general obligation debt \$ 7,867,308

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u> <u>General Obligation Debt</u>		<u>Business-Type Activities</u> <u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 727,775	\$ 113,147	\$ 542,225	\$ 189,867
2022	715,245	99,196	554,755	178,627
2023	708,980	84,893	561,020	166,333
2024	723,980	70,712	571,020	153,913
2025	485,000	55,852	500,000	141,763
2026-2030	1,520,000	145,766	2,670,000	534,519
2031-2035	380,000	17,250	1,840,000	195,451
2036-2038	-	-	405,000	23,175
Total	<u>\$ 5,260,980</u>	<u>\$ 586,816</u>	<u>\$ 7,644,020</u>	<u>\$ 1,583,648</u>

<u>Years</u>	<u>Business-Type Activities</u> <u>Intergovernmental</u> <u>Agreements From Direct</u> <u>Borrowings And Direct</u> <u>Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 20,194	\$ 5,704
2022	20,739	5,150
2023	21,300	4,583
2024	21,876	3,999
2025	22,468	3,400
2026-2030	106,291	7,639
2031	10,420	125
Total	<u>\$ 223,288</u>	<u>\$ 30,600</u>

## Other Debt Information

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

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

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## Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

### Governmental Activities

Net investment in capital assets:

Land	\$ 3,723,769
Construction in progress	644,290
Other capital assets, net of accumulated depreciation/amortization	48,722,215
Less long-term debt outstanding	(5,260,980)
Less unamortized debt premium	<u>(130,065)</u>

Total net investment in capital assets 47,699,229

Restricted:

Debt service	1,803,995
Cemetery	106,333
Tourism	229,440
Public safety grants	16,763
Impact fees	199,097
Cemetery perpetual care	81,244
Pensions	<u>1,300,549</u>

Total restricted 3,737,421

Unrestricted 14,141,341

Total governmental activities net position \$ 65,577,991

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

## Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

	<u>General Fund</u>	<u>Storm Water Management</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Prepaid items	\$ 56,051	\$ 3,610	\$ -	\$ -	\$ 59,661
Inventories	190,134	-	-	-	190,134
Noncurrent receivables	<u>1,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,090</u>
Subtotal	<u>247,275</u>	<u>3,610</u>	<u>-</u>	<u>-</u>	<u>250,885</u>
<b>Restricted for:</b>					
Debt service	-	-	1,836,762	-	1,836,762
Impact fees	-	-	-	199,097	199,097
Tourism	-	-	-	229,440	229,440
Grants	-	-	-	16,763	16,763
Cemetery	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,577</u>	<u>187,577</u>
Subtotal	<u>-</u>	<u>-</u>	<u>1,836,762</u>	<u>632,877</u>	<u>2,469,639</u>
<b>Committed to:</b>					
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,465,511</u>	<u>5,465,511</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,465,511</u>	<u>5,465,511</u>
<b>Assigned to:</b>					
Storm water	<u>-</u>	<u>2,721,679</u>	<u>-</u>	<u>-</u>	<u>2,721,679</u>
Subtotal	<u>-</u>	<u>2,721,679</u>	<u>-</u>	<u>-</u>	<u>2,721,679</u>
<b>Unassigned:</b>					
	<u>5,662,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,662,900</u>
Total fund balances	<u>\$ 5,910,175</u>	<u>\$ 2,725,289</u>	<u>\$ 1,836,762</u>	<u>\$ 6,098,388</u>	<u>\$ 16,570,614</u>

## Business-Type Activities

Net investment in capital assets:

Land	\$ 530,387
Construction in progress	1,570,374
Other capital assets, net of accumulated depreciation	73,189,405
Less Long-term debt outstanding	(7,867,308)
Less unamortized debt premium	<u>(182,919)</u>

Total net investment in capital assets \$ 67,239,939

## City of Pewaukee

Notes to Financial Statements  
December 31, 2020

### Restatement of Fund Balances/Net Position

Beginning fund balance and net position were restated to correct errors in the original recording of project expenditures/expenses between governmental and proprietary funds based on each fund's responsibility and planned use of related capital assets. The change in net income (loss) of the prior year in the listed restatements below was not determinable.

	<u>Nonmajor Governmental Funds</u>	<u>Road Construction Fund</u>	<u>Storm Water Management Fund</u>	
Fund balance - December 31, 2019 (as reported)	\$ 5,823,849	\$ 352,657	\$ 3,886,843	
Add/(Less): Reallocation of project costs	<u>656,498</u>	<u>656,498</u>	<u>(270,740)</u>	
Fund Balance - December 31, 2019 (as restated)	<u>\$ 6,480,347</u>	<u>\$ 1,009,155</u>	<u>\$ 3,616,103</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
Net position - December 31, 2019 (as reported)	\$ 63,030,053	\$ 80,933,262	\$ 24,701,130	\$ 56,232,132
Add/(Less): Reallocation of project costs	<u>441,744</u>	<u>(385,758)</u>	<u>(55,744)</u>	<u>(330,014)</u>
Net position - December 31, 2019 (as restated)	<u>\$ 63,471,797</u>	<u>\$ 80,547,504</u>	<u>\$ 24,645,386</u>	<u>\$ 55,902,118</u>

**5. Other Information**

**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 1,200 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, which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**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 executive service retirement participants, if hired on or before 12/31/2016) are entitled to 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.

Vested participants may retire at age 55 (50 for protective occupations) 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.

**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:

<b>Year</b>	<b>Core Fund Adjustment</b>	<b>Variable Fund Adjustment</b>
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
2019	0.0	(10.0)

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

## Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, 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 \$467,389 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.55 %	6.55 %
Protective with Social Security	6.55 %	10.55 %
Protective without Social Security	6.55 %	14.95 %

## Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the City reported an asset of \$1,397,650 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.04334531 percent, which was an increase of 0.00195609 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$453,474.

At December 31, 2020, the City 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	\$ 2,653,060	\$ 1,327,679
Changes in assumptions	108,914	-
Net differences between projected and actual earnings on pension plan investments	-	2,857,295
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,665	11,171
Employer contributions subsequent to the measurement date	<u>535,948</u>	<u>-</u>
Total	<u>\$ 3,307,587</u>	<u>\$ 4,196,145</u>

## City of Pewaukee

Notes to Financial Statements  
December 31, 2020

\$535,948 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, 2021. 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>
2021	\$ (426,264)
2022	(315,402)
2023	50,354
2024	(733,194)

### Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
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 percent 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. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

## City of Pewaukee

Notes to Financial Statements  
December 31, 2020

### 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 geometric real rates of return for each major asset class are summarized in the following table:

<b>Core Fund Asset Class</b>	<b>Current Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
<b>Variable Fund Asset Class</b>			
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent  
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 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent 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.

## City of Pewaukee

Notes to Financial Statements  
December 31, 2020

### Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
City's proportionate share of the net pension liability (asset)	\$ 3,599,200	\$ (1,397,650)	\$ (5,133,371)

### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

### Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. 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.

### Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability band 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 City 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 City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has active construction projects as of December 31, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

# City of Pewaukee

Notes to Financial Statements  
December 31, 2020

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## Joint Ventures

### Pewaukee Public Library

The City of Pewaukee and the Village 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 City is obligated by the joint venture agreement to remit an amount annually to the library. The City made a payment to the library of \$834,012 in 2020.

Financial information of the library as of December 31, 2020 is available directly from the library's office.

The equity interest (50% interest for the City) 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.

## Subsequent Events

### Relief through the American Rescue Plan Act

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The City's estimated award is \$1,500,000, which will be used to combat the negative effects of the public health emergency in the local economy. The City will receive 50% of the funds in 2021, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024.

## 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*

Statement No. 92, *Omnibus 2020*

Statement No. 93, *Replacement of Interbank Offered Rates*

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Statement No. 96, *Subscription-Based Information Technology Arrangements*

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

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

**REQUIRED SUPPLEMENTARY INFORMATION**

# City of Pewaukee

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 8,843,795	\$ 8,109,284	\$ (734,511)
Intergovernmental	1,598,766	1,783,343	184,577
Regulation and compliance	1,534,412	1,165,194	(369,218)
Charges for services	2,785,980	3,795,475	1,009,495
Interest	317,813	229,421	(88,392)
Miscellaneous	128,272	98,671	(29,601)
	<u>15,209,038</u>	<u>15,181,388</u>	<u>(27,650)</u>
<b>Expenditures</b>			
Current:			
General government	2,497,816	2,176,094	321,722
Public safety	8,254,150	8,128,524	125,626
Public works	2,966,836	2,789,776	177,060
Culture and recreation	2,242,740	2,053,148	189,592
	<u>15,961,542</u>	<u>15,147,542</u>	<u>814,000</u>
Excess (deficiency) of revenues over expenditures	<u>(752,504)</u>	<u>33,846</u>	<u>786,350</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital assets	50,000	91,000	41,000
Transfers in	600,000	590,154	(9,846)
Transfers out	(197,384)	(992,810)	(795,426)
	<u>452,616</u>	<u>(311,656)</u>	<u>(764,272)</u>
Net change in fund balance	<u>\$ (299,888)</u>	<u>(277,810)</u>	<u>\$ 22,078</u>
<b>Fund Balance, Beginning</b>		<u>6,187,985</u>	
<b>Fund Balance, Ending</b>		<u>\$ 5,910,175</u>	

See notes to required supplementary information

## City of Pewaukee

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Storm Water Management Fund  
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Intergovernmental charges for services	\$ 20,000	\$ 39,684	\$ 19,684
Licenses and permits	-	300	300
Public charges for services	1,585,000	1,601,865	16,865
Investment income	-	33,371	33,371
Miscellaneous revenues	51,400	87,278	35,878
Total revenues	<u>1,656,400</u>	<u>1,762,498</u>	<u>106,098</u>
<b>Expenditures</b>			
Current:			
Public works	723,405	703,369	20,036
Capital outlay	<u>5,717,181</u>	<u>1,710,106</u>	<u>4,007,075</u>
Total expenditures	<u>6,440,586</u>	<u>2,413,475</u>	<u>4,027,111</u>
Excess (deficiency) of revenues over expenditures	<u>(4,784,186)</u>	<u>(650,977)</u>	<u>4,133,209</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of debt issued	1,300,000	-	(1,300,000)
Transfers in	17,916	17,940	24
Transfers out	<u>(257,377)</u>	<u>(257,577)</u>	<u>(200)</u>
Total other financing sources (uses)	<u>1,060,539</u>	<u>(239,637)</u>	<u>(1,299,976)</u>
Net change in fund balance	<u>\$ (3,723,647)</u>	<u>(890,614)</u>	<u>\$ 2,833,233</u>
<b>Fund Balance, Beginning (as restated)</b>		<u>3,616,103</u>	
<b>Fund Balance, Ending</b>		<u>\$ 2,725,489</u>	

See notes to required supplementary information

**City of Pewaukee**

Schedule of Proportionate Share of the Net Pension Liability/(Asset) - Wisconsin Retirement System  
Year Ended December 31, 2020

<b>WRS Fiscal Year Ending</b>	<b>Proportion of the Net Pension Liability (Asset)</b>	<b>Proportionate Share of the Net Pension Liability (Asset)</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
12/31/14	0.03676663%	\$ (903,089)	\$ 4,320,562	-20.90%	102.74%
12/31/15	0.03685216%	598,841	4,450,859	13.42%	98.20%
12/31/16	0.03771766%	310,884	4,631,126	6.71%	99.12%
12/31/17	0.03933083%	(1,167,779)	4,938,228	-23.70%	102.93%
12/31/18	0.04138922%	1,472,498	5,206,135	28.28%	96.45%
12/31/19	0.04334531%	(1,397,650)	5,544,374	25.21%	102.96%

**Schedule of Employer Contributions - Wisconsin Retirement System**

<b>City Year Ending</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/15	\$ 360,217	\$ 360,217	\$ -	\$ 4,460,859	8.08%
12/31/16	367,821	367,821	-	4,631,126	7.94%
12/31/17	424,351	424,351	-	4,938,228	8.59%
12/31/18	446,999	446,999	-	5,206,135	8.59%
12/31/19	468,041	468,041	-	5,544,374	8.44%
12/31/20	535,948	535,948	-	5,889,107	9.10%

## **City of Pewaukee**

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Notes to Required Supplementary Information  
Year Ended December 31, 2020

### **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 1.

The budgeted amounts presented include any amendments made. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds Board 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 City 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.* No significant change in assumptions were noted from the prior year.

## **SUPPLEMENTARY INFORMATION**

**City of Pewaukee**

Combining Balance Sheet - Nonmajor Governmental Funds  
December 31, 2020

	Special Revenue Funds				Capital Project Funds			Permanent Fund	Total Governmental Funds	
	Impact Fee	Tourism and Convention	Public Safety Grants	Cemetery	Road Construction	Bike Path	Sports Complex	Capital Equipment		Cemetery Perpetual Care
<b>Assets</b>										
<b>Cash and Investments</b>	\$ 199,097	\$ 208,897	\$ 16,763	\$ 108,792	\$ 643,251	\$ -	\$ -	\$ 5,547,161	\$ 81,244	\$ 6,805,205
Receivables (net):										
Taxes	-	-	-	35,000	-	-	-	50,000	-	85,000
Accounts	-	20,543	-	-	52,957	-	-	-	-	73,500
<b>Total assets</b>	<u>\$ 199,097</u>	<u>\$ 229,440</u>	<u>\$ 16,763</u>	<u>\$ 143,792</u>	<u>\$ 696,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,597,161</u>	<u>\$ 81,244</u>	<u>\$ 6,963,705</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>										
<b>Liabilities</b>										
Accounts payable	\$ -	\$ -	\$ -	\$ 2,459	\$ 692,691	\$ -	\$ -	\$ 85,167	\$ -	\$ 780,317
<b>Deferred Inflows of Resources</b>										
Unearned revenues	-	-	-	35,000	-	-	-	50,000	-	85,000
<b>Fund Balances</b>										
Restricted	199,097	229,440	16,763	106,333	-	-	-	-	81,244	632,877
Committed	-	-	-	-	3,517	-	-	5,461,994	-	5,465,511
<b>Total fund balances</b>	<u>199,097</u>	<u>229,440</u>	<u>16,763</u>	<u>106,333</u>	<u>3,517</u>	<u>-</u>	<u>-</u>	<u>5,461,994</u>	<u>81,244</u>	<u>6,098,388</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 199,097</u>	<u>\$ 229,440</u>	<u>\$ 16,763</u>	<u>\$ 143,792</u>	<u>\$ 696,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,597,161</u>	<u>\$ 81,244</u>	<u>\$ 6,963,705</u>

**City of Pewaukee**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds  
 Year Ended December 31, 2020

	Special Revenue Funds				Capital Project Funds			Permanent Fund	Total Governmental Funds	
	Impact Fees	Tourism and Convention	Public Safety Grants	Cemetery	Road Construction	Bike Path	Sports Complex	Capital Equipment		Cemetery Perpetual Care
<b>Revenues</b>										
Taxes	\$ -	\$ 235,171	\$ -	\$ 35,000	\$ 400,000	\$ -	\$ -	\$ 525,000	\$ -	1,195,171
Intergovernmental	-	-	16,763	-	-	-	-	-	-	16,763
Public charges for services	39,951	-	-	12,079	-	-	-	-	3,716	55,746
Investment income	413	2,391	-	1,022	1,725	-	-	53,989	77	59,617
Miscellaneous revenues	-	-	-	-	-	-	15,000	-	-	15,000
<b>Total revenues</b>	<b>40,364</b>	<b>237,562</b>	<b>16,763</b>	<b>48,101</b>	<b>401,725</b>	<b>-</b>	<b>15,000</b>	<b>578,989</b>	<b>3,793</b>	<b>1,342,297</b>
<b>Expenditures</b>										
Current:										
Public safety	-	-	10,297	-	-	-	-	-	-	10,297
Health and human services	-	-	-	31,916	-	-	-	-	-	31,916
Conservation and development	-	220,812	-	-	-	-	-	-	-	220,812
Capital outlay	-	-	-	-	1,407,363	9,340	-	999,398	-	2,416,101
<b>Total expenditures</b>	<b>-</b>	<b>220,812</b>	<b>10,297</b>	<b>31,916</b>	<b>1,407,363</b>	<b>9,340</b>	<b>-</b>	<b>999,398</b>	<b>-</b>	<b>2,679,126</b>
Excess (deficiency) of revenues over expenditures	40,364	16,750	6,466	16,185	(1,005,638)	(9,340)	15,000	(420,409)	3,793	(1,336,829)
<b>Other Financing Sources (Uses)</b>										
Transfers in	-	-	-	-	-	9,340	198,650	908,000	-	1,115,990
Transfers out	(140,700)	(20,000)	-	(420)	-	-	-	-	-	(161,120)
<b>Total other financing sources (uses)</b>	<b>(140,700)</b>	<b>(20,000)</b>	<b>-</b>	<b>(420)</b>	<b>-</b>	<b>9,340</b>	<b>198,650</b>	<b>908,000</b>	<b>-</b>	<b>954,870</b>
Net change in fund balances	(100,336)	(3,250)	6,466	15,765	(1,005,638)	-	213,650	487,591	3,793	(381,959)
<b>Fund Balances (Deficits), Beginning (as restated)</b>	<b>299,433</b>	<b>232,690</b>	<b>10,297</b>	<b>90,568</b>	<b>1,009,155</b>	<b>-</b>	<b>(213,650)</b>	<b>4,974,403</b>	<b>77,451</b>	<b>6,480,347</b>
<b>Fund Balances, Ending</b>	<b>\$ 199,097</b>	<b>\$ 229,440</b>	<b>\$ 16,763</b>	<b>\$ 106,333</b>	<b>\$ 3,517</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,461,994</b>	<b>\$ 81,244</b>	<b>\$ 6,098,388</b>