

City of Pewaukee

Financial Statements and
Supplementary Information

December 31, 2021

City of Pewaukee

Table of Contents
December 31, 2021

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements	
Government Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet - Governmental Funds	6
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Funds	10
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	11
Statement of Cash Flows - Proprietary Funds	12
Statement of Fiduciary Net Position - Fiduciary Fund	14
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	15
Index to Notes to Financial Statements	16
Notes to Financial Statements	17

City of Pewaukee

Table of Contents
December 31, 2021

	<u>Page</u>
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	47
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Storm Water Management	48
Schedule of Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System	49
Notes to Required Supplementary Information	50
Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	52

Independent Auditors' Report

To the City Council of
City of Pewaukee

Opinions

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 (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 as of December 31, 2021 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 1, 2022

BASIC FINANCIAL STATEMENTS

City of Pewaukee

Statement of Net Position
December 31, 2021

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and investments	\$ 23,952,756	\$ 14,190,090	\$ 38,142,846
Receivables (net):			
Taxes	11,996,364	-	11,996,364
Delinquent personal property taxes	3,401	-	3,401
Accounts	529,663	1,431,417	1,961,080
Accrued interest	38,340	-	38,340
Special assessments	1,054,566	337,611	1,392,177
Due from other governments	120,314	-	120,314
Internal balances	(216,672)	216,672	-
Investment in Pewaukee Public Library	413,387	-	413,387
Inventories and prepaid expenses	244,710	9,108	253,818
Restricted assets:			
Cash and investments	-	63,089	63,089
Net pension asset	2,638,852	181,055	2,819,907
Capital assets:			
Land	6,903,376	530,387	7,433,763
Construction in progress	4,345,317	2,522,938	6,868,255
Other capital assets, net of accumulated depreciation	50,566,504	73,926,987	124,493,491
Total assets	<u>102,590,878</u>	<u>93,409,354</u>	<u>196,000,232</u>
Deferred Outflows of Resources			
Pension related items	4,407,421	349,769	4,757,190
Liabilities			
Accounts payable and accrued expenses	2,575,577	634,239	3,209,816
Deposits	679,717	26,198	705,915
Unearned revenue	765,703	-	765,703
Current portion of long-term obligations	2,123,223	626,619	2,749,842
Noncurrent portion of long-term obligations	11,368,910	7,412,729	18,781,639
Total liabilities	<u>17,513,130</u>	<u>8,699,785</u>	<u>26,212,915</u>
Deferred Inflows of Resources			
Unearned revenue	13,499,887	-	13,499,887
Pension related items	5,732,670	445,312	6,177,982
Total deferred inflows of resources	<u>19,232,557</u>	<u>445,312</u>	<u>19,677,869</u>
Net Position			
Net investment in capital assets	50,585,833	69,028,107	119,613,940
Restricted	5,771,732	242,960	6,014,692
Unrestricted	13,895,047	15,342,959	29,238,006
Total net position	<u>\$ 70,252,612</u>	<u>\$ 84,614,026</u>	<u>\$ 154,866,638</u>

See notes to the financial statements

City of Pewaukee

Statement of Activities

Year Ended December 31, 2021

	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	Total
Primary Government:							
Governmental activities:							
General government	\$ 2,672,875	\$ 1,292,511	\$ 170,106	\$ -	\$ (1,210,258)	\$ -	\$ (1,210,258)
Public safety	8,430,189	2,639,555	24,634	16,830	(5,749,170)	-	(5,749,170)
Public works	6,486,506	2,944,677	527,246	1,054,566	(1,960,017)	-	(1,960,017)
Health and sanitation	25,550	11,870	-	-	(13,680)	-	(13,680)
Culture and recreation	2,487,572	746,319	-	3,451,981	1,710,728	-	1,710,728
Conservation and development	228,985	-	-	-	(228,985)	-	(228,985)
Interest and other related charges	227,678	-	-	-	(227,678)	-	(227,678)
Total governmental activities	<u>20,559,355</u>	<u>7,634,932</u>	<u>721,986</u>	<u>4,523,377</u>	<u>(7,679,060)</u>	<u>-</u>	<u>(7,679,060)</u>
Business-type activities:							
Water utility	2,656,209	2,642,906	-	2,110,715	-	2,097,412	2,097,412
Sewer utility	4,052,342	4,088,888	-	2,984,657	-	3,021,203	3,021,203
Total business-type activities	<u>6,708,551</u>	<u>6,731,794</u>	<u>-</u>	<u>5,095,372</u>	<u>-</u>	<u>5,118,615</u>	<u>5,118,615</u>
Total primary government	<u>\$ 27,267,906</u>	<u>\$ 14,366,726</u>	<u>\$ 721,986</u>	<u>\$ 9,618,749</u>	<u>(7,679,060)</u>	<u>5,118,615</u>	<u>(2,560,445)</u>
General revenues and transfers:							
Taxes:							
Property taxes					10,059,897	-	10,059,897
Other taxes					490,334	-	490,334
Intergovernmental revenues not restricted to specific programs					889,609	-	889,609
Investment income					26,589	35,132	61,721
Gain on sale of fixed assets					136,540	-	136,540
Miscellaneous					199,826	38,163	237,989
Transfers					550,886	(550,886)	-
Total general revenues and transfers					<u>12,353,681</u>	<u>(477,591)</u>	<u>11,876,090</u>
Change in net position					4,674,621	4,641,024	9,315,645
Net Position, Beginning					<u>65,577,991</u>	<u>79,973,002</u>	<u>145,550,993</u>
Net Position, Ending					<u>\$ 70,252,612</u>	<u>\$ 84,614,026</u>	<u>\$ 154,866,638</u>

See notes to the financial statements

City of Pewaukee

Balance Sheet - Government Funds
December 31, 2021

	General	Storm Water Management	Debt Service	DPW Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Investments	\$ 8,443,628	\$ 2,524,636	\$ 2,138,951	\$ 2,013,471	\$ 8,832,070	\$ 23,952,756
Receivables (net):						
Taxes	9,298,788	656,418	1,956,158	-	85,000	11,996,364
Delinquent personal property taxes	3,401	-	-	-	-	3,401
Accounts	467,458	27,236	-	-	34,969	529,663
Special assessments	-	-	1,054,566	-	-	1,054,566
Accrued interest	38,340	-	-	-	-	38,340
Due from other governments	120,314	-	-	-	-	120,314
Inventories	201,640	-	-	-	-	201,640
Prepaid items	39,386	3,684	-	-	-	43,070
	-	-	-	-	-	-
Total assets	<u>\$ 18,612,955</u>	<u>\$ 3,211,974</u>	<u>\$ 5,149,675</u>	<u>\$ 2,013,471</u>	<u>\$ 8,952,039</u>	<u>\$ 37,940,114</u>
Liabilities, Deferred Inflows of Resources and Balances						
Liabilities						
Accounts payable	\$ 683,790	\$ 49,891	\$ -	\$ 771,377	\$ 851,496	\$ 2,356,554
Accrued liabilities	176,960	-	-	-	-	176,960
Deposits	679,717	-	-	-	-	679,717
Unearned revenues	-	-	-	-	765,703	765,703
Due to other funds	216,672	-	-	-	-	216,672
	-	-	-	-	-	-
Total liabilities	<u>1,757,139</u>	<u>49,891</u>	<u>-</u>	<u>771,377</u>	<u>1,617,199</u>	<u>4,195,606</u>
Deferred Inflows of Resources						
Unearned revenues	9,580,731	1,627,998	1,956,158	-	335,000	13,499,887
Unavailable revenues	132,965	-	1,054,566	-	-	1,187,531
	-	-	-	-	-	-
Total deferred inflows of resources	<u>9,713,696</u>	<u>1,627,998</u>	<u>3,010,724</u>	<u>-</u>	<u>335,000</u>	<u>14,687,418</u>
Fund Balances						
Nonspendable	244,427	3,684	-	-	-	248,111
Restricted	-	-	2,138,951	1,242,094	1,268,921	4,649,966
Committed	-	-	-	-	5,730,919	5,730,919
Assigned	-	1,530,401	-	-	-	1,530,401
Unassigned	6,897,693	-	-	-	-	6,897,693
	-	-	-	-	-	-
Total fund balances	<u>7,142,120</u>	<u>1,534,085</u>	<u>2,138,951</u>	<u>1,242,094</u>	<u>6,999,840</u>	<u>19,057,090</u>
	-	-	-	-	-	-
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,612,955</u>	<u>\$ 3,211,974</u>	<u>\$ 5,149,675</u>	<u>\$ 2,013,471</u>	<u>\$ 8,952,039</u>	<u>\$ 37,940,114</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, 2021

Total Fund Balances, Governmental Funds	\$ 19,057,090
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).	61,815,197
The City's investment in the library joint venture is not a financial resource and, therefore, is not reported in the fund statements.	413,387
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.	1,187,531
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	2,638,852
Deferred inflows and outflows of resources related to pension do not related to current financial resources and are not reported in the governmental funds.	(1,325,249)
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>(13,534,196)</u>
Net Position of Governmental Activities	<u><u>\$ 70,252,612</u></u>

City of Pewaukee

 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 Year Ended December 31, 2021

	General	Storm Water Management	Debt Service	DPW Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 9,594,263	\$ -	\$ 1,123,614	\$ -	\$ 607,680	\$ 11,325,557
Intergovernmental	1,533,395	-	-	-	189,057	1,722,452
Licenses and permits	1,356,385	250	-	-	-	1,356,635
Fines forfeitures and penalties	590,473	-	-	-	-	590,473
Public charges for services	2,068,932	1,619,201	-	-	238,433	3,926,566
Intergovernmental charges for services	1,963,102	56,035	-	-	-	2,019,137
Investment income (loss)	(23,388)	387	22,479	-	177	(345)
Miscellaneous revenues	168,858	189,648	-	-	66,321	424,827
Total revenues	17,252,020	1,865,521	1,146,093	-	1,101,668	21,365,302
Expenditures						
Current:						
General government	2,457,530	-	-	-	-	2,457,530
Public safety	8,521,533	-	-	-	9,220	8,530,753
Public works	2,928,715	782,697	-	-	-	3,711,412
Health and human services	-	-	-	-	25,550	25,550
Culture and recreation	2,187,155	-	-	-	-	2,187,155
Conservation and development	-	-	-	-	228,985	228,985
Capital outlay	-	2,093,364	-	4,348,055	3,078,408	9,519,827
Debt service:						
Principal	-	-	727,775	-	-	727,775
Interest, issuance costs and fiscal charges	-	-	113,146	86,076	31,688	230,910
Total expenditures	16,094,933	2,876,061	840,921	4,434,131	3,373,851	27,619,897
Excess (deficiency) of revenues over expenditures	1,157,087	(1,010,540)	305,172	(4,434,131)	(2,272,183)	(6,254,595)
Other Financing Sources (Uses)						
Debt issued	-	-	-	5,650,000	2,080,000	7,730,000
Premium on debt issued	-	-	287,765	26,225	9,655	323,645
Proceeds from sale of capital assets	136,540	-	-	-	-	136,540
Transfers in	570,886	17,988	198,652	-	1,213,400	2,000,926
Transfers out	(632,568)	(198,652)	(489,400)	-	(129,420)	(1,450,040)
Total other financing sources (uses)	74,858	(180,664)	(2,983)	5,676,225	3,173,635	8,741,071
Net change in fund balances	1,231,945	(1,191,204)	302,189	1,242,094	901,452	2,486,476
Fund Balances, Beginning	5,910,175	2,725,289	1,836,762	-	6,098,388	16,570,614
Fund Balances, Ending	\$ 7,142,120	\$ 1,534,085	\$ 2,138,951	\$ 1,242,094	\$ 6,999,840	\$ 19,057,090

See notes to the financial statements

City of Pewaukee

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2021

Net Change in Fund Balances, Total Governmental Funds \$ 2,486,476

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	9,519,827
Some items reported as capital outlay were not capitalized	(890,051)
Contributed assets	3,242,247
Depreciation is reported in the government-wide statements	(3,135,144)
Net book value of assets retired	(37,204)
Trade-in value on retired assets	25,251

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. (60,996)

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. 31,055

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	727,775
Long-term debt issued	(7,730,000)
Premium on debt issued	(323,645)

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	(24,762)
Accrued interest on debt	(9,296)
Net pension asset	1,338,303
Deferred inflows/outflows of resources related to pension	(497,743)

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	12,528
-------------------------------	--------

Change in Net Position of Governmental Activities \$ 4,674,621

City of PewaukeeStatement of Net Position - Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise Funds		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 180,428	\$ 14,009,662	\$ 14,190,090
Receivables:			
Accounts	529,512	901,905	1,431,417
Special assessments	70,564	267,047	337,611
Due from other funds	47,610	169,062	216,672
Inventory	9,108	-	9,108
Restricted assets, cash and investments	60,100	2,989	63,089
	<u>897,322</u>	<u>15,350,665</u>	<u>16,247,987</u>
Total current assets			
Noncurrent Assets			
Capital assets:			
Land	530,387	-	530,387
Construction in progress	1,517,162	1,005,776	2,522,938
Capital assets, net of accumulated depreciation	36,719,378	37,207,609	73,926,987
Restricted asset, net pension asset	117,306	63,749	181,055
Advance to water	-	7,404,609	7,404,609
	<u>38,884,233</u>	<u>45,681,743</u>	<u>84,565,976</u>
Total noncurrent assets			
Total assets	<u>39,781,555</u>	<u>61,032,408</u>	<u>100,813,963</u>
Deferred Outflows of Resources			
Pension related items	230,951	118,818	349,769
	<u>230,951</u>	<u>118,818</u>	<u>349,769</u>
Liabilities			
Current liabilities:			
Accounts payable	190,646	370,828	561,474
Accrued liabilities	58,201	13,380	71,581
Deposits	26,198	-	26,198
Current portion of general obligation debt	479,755	95,739	575,494
Current portion of compensated absences	18,940	10,199	29,139
Liabilities payable from restricted assets:			
Accrued interest payable	-	1,184	1,184
Current portion of revenue bonds	-	21,986	21,986
	<u>773,740</u>	<u>513,316</u>	<u>1,287,056</u>
Total current liabilities			
Noncurrent liabilities:			
General obligation debt	5,843,986	1,054,166	6,898,152
Revenue bonds	-	456,573	456,573
Compensated absences	37,703	20,301	58,004
Advance from sewer	7,404,609	-	7,404,609
	<u>13,286,298</u>	<u>1,531,040</u>	<u>14,817,338</u>
Total noncurrent liabilities			
Total liabilities	<u>14,060,038</u>	<u>2,044,356</u>	<u>16,104,394</u>
Deferred Inflows of Resources			
Pension related items	290,329	154,983	445,312
	<u>290,329</u>	<u>154,983</u>	<u>445,312</u>
Net Position			
Net investment in capital assets	32,443,186	36,584,921	69,028,107
Restricted for debt service	-	1,805	1,805
Restricted for radium capital projects	60,100	-	60,100
Restricted for pensions	117,306	63,749	181,055
Unrestricted (deficit)	(6,958,453)	22,301,412	15,342,959
	<u>\$ 25,662,139</u>	<u>\$ 58,951,887</u>	<u>\$ 84,614,026</u>
Total net position			

See notes to the financial statements

City of PewaukeeStatement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating Revenues	<u>\$ 2,642,906</u>	<u>\$ 4,088,888</u>	<u>\$ 6,731,794</u>
Operating Expenses			
Operation and maintenance	1,188,791	3,235,101	4,423,892
Depreciation	1,274,764	782,665	2,057,429
Taxes	29,573	-	29,573
Total operating expenses	<u>2,493,128</u>	<u>4,017,766</u>	<u>6,510,894</u>
Operating income (loss)	<u>149,778</u>	<u>71,122</u>	<u>220,900</u>
Nonoperating Revenues (Expenses)			
Interest income	6,765	28,367	35,132
Interest and fiscal charges	(163,081)	(34,576)	(197,657)
Proceeds on sale of capital assets	12,000	12,000	24,000
Amortization	11,649	2,514	14,163
Total nonoperating income (expense)	<u>(132,667)</u>	<u>8,305</u>	<u>(124,362)</u>
Income (loss) before contributions and transfers	<u>17,111</u>	<u>79,427</u>	<u>96,538</u>
Contributions and Transfers			
Capital contributions	2,110,715	2,984,657	5,095,372
Transfers	(550,886)	-	(550,886)
Total contributions and transfers	<u>1,559,829</u>	<u>2,984,657</u>	<u>4,544,486</u>
Change in net position	<u>1,576,940</u>	<u>3,064,084</u>	<u>4,641,024</u>
Net Position, Beginning	<u>24,085,199</u>	<u>55,887,803</u>	<u>79,973,002</u>
Net Position, Ending	<u>\$ 25,662,139</u>	<u>\$ 58,951,887</u>	<u>\$ 84,614,026</u>

See notes to the financial statements

City of PewaukeeStatement of Cash Flows - Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 2,524,021	\$ 3,865,562	\$ 6,389,583
Paid to vendors for goods and services	(1,203,709)	(4,124,850)	(5,328,559)
Paid to employees for services	(98,146)	(150,827)	(248,973)
Net cash flows from operating activities	<u>1,222,166</u>	<u>(410,115)</u>	<u>812,051</u>
Cash Flows From Noncapital and Related Financing Activities			
Transfers to other funds	<u>(550,886)</u>	<u>-</u>	<u>(550,886)</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(126,991)	1,279,715	1,152,724
Proceeds from debt issued	-	478,559	478,559
Principal paid on long-term debt retirements	(467,225)	(95,194)	(562,419)
Proceeds from sale of capital assets	12,000	12,000	24,000
Collection of special assessments, net	13,097	106,131	119,228
Interest paid	(165,968)	(33,982)	(199,950)
Net cash used by capital and related financing activities	<u>(735,087)</u>	<u>1,747,229</u>	<u>1,012,142</u>
Cash Flows From Investing Activities			
Investment income	<u>6,765</u>	<u>28,367</u>	<u>35,132</u>
Net change in cash and investments	(57,042)	1,365,481	1,308,439
Cash and Investments, Beginning	<u>297,570</u>	<u>12,647,170</u>	<u>12,944,740</u>
Cash and Investments, Ending	<u>\$ 240,528</u>	<u>\$ 14,012,651</u>	<u>\$ 14,253,179</u>

See notes to the financial statements

City of Pewaukee

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities			
Operating income (loss)	149,778	\$ 71,122	\$ 220,900
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation expense	1,274,764	782,665	2,057,429
Changes in assets, deferred outflows/inflows of resources and liabilities:			
Accounts receivable	(104,680)	(241,842)	(346,522)
Due from other funds	(14,226)	18,515	4,289
Pension related deferrals and assets	(32,130)	(17,330)	(49,460)
Accounts payable	(54,922)	(1,023,881)	(1,078,803)
Customer deposits	21	-	21
Inventory	2,769	-	2,769
Accrued liabilities	792	636	1,428
Net Cash Flows From Operating Activities	\$ 1,222,166	\$ (410,115)	\$ 812,051
Reconciliation of Cash and Investments to the Statement of Net Position, Proprietary Funds			
Cash and investments, statement of net position	\$ 180,428	\$ 14,009,662	\$ 14,190,090
Restricted cash and investments, statement of net position	60,100	2,989	63,089
Cash and Cash Equivalents, Ending	\$ 240,528	\$ 14,012,651	\$ 14,253,179
Noncash Capital and Related Financing Activities			
Amortization on premiums	\$ 11,649	\$ 2,514	

See notes to the financial statements

City of Pewaukee

Statement of Fiduciary Net Position - Fiduciary Fund

December 31, 2021

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Assets	
Cash and investments	\$ 25,096,112
Taxes receivable	13,443,626
Total assets	<u>38,539,738</u>
Liabilities	
Due to other taxing units	<u>38,539,738</u>
Net Position	
Total net position	<u>\$ -</u>

See notes to the financial statements

City of Pewaukee

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
Year Ended December 31, 2021

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Additions	
Tax collections	\$ 28,492,187
Deductions	
Tax disbursements to other entities	<u>28,492,187</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to the financial statements

City of Pewaukee

Index to Notes to Financial Statements
December 31, 2021

	<u>Page</u>
1. Summary of Significant Accounting Policies	17
Reporting Entity	17
Government-Wide and Fund Financial Statements	17
Measurement Focus, Basis of Accounting and Financial Statement Presentation	19
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	21
Deposits and Investments	21
Receivables	22
Inventories and Prepaid Items	22
Restricted Assets	22
Capital Assets	23
Deferred Outflows of Resources	23
Compensated Absences	23
Long-Term Obligations	24
Deferred Inflows of Resources	24
Equity Classifications	24
Pension	26
Basis for Existing Rates	26
2. Reconciliation of Government-Wide and Fund Financial Statements	26
Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	26
3. Stewardship, Compliance and Accountability	27
Excess Expenditures and Other Financing Uses Over Budget	27
Limitations on the City's Tax Levy	27
4. Detailed Notes on All Funds	27
Deposits and Investments	27
Receivables	30
Restricted Assets	30
Capital Assets	31
Interfund Receivables/Payables, Advances and Transfers	32
Long-Term Obligations	35
Net Position/Fund Balances	38
5. Other Information	40
Employees' Retirement System	40
Risk Management	45
Commitments and Contingencies	45
Joint Ventures	46
Effect of New Accounting Standards on Current-Period Financial Statements	46

City of Pewaukee

Notes to Financial Statements
December 31, 2021

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% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

City of Pewaukee

Notes to Financial Statements
December 31, 2021

- 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.

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

Capital Projects Fund

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

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
American Rescue Plan

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

Bike Path

Permanent Fund

Permanent Fund is 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 Cemetery

In addition, the City reports the following fund types:

Custodial Fund

Custodial Fund is 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.

City of Pewaukee

Notes to Financial Statements
December 31, 2021

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

Intergovernmental aids and grants are recognized as revenues in the period the 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 County are reported as receivables and unavailable revenues. At December 31, 2021, there were \$545,795, \$3,494,936 and \$1,232,245 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

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

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.
- 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, 2021, 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.

City of Pewaukee

Notes to Financial Statements
December 31, 2021

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 - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale - 2021 delinquent real estate taxes	October 2024

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.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 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. 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.

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.

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.
- 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 \$1,763,222, 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, 2021, the City's unassigned fund balance was 42% of subsequent year's budgeted general fund revenue.

See Note 4 for further information.

City of Pewaukee

Notes to Financial Statements
December 31, 2021

Pension

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 January 2021.

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	\$	6,903,376
Construction in progress		4,345,317
Buildings and improvements		14,705,483
Land improvements		4,803,337
Equipment		11,706,589
Infrastructure		58,941,476
Intangibles		144,597
Library		1,024,901
Less accumulated depreciation		<u>(40,759,879)</u>
Combined adjustment for capital assets	\$	<u>61,815,197</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	\$	12,263,205
Compensated absences		787,746
Accrued interest		42,063
Unamortized debt premium		<u>441,182</u>
Combined adjustment for long-term liabilities	\$	<u>13,534,196</u>

City of Pewaukee

Notes to Financial Statements
December 31, 2021

3. Stewardship, Compliance and Accountability

Excess Expenditures and Other Financing Uses Over Budget

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Public Safety Grant Fund	\$ -	\$ 9,220	\$ 9,220
DPW Building Fund	350,290	4,434,130	4,083,840

The City controls expenditures at the fund level. Some individual functions 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 0%. 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.

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	\$ 41,839,863	\$ 33,317,041	Custodial Credit
US Agencies	4,098,044	4,098,044	Credit, Custodial Credit, Interest, Concentration of Credit
Certificate of deposits, negotiable	2,894,490	2,894,490	Credit, Custodial Credit, Interest, Concentration of Credit
Municipal bonds	3,827,931	3,827,931	Credit, Custodial Credit, Interest, Concentration of Credit
LGIP	10,640,867	10,640,867	Credit
Petty cash	852	-	N/A
Total deposits and investments	<u>\$ 63,302,047</u>	<u>\$ 54,778,373</u>	

City of Pewaukee

Notes to Financial Statements
December 31, 2021

Reconciliation to financial statements

Per statement of net position:

Unrestricted cash and investments \$ 38,142,846
Restricted cash and investments 63,089

Per statement of fiduciary net position - custodial funds:

Tax Collection Fund 25,096,112

Total deposits and investments \$ 63,302,047

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, 2021, the banks had pledged various government securities in the amount of \$43,566,395 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.

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

Investment Type	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Certificate of deposit - negotiable	\$ -	\$ 2,894,490	\$ -	\$ 2,894,490
Municipal bonds	-	3,827,931	-	3,827,931
US Agencies	-	<u>4,098,044</u>	-	<u>4,098,044</u>
Total	<u>\$ -</u>	<u>\$ 10,820,465</u>	<u>\$ -</u>	<u>\$ 10,820,465</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.

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

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.

City of Pewaukee

Notes to Financial Statements
December 31, 2021

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, 2021, the City's investments were rated as follows:

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

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.

At December 31, 2021, the City's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Federal Home Loan Banks	US Agencies	12.70 %

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, 2021, the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
US Agencies	\$ 4,098,044	\$ -	\$ 3,605,822	\$ 492,222
Certificate of deposits, negotiable	2,894,490	1,478,699	1,415,791	-
Municipal Bonds	<u>3,827,931</u>	<u>491,606</u>	<u>3,336,325</u>	-
Total	<u>\$ 10,820,465</u>	<u>\$ 1,970,305</u>	<u>\$ 8,357,938</u>	<u>\$ 492,222</u>

Investments Highly Sensitive to Interest Rate Changes

At December 31, 2021, the City held \$4,098,044, \$2,894,490 and \$3,827,931 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 6 years maturing April 28, 2027. The market value of this investment at December 31, 2021, was \$492,222.

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

City of Pewaukee

Notes to Financial Statements
December 31, 2021

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:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 13,499,887	\$ -
Grants received prior to meeting all eligibility requirements	765,703	-
Special assessments not yet due	-	1,054,566
Ambulance revenue	-	<u>132,965</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 14,265,590</u>	<u>\$ 1,187,531</u>
Unearned revenue included in liabilities	\$ 765,703	
Unearned revenue included in deferred inflows	<u>13,499,887</u>	
Total unearned revenue for governmental funds	<u>\$ 14,265,590</u>	

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

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 \$60,100 for radium removal.

City of Pewaukee

Notes to Financial Statements
December 31, 2021

Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated/amortized:				
Land	\$ 3,723,769	\$ 3,179,607	\$ -	\$ 6,903,376
Construction in progress	644,290	4,001,027	300,000	4,345,317
Total capital assets not being depreciated/amortized	<u>4,368,059</u>	<u>7,180,634</u>	<u>300,000</u>	<u>11,248,693</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	14,705,483	-	-	14,705,483
Land improvements	4,737,894	65,443	-	4,803,337
Equipment	10,801,461	1,657,790	752,662	11,706,589
Infrastructure	55,699,229	3,242,247	-	58,941,476
Intangibles	93,437	51,160	-	144,597
Library	1,024,901	-	-	1,024,901
Total capital assets being depreciated/amortized	<u>87,062,405</u>	<u>5,016,640</u>	<u>752,662</u>	<u>91,326,383</u>
Total capital assets	<u>91,430,464</u>	<u>12,197,274</u>	<u>1,052,662</u>	<u>102,575,076</u>
Less accumulated for:				
Buildings and improvements	(5,771,729)	(411,947)	-	(6,183,676)
Land improvements	(1,692,594)	(225,231)	-	(1,917,825)
Equipment	(5,449,445)	(832,573)	715,458	(5,566,560)
Infrastructure	(25,082,875)	(1,641,212)	-	(26,724,087)
Intangibles	(58,782)	(5,572)	-	(64,354)
Library	(284,768)	(18,609)	-	(303,377)
Total accumulated	<u>(38,340,193)</u>	<u>(3,135,144)</u>	<u>715,458</u>	<u>(40,759,879)</u>
Net capital assets being depreciated/amortized	<u>48,722,212</u>	<u>1,881,496</u>	<u>37,204</u>	<u>50,566,504</u>
Total governmental activities capital assets, net of accumulated	<u>\$ 53,090,271</u>	<u>\$ 9,062,130</u>	<u>\$ 337,204</u>	<u>\$ 61,815,197</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities	
General government	\$ 304,057
Public safety	476,846
Public works	2,018,504
Culture and recreation	<u>335,737</u>
Total governmental activities depreciation/amortization expense	<u>\$ 3,135,144</u>

City of Pewaukee

Notes to Financial Statements
December 31, 2021

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital assets not being depreciated/amortized:				
Land	\$ 530,387	\$ -	\$ -	\$ 530,387
Construction in progress	1,570,374	1,712,009	759,445	2,522,938
Total capital assets not being depreciated/amortized	2,100,761	1,712,009	759,445	3,053,325
Capital assets being depreciated/amortized:				
Buildings	10,719,867	372,000	-	11,091,867
Improvements other than buildings	91,453,259	2,380,792	67,295	93,766,756
Furniture and equipment	1,472,266	42,219	6,800	1,507,685
Intangibles	10,772,106	-	-	10,772,106
Total capital assets being depreciated/amortized	114,417,498	2,795,011	74,095	117,138,414
Total capital assets	116,518,259	4,507,020	833,540	120,191,739
Less accumulated depreciation for:				
Buildings	(4,375,148)	(300,966)	-	(4,676,114)
Improvements other than buildings	(24,751,937)	(1,703,692)	67,295	(26,388,334)
Furniture and equipment	(1,328,903)	(52,771)	6,800	(1,374,874)
Intangibles	(10,772,105)	-	-	(10,772,105)
Total accumulated depreciation	(41,228,093)	(2,057,429)	74,095	(43,211,427)
Net capital assets being depreciated/amortized	73,189,405	737,582	-	73,926,987
Business-type capital assets, net of accumulated	<u>\$ 75,290,166</u>	<u>\$ 2,449,591</u>	<u>\$ 759,445</u>	<u>\$ 76,980,312</u>

Business-Type Activities

Depreciation/amortization expense was charged to functions as follows:

Business-Type Activities

Sewer	\$ 782,665
Water	<u>1,274,764</u>
Total business-type activities depreciation / amortization expense	<u>\$ 2,057,429</u>

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
Water Utility	General Fund	\$ 47,610
Sewer Utility	General Fund	<u>169,062</u>
Total		<u>\$ 216,672</u>

City of Pewaukee

Notes to Financial Statements
December 31, 2021

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ -
Business-type activities	Governmental activities	<u>216,672</u>
Total government-wide financial statements		<u>\$ 216,672</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 water utility asset balance as of May 31, 2016 when the water and sewer divisions were split along with the debt payments from 2016-2021 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
Total, fund financial statements		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, 2021

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	\$ 550,886	Tax equivalent
	Storm Water Management		
Debt Service Fund	Fund	198,652	Debt service
Capital Equipment Fund	General Fund	615,000	Capital equipment
Capital Equipment Fund	Impact Fee Fund	25,000	Fire department garage
Bike Path Fund	Impact Fees	84,000	Bike path study
Storm Water Management			Council approved
Fund	General Fund	17,568	contribution
General Fund	Tourism and Convention	20,000	Operating subsidy
Road Construction Fund	Debt Service Fund	150,000	Funding for projects
Capital Equipment Fund	Debt Service Fund	<u>339,400</u>	Funding for projects
Total, fund financial statements		2,000,506	
Less fund eliminations		<u>(1,449,620)</u>	
Total transfers, government-wide statement of activities		<u>\$ 550,886</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental activities	Business-type activities	\$ 550,886	
Business-type activities	Governmental activities	<u>-</u>	
Total government-wide financial statements		<u>\$ 550,886</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, 2021

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 5,260,980	\$ 7,730,000	\$ 727,775	\$ 12,263,205	\$ 1,855,245
(Discounts)/Premiums	<u>130,065</u>	<u>323,645</u>	<u>12,528</u>	<u>441,182</u>	<u>-</u>
Total bonds and notes payable	<u>5,391,045</u>	<u>8,053,645</u>	<u>740,303</u>	<u>12,704,387</u>	<u>1,855,245</u>
Other liabilities:					
Vested compensated absences	<u>762,984</u>	<u>240,637</u>	<u>215,875</u>	<u>787,746</u>	<u>267,978</u>
Total governmental activities long-term liabilities	<u>\$ 6,154,029</u>	<u>\$ 8,294,282</u>	<u>\$ 956,178</u>	<u>\$ 13,492,133</u>	<u>\$ 2,123,223</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 7,644,020	\$ -	\$ 542,225	\$ 7,101,795	\$ 554,755
General obligation notes from direct borrowings and direct placements	223,288	-	20,193	203,095	20,739
Revenue bonds	-	478,559	-	478,559	21,986
(Discounts)/Premiums	<u>182,919</u>	<u>-</u>	<u>14,163</u>	<u>168,756</u>	<u>-</u>
Total bonds and notes payable	<u>8,050,227</u>	<u>478,559</u>	<u>576,581</u>	<u>7,952,205</u>	<u>597,480</u>
Other liabilities:					
Vested compensated absences	<u>87,976</u>	<u>25,730</u>	<u>26,563</u>	<u>87,143</u>	<u>29,139</u>
Total business-type activities long-term liabilities	<u>\$ 8,138,203</u>	<u>\$ 504,289</u>	<u>\$ 603,144</u>	<u>\$ 8,039,348</u>	<u>\$ 626,619</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2021, was \$187,056,165. Total general obligation debt outstanding at year end was \$19,365,000.

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt 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, 2021</u>
General Obligation Debt					
2012 G.O. Debt	06/12/12	12/1/24	1.05 - 2.15%	\$ 3,040,788	\$ 758,205
2013 G.O. Debt	05/30/13	09/1/32	2.0 - 3.0	3,060,000	1,875,000
2016 G.O. Debt	10/12/16	09/1/27	2.0 - 2.25	2,995,000	1,900,000
2021 G.O. Debt	12/01/21	03/1/29	2.00	7,730,000	<u>7,730,000</u>
Total governmental activities, general obligation debt					<u>\$ 12,263,205</u>

City of Pewaukee

Notes to Financial Statements
December 31, 2021

<u>Business-Type Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<u>General Obligation Debt</u>					
2010 G.O. Note, direct	05/1/10	05/1/29	2.91%	\$ 222,618	\$ 109,225
2011 G.O. Note, direct	07/13/11	05/1/31	2.40	174,403	93,870
2012 G.O. Debt	06/12/12	12/1/24	1.05 - 2.15	834,212	256,795
2013 G.O. Debt	05/30/13	09/1/32	2.0 - 3.0	5,915,000	3,635,000
2016 G.O. Debt	10/12/16	09/1/36	2.0 - 2.25	2,550,000	1,965,000
2018 G.O. Debt	11/1/18	09/1/38	3.0 - 4.0	1,425,000	1,245,000
Total business-type activities, general obligation debt					<u>\$ 7,304,890</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-Type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,855,245	\$ 203,747	\$ 554,755	\$ 178,627
2023	1,353,980	210,243	561,020	166,333
2024	1,253,980	184,313	571,020	153,913
2025	1,170,000	157,303	500,000	141,763
2026	1,185,000	133,853	510,000	131,113
2027-2031	5,250,000	317,513	2,730,000	469,011
2032-2036	195,000	5,850	1,510,000	143,421
2037-2038	-	-	165,000	9,600
Total	<u>\$ 12,263,205</u>	<u>\$ 1,212,822</u>	<u>\$ 7,101,795</u>	<u>\$ 1,393,781</u>

<u>Years</u>	<u>Business-Type Activities General Obligation Notes From Direct Borrowings And Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 20,739	\$ 5,150
2023	21,300	4,583
2024	21,876	3,999
2025	22,468	3,400
2026	23,076	2,784
2027-2031	93,636	4,980
Total	<u>\$ 203,095</u>	<u>\$ 24,896</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the sewer utility.

The City has pledged future sewer utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2021. Proceeds from the bonds provided financing for the Fox River Water Pollution Control Center Phosphorus Reduction Project. The bonds are payable solely from sewer revenues and are payable through May 1, 2040. Annual principal and interest payments on the bonds are expected to require 3.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$549,210. Principal and interest paid for the current year and total customer net revenues were \$0 and \$4,379, respectively.

City of Pewaukee

Notes to Financial Statements
December 31, 2021

Revenue debt payable at December 31, 2021, consists of the following:

Business-Type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Sewer Utility					
2021 Clean Water Loan	01/27/21	05/1/40	1.485%	\$ 478,559	\$ 478,559 (1)
				Total Sewer Utility	478,559

(1) - During 2021, the utility was authorized to issue \$1,619,516 of sewer system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2021. The repayment schedule is for the amount issued.

Total business-type activities, revenue debt \$ 478,559

Debt service requirements to maturity are as follows:

Years	Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	Principal	Interest
2022	\$ 21,986	\$ 6,943
2023	22,313	6,614
2024	22,644	6,281
2025	22,980	5,942
2026	23,322	5,598
2027-2031	121,907	22,652
2032-2036	131,231	13,258
2037-2040	112,176	3,363
Total	\$ 478,559	\$ 70,651

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, 2021

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2021, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 6,903,376
Construction in progress	4,345,317
Other capital assets, net of accumulated depreciation/amortization	50,566,504
Less long-term debt outstanding	(12,263,205)
Plus unspent capital related debt proceeds	1,475,023
Less unamortized debt premium	<u>(441,182)</u>
Total net investment in capital assets	<u>50,585,833</u>

Restricted:

Debt service	2,096,888
Cemetery	125,526
Tourism	503,135
Public safety grants	7,543
Impact fees	316,804
Cemetery perpetual care	82,984
Pensions	<u>2,638,852</u>

Total restricted 5,771,732

Unrestricted 13,895,047

Total governmental activities net position \$ 70,252,612

City of Pewaukee

Notes to Financial Statements
December 31, 2021

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

	<u>General Fund</u>	<u>Storm Water Management</u>	<u>Debt Service</u>	<u>DPW Building</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances						
Nonspendable:						
Prepaid items	\$ 39,386	\$ 3,684	\$ -	\$ -	\$ -	\$ 43,070
Inventories	201,640	-	-	-	-	201,640
Noncurrent receivables	<u>3,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,401</u>
Subtotal	<u>244,427</u>	<u>3,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,111</u>
Restricted for:						
Debt service	-	-	2,138,951	-	-	2,138,951
Impact fees	-	-	-	-	316,804	316,804
Tourism	-	-	-	-	503,135	503,135
Cemetery	-	-	-	-	208,510	208,510
Public Safety	-	-	-	-	7,543	7,543
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,242,094</u>	<u>232,929</u>	<u>1,475,023</u>
Subtotal	<u>-</u>	<u>-</u>	<u>2,138,951</u>	<u>1,242,094</u>	<u>1,268,921</u>	<u>4,649,966</u>
Committed to:						
Capital projects	-	-	-	-	5,730,919	5,730,919
Assigned to:						
Storm water	-	1,530,401	-	-	-	1,530,401
Unassigned:						
	<u>6,897,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,897,693</u>
Total fund balances	<u>\$ 7,142,120</u>	<u>\$ 1,534,085</u>	<u>\$ 2,138,951</u>	<u>\$ 1,242,094</u>	<u>\$ 6,999,840</u>	<u>\$ 19,057,090</u>

Business-Type Activities

Net investment in capital assets:

Land	\$ 530,387
Construction in progress	2,522,938
Other capital assets, net of accumulated depreciation	73,926,987
Less long-term debt outstanding	(7,783,448)
Less unamortized debt premium	<u>(168,757)</u>

Total net investment in capital assets \$ 69,028,107

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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://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.

City of Pewaukee

Notes to Financial Statements
December 31, 2021

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:

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
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)
2020	1.7	21.0

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 \$533,584 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

City of Pewaukee

Notes to Financial Statements
December 31, 2021

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

At December 31, 2021, the City reported an asset of \$2,819,907 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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, 2020, the City's proportion was 0.04516810%, which was an increase of 0.00182279% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense of \$354,075.

At December 31, 2021, 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	\$ 4,081,271	\$ 879,098
Changes in assumptions	63,961	-
Net differences between projected and actual earnings on pension plan investments	-	5,294,146
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,544	4,738
Employer contributions subsequent to the measurement date	<u>586,414</u>	<u>-</u>
Total	<u>\$ 4,757,190</u>	<u>\$ 6,177,982</u>

\$586,414 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, 2022. 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>
2022	\$ (516,720)
2023	(135,636)
2024	(952,171)
2025	(402,679)

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

City of Pewaukee

Notes to Financial Statements
December 31, 2021

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:

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.3
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability 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% and a municipal bond rate of 2.00%. (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, 2020. 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% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment 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, 2021

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%, 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%) or 1-percentage-point higher (8.00%) 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)	\$ 2,684,160	\$ (2,819,907)	\$ (6,862,603)

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>.

At December 31, 2021, the City reported a payable to the pension plan of \$114,472, which represents contractually required contributions outstanding as of the end of the year.

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 and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the 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, 2021. 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, 2021

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 \$834,875 in 2021.

Financial information of the library as of December 31, 2021 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.

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. 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, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 9,959,083	\$ 9,594,263	\$ (364,820)
Intergovernmental	1,576,177	1,533,395	(42,782)
Regulation and compliance	1,314,752	1,946,858	632,106
Charges for services	3,780,788	4,032,034	251,246
Interest income (loss)	293,500	(23,388)	(316,888)
Miscellaneous	76,140	168,858	92,718
	<u>17,000,440</u>	<u>17,252,020</u>	<u>251,580</u>
Expenditures			
Current:			
General government	2,639,122	2,457,530	181,592
Public safety	9,123,736	8,521,533	602,203
Public works	2,942,273	2,928,715	13,558
Culture and recreation	2,297,813	2,187,155	110,658
	<u>17,002,944</u>	<u>16,094,933</u>	<u>908,011</u>
Excess (deficiency) of revenues over expenditures	<u>(2,504)</u>	<u>1,157,087</u>	<u>1,159,591</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	136,540	136,540
Transfers in	20,000	570,886	550,886
Transfers out	<u>(878,496)</u>	<u>(632,568)</u>	<u>245,928</u>
Total other financing sources (uses)	<u>(858,496)</u>	<u>74,858</u>	<u>933,354</u>
Net change in fund balance	<u>\$ (861,000)</u>	<u>1,231,945</u>	<u>\$ 2,092,945</u>
Fund Balance, Beginning		<u>5,910,175</u>	
Fund Balance, Ending		<u>\$ 7,142,120</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, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental charges for services	\$ 20,000	\$ 20,000	\$ 56,035	\$ 36,035
Licenses and permits	200	200	250	50
Public charges for services	1,595,500	1,595,500	1,619,201	23,701
Investment income	-	-	387	387
Miscellaneous revenues	50,000	50,000	189,648	139,648
Total revenues	<u>1,665,700</u>	<u>1,665,700</u>	<u>1,865,521</u>	<u>199,821</u>
Expenditures				
Current:				
Public works	844,785	844,785	782,697	62,088
Capital outlay	<u>4,295,500</u>	<u>4,305,363</u>	<u>2,093,364</u>	<u>2,211,999</u>
Total expenditures	<u>5,140,285</u>	<u>5,150,148</u>	<u>2,876,061</u>	<u>2,274,087</u>
Excess (deficiency) of revenues over expenditures	<u>(3,474,585)</u>	<u>(3,484,448)</u>	<u>(1,010,540)</u>	<u>2,473,908</u>
Other Financing Sources (Uses)				
Debt issued	2,600,000	2,600,000	-	(2,600,000)
Transfers in	17,916	17,916	17,988	72
Transfers out	<u>(198,652)</u>	<u>(198,652)</u>	<u>(198,652)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,419,264</u>	<u>2,419,264</u>	<u>(180,664)</u>	<u>(2,599,928)</u>
Net change in fund balance	<u>\$ (1,055,321)</u>	<u>\$ (1,065,184)</u>	<u>(1,191,204)</u>	<u>\$ (126,020)</u>
Fund Balance, Beginning			<u>2,725,289</u>	
Fund Balance, Ending			<u>\$ 1,534,085</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, 2021

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	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%
12/31/20	0.04516810%	(2,819,907)	5,889,106	-47.88%	105.26%

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2021

City Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 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%
12/31/21	586,414	586,414	-	6,435,330	9.11%

See notes to required supplementary information

City of Pewaukee

Notes to Required Supplementary Information
Year Ended December 31, 2021

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, 2021

	Special Revenue Funds				Capital Project Funds			Permanent Fund	Total Governmental Funds	
	Impact Fee	Tourism and Convention	Public Safety Grants	American Rescue Plan Cemetery	Road Construction	Bike Path	Capital Equipment	Cemetery Perpetual Care		
Assets										
Cash and Investments	\$ 316,804	\$ 468,166	\$ 7,543	\$ 765,703	\$ 125,526	\$ 1,178,787	\$ 28,234	\$ 5,858,323	\$ 82,984	\$ 8,832,070
Receivables (net):										
Taxes	-	-	-	-	35,000	-	-	50,000	-	85,000
Accounts	-	34,969	-	-	-	-	-	-	-	34,969
Total assets	<u>\$ 316,804</u>	<u>\$ 503,135</u>	<u>\$ 7,543</u>	<u>\$ 765,703</u>	<u>\$ 160,526</u>	<u>\$ 1,178,787</u>	<u>\$ 28,234</u>	<u>\$ 5,908,323</u>	<u>\$ 82,984</u>	<u>\$ 8,952,039</u>
Liabilities, Deferred Inflows of Resources and Fund Balances										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 791,858	\$ 26,083	\$ 33,555	\$ -	\$ 851,496
Unearned revenues	-	-	-	765,703	-	-	-	-	-	765,703
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>765,703</u>	<u>-</u>	<u>791,858</u>	<u>26,083</u>	<u>33,555</u>	<u>-</u>	<u>1,617,199</u>
Deferred Inflows of Resources										
Unearned revenues	-	-	-	-	35,000	-	-	300,000	-	335,000
Fund Balances										
Restricted	316,804	503,135	7,543	-	125,526	232,929	-	-	82,984	1,268,921
Committed	-	-	-	-	-	154,000	2,151	5,574,768	-	5,730,919
Total fund balances	<u>316,804</u>	<u>503,135</u>	<u>7,543</u>	<u>-</u>	<u>125,526</u>	<u>386,929</u>	<u>2,151</u>	<u>5,574,768</u>	<u>82,984</u>	<u>6,999,840</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 316,804</u>	<u>\$ 503,135</u>	<u>\$ 7,543</u>	<u>\$ 765,703</u>	<u>\$ 160,526</u>	<u>\$ 1,178,787</u>	<u>\$ 28,234</u>	<u>\$ 5,908,323</u>	<u>\$ 82,984</u>	<u>\$ 8,952,039</u>

City of Pewaukee

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
 Year Ended December 31, 2021

	Special Revenue Funds				Capital Project Funds			Permanent Fund	Total Governmental Funds	
	Impact Fees	Tourism and Convention	Public Safety Grants	American Rescue Plan Cemetery	Road Construction	Bike Path	Capital Equipment	Cemetery Perpetual Care		
Revenues										
Taxes	\$ -	\$ 522,680	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 50,000	\$ -	\$ 607,680
Intergovernmental	-	-	-	-	-	22,516	-	166,541	-	189,057
Public charges for services	226,564	-	-	-	10,163	-	-	-	1,706	238,433
Investment income	143	-	-	-	-	-	-	-	34	177
Miscellaneous revenues	-	-	-	-	-	-	-	66,321	-	66,321
Total revenues	226,707	522,680	-	-	45,163	22,516	-	282,862	1,740	1,101,668
Expenditures										
Current:										
Public safety	-	-	9,220	-	-	-	-	-	-	9,220
Health and human services	-	-	-	-	25,550	-	-	-	-	25,550
Conservation and development	-	228,985	-	-	-	-	-	-	-	228,985
Capital outlay	-	-	-	-	-	1,847,071	81,849	1,149,488	-	3,078,408
Interest, issuance costs and fiscal charges	-	-	-	-	-	31,688	-	-	-	31,688
Total expenditures	-	228,985	9,220	-	25,550	1,878,759	81,849	1,149,488	-	3,373,851
Excess (deficiency) of revenues over expenditures	226,707	293,695	(9,220)	-	19,613	(1,856,243)	(81,849)	(866,626)	1,740	(2,272,183)
Other Financing Sources (Uses)										
Debt issued	-	-	-	-	-	2,080,000	-	-	-	2,080,000
Premium on debt issued	-	-	-	-	-	9,655	-	-	-	9,655
Transfers in	-	-	-	-	-	150,000	84,000	979,400	-	1,213,400
Transfers out	(109,000)	(20,000)	-	-	(420)	-	-	-	-	(129,420)
Total other financing sources (uses)	(109,000)	(20,000)	-	-	(420)	2,239,655	84,000	979,400	-	3,173,635
Net change in fund balances	117,707	273,695	(9,220)	-	19,193	383,412	2,151	112,774	1,740	901,452
Fund Balances, Beginning	199,097	229,440	16,763	-	106,333	\$3,517	-	5,461,994	81,244	6,098,388
Fund Balances, Ending	\$ 316,804	\$ 503,135	\$ 7,543	\$ -	\$ 125,526	\$ 386,929	\$ 2,151	\$ 5,574,768	\$ 82,984	\$ 6,999,840