

City of Pewaukee

Financial Statements and
Supplementary Information

December 31, 2023

City of Pewaukee

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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, Wisconsin, (the City), as of and for the year ended December 31, 2023, 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 accompanying 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, 2023 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 the 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 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
December 3, 2024

BASIC FINANCIAL STATEMENTS

City of Pewaukee

Statement of Net Position

December 31, 2023

	Governmental Activities	Business- Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 30,599,003	\$ 20,443,416	\$ 51,042,419
Receivables (net):			
Taxes	13,434,982	-	13,434,982
Delinquent personal property taxes	7,596	-	7,596
Accounts	293,721	1,571,918	1,865,639
Special assessments	1,127,173	314,966	1,442,139
Due from other governments	222,747	-	222,747
Internal balances	(194,630)	194,630	-
Investment in Pewaukee Public Library	490,154	-	490,154
Inventories and prepaid expenses	571,366	12,009	583,375
Restricted assets:			
Cash and investments	-	4,433,304	4,433,304
Capital assets:			
Land	7,256,326	530,387	7,786,713
Construction in progress	29,428,699	3,226,438	32,655,137
Other capital assets, net of accumulated depreciation	48,933,965	75,010,348	123,944,313
Total assets	132,171,102	105,737,416	237,908,518
Deferred Outflows of Resources			
Pension related items	9,304,298	651,035	9,955,333
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable and accrued expenses	2,269,817	1,241,332	3,511,149
Deposits	599,628	26,197	625,825
Unearned revenue	1,531,336	-	1,531,336
Due to other governments	7,666	-	7,666
Current portion of long-term obligations	2,605,621	984,772	3,590,393
Noncurrent liabilities:			
Net pension liability	2,476,025	170,785	2,646,810
Noncurrent portion of long-term obligations	39,548,069	14,770,985	54,319,054
Total liabilities	49,038,162	17,194,071	66,232,233
Deferred Inflows of Resources			
Unearned revenue	15,068,028	-	15,068,028
Pension related items	5,213,600	377,138	5,590,738
Total deferred inflows of resources	20,281,628	377,138	20,658,766
Net Position			
Net investment in capital assets	51,109,897	67,472,994	118,582,891
Restricted	5,013,835	60,156	5,073,991
Unrestricted	16,031,878	21,284,092	37,315,970
Total net position	\$ 72,155,610	\$ 88,817,242	\$ 160,972,852

See notes to the financial statements

City of Pewaukee

Statement of Activities

Year Ended December 31, 2023

	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	\$ 543,917	\$ 1,152,141	\$ 194,106	\$ -	\$ 802,330	\$ -	\$ 802,330
Public safety	10,828,742	2,692,199	30,539	4,913	(8,101,091)	-	(8,101,091)
Public works	8,568,698	3,715,249	576,852	3,349	(4,273,248)	-	(4,273,248)
Health and sanitation	316,874	23,675	-	-	(293,199)	-	(293,199)
Culture and recreation	2,446,278	906,048	-	74,938	(1,465,292)	-	(1,465,292)
Conservation and development	555,914	-	-	-	(555,914)	-	(555,914)
Interest and other related charges	1,311,553	-	-	-	(1,311,553)	-	(1,311,553)
Total governmental activities	24,571,976	8,489,312	801,497	83,200	(15,197,967)	-	(15,197,967)
Business-type activities:							
Water utility	3,374,812	3,049,287	-	661,199	-	335,674	335,674
Sewer utility	4,289,712	4,265,910	-	325,426	-	301,624	301,624
Total business-type activities	7,664,524	7,315,197	-	986,625	-	637,298	637,298
Total primary government	\$ 32,236,500	\$ 15,804,509	\$ 801,497	\$ 1,069,825	(15,197,967)	637,298	(14,560,669)
General Revenues and Transfers							
Taxes:							
Property taxes					11,287,472	-	11,287,472
Other taxes					560,927	-	560,927
Intergovernmental revenues not restricted to specific programs					808,926	-	808,926
Investment income (loss)					1,766,788	351,806	2,118,594
Miscellaneous					176,725	(121,219)	55,506
Transfers					450,222	(450,222)	-
Total general revenues and transfers					15,051,060	(219,635)	14,831,425
Change in net position					(146,907)	417,663	270,756
Net Position, Beginning					72,302,517	88,399,579	160,702,096
Net Position, Ending					\$ 72,155,610	\$ 88,817,242	\$ 160,972,852

See notes to the financial statements

City of Pewaukee

Balance Sheet -
Governmental Funds
December 31, 2023

	General	Storm Water Management	Debt Service	Road Construction	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Investments	\$ 7,573,940	\$ 5,876,285	\$ 2,698,414	\$ 3,013,046	\$ 11,437,318	\$ 30,599,003
Receivables (net):						
Taxes	10,559,600	703,755	1,686,627	-	485,000	13,434,982
Delinquent personal property taxes	7,596	-	-	-	-	7,596
Accounts	288,864	4,857	-	-	-	293,721
Special assessments	-	-	1,127,173	-	-	1,127,173
Due from other governments	222,747	-	-	-	-	222,747
Inventories	331,270	-	-	-	-	331,270
Prepaid items	240,096	-	-	-	-	240,096
Advance to other fund	1,213,832	-	-	-	-	1,213,832
Total assets	\$ 20,437,945	\$ 6,584,897	\$ 5,512,214	\$ 3,013,046	\$ 11,922,318	\$ 47,470,420
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 450,848	\$ 247,198	\$ -	\$ 680,372	\$ 5,003	\$ 1,383,421
Accrued liabilities	391,755	-	-	-	-	391,755
Deposits	599,628	-	-	-	-	599,628
Unearned revenues	-	-	-	-	1,531,336	1,531,336
Due to other governments	7,666	-	-	-	-	7,666
Due to other funds	194,630	-	-	-	-	194,630
Advance from other fund	-	-	-	-	1,213,832	1,213,832
Total liabilities	1,644,527	247,198	-	680,372	2,750,171	5,322,268
Deferred Inflows of Resources						
Unearned revenues	10,973,073	1,663,878	1,686,627	-	744,450	15,068,028
Unavailable revenues	146,280	-	1,127,173	-	-	1,273,453
Total deferred inflows of resources	11,119,353	1,663,878	2,813,800	-	744,450	16,341,481
Fund Balances						
Nonspendable	1,792,794	-	-	-	-	1,792,794
Restricted	-	2,748,229	2,698,414	2,332,674	3,443,530	11,222,847
Committed	-	-	-	-	6,198,640	6,198,640
Assigned	-	1,925,592	-	-	-	1,925,592
Unassigned	5,881,271	-	-	-	(1,214,473)	4,666,798
Total fund balances	7,674,065	4,673,821	2,698,414	2,332,674	8,427,697	25,806,671
Total liabilities, deferred inflows of resources and fund balances	\$ 20,437,945	\$ 6,584,897	\$ 5,512,214	\$ 3,013,046	\$ 11,922,318	\$ 47,470,420

See notes to the financial statements

City of Pewaukee

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2023

Total Fund Balances, Governmental Funds \$ 25,806,671

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). 85,618,990

The City's investment in the library joint venture is not a financial resource and,
therefore, is not reported in the fund statements. 490,154

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. 1,273,453

The net pension liability does not relate to current financial resources and is not
reported in the governmental funds. (2,476,025)

Deferred inflows and outflows of resources related to pension do not related to
current financial resources and are not reported in the governmental funds. 4,090,698

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). (42,648,331)

Net Position of Governmental Activities \$ 72,155,610

City of Pewaukee

 Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2023

	General	Storm Water Management	Debt Service	Road Construction	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 9,793,818	\$ -	\$ 2,243,518	\$ -	\$ 711,277	\$ 12,748,613
Intergovernmental	1,621,928	-	-	24,730	63,443	1,710,101
Licenses and permits	937,030	-	-	-	-	937,030
Fines forfeitures and penalties	311,268	-	-	-	-	311,268
Public charges for services	2,194,868	1,654,214	-	-	103,526	3,952,608
Intergovernmental charges for services	2,163,876	34,428	-	-	-	2,198,304
Investment income	1,712,224	378	28,993	-	15,212	1,756,807
Miscellaneous revenues	148,315	73,401	-	-	30,336	252,052
Total revenues	18,883,327	1,762,421	2,272,511	24,730	923,794	23,866,783
Expenditures						
Current:						
General government	2,495,205	-	-	-	70	2,495,275
Public safety	9,745,360	-	-	-	25,041	9,770,401
Public works	2,945,369	729,324	-	-	-	3,674,693
Health and human services	-	-	-	-	7,290	7,290
Culture and recreation	2,474,453	-	-	-	-	2,474,453
Conservation and development	-	-	-	-	385,178	385,178
Capital outlay	24,807	2,456,379	-	3,431,215	3,928,192	9,840,593
Debt service:						
Principal	-	-	2,143,980	-	-	2,143,980
Interest, issuance costs and fiscal charges	-	-	1,528,391	-	-	1,528,391
Total expenditures	17,685,194	3,185,703	3,672,371	3,431,215	4,345,771	32,320,254
Excess (deficiency) of revenues over expenditures	1,198,133	(1,423,282)	(1,399,860)	(3,406,485)	(3,421,977)	(8,453,471)
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	-	-	-	-	82,675	82,675
Transfers in	470,222	65,072	437,552	-	919,000	1,891,846
Transfers out	(983,652)	(437,552)	-	-	(20,420)	(1,441,624)
Total other financing sources (uses)	(513,430)	(372,480)	437,552	-	981,255	532,897
Net change in fund balances	684,703	(1,795,762)	(962,308)	(3,406,485)	(2,440,722)	(7,920,574)
Fund Balances, Beginning	6,989,362	6,469,583	3,660,722	5,739,159	10,868,419	33,727,245
Fund Balances, Ending	\$ 7,674,065	\$ 4,673,821	\$ 2,698,414	\$ 2,332,674	\$ 8,427,697	\$ 25,806,671

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, 2023

Net Change in Fund Balances, Total Governmental Funds \$ (7,920,574)

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	9,840,593
Some items reported as capital outlay were not capitalized	(374,302)
Depreciation is reported in the government-wide statements	(3,420,905)
Net book value of assets retired	(102,476)

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.	25,388
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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.	21,386
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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	2,143,980

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	4,783
Accrued interest on debt	20,923
Net pension liability	(6,053,100)
Deferred inflows/outflows of resources related to pension	5,471,482

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	195,915

Change in Net Position of Governmental Activities \$ (146,907)

City of Pewaukee

Statement of Net Position -
 Proprietary Funds
 December 31, 2023

	Business-Type Activities - Enterprise Funds		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 2,003,949	\$ 18,439,467	\$ 20,443,416
Receivables:			
Accounts	610,381	961,537	1,571,918
Special assessments	244,230	70,736	314,966
Due from other funds	63,837	130,793	194,630
Inventory	12,009	-	12,009
Restricted assets, cash and investments	<u>2,082,258</u>	<u>2,351,046</u>	<u>4,433,304</u>
Total current assets	<u>5,016,664</u>	<u>21,953,579</u>	<u>26,970,243</u>
Noncurrent Assets			
Capital assets:			
Land	530,387	-	530,387
Construction in progress	2,012,232	1,214,206	3,226,438
Capital assets, net of accumulated depreciation	37,034,051	37,976,297	75,010,348
Advance to water	<u>-</u>	<u>2,092,032</u>	<u>2,092,032</u>
Total noncurrent assets	<u>39,576,670</u>	<u>41,282,535</u>	<u>80,859,205</u>
Total assets	<u>44,593,334</u>	<u>63,236,114</u>	<u>107,829,448</u>
Deferred Outflows of Resources			
Pension related items	<u>423,014</u>	<u>228,021</u>	<u>651,035</u>
Liabilities			
Current liabilities:			
Accounts payable	190,933	875,194	1,066,127
Accrued liabilities	117,390	3,523	120,913
Deposits	26,197	-	26,197
Current portion of general obligation debt	666,020	211,876	877,896
Current portion of compensated absences	26,447	14,241	40,688
Liabilities payable from restricted assets:			
Accrued interest payable	-	54,292	54,292
Current portion of revenue bonds	<u>-</u>	<u>66,188</u>	<u>66,188</u>
Total current liabilities	<u>1,026,987</u>	<u>1,225,314</u>	<u>2,252,301</u>
Noncurrent liabilities:			
General obligation debt	9,599,618	3,900,474	13,500,092
Revenue bonds	-	1,203,152	1,203,152
Compensated absences	44,032	23,709	67,741
Net pension liability	111,009	59,776	170,785
Advance from sewer	<u>2,092,032</u>	<u>-</u>	<u>2,092,032</u>
Total noncurrent liabilities	<u>11,846,691</u>	<u>5,187,111</u>	<u>17,033,802</u>
Total liabilities	<u>12,873,678</u>	<u>6,412,425</u>	<u>19,286,103</u>
Deferred Inflows of Resources			
Pension related items	<u>242,259</u>	<u>134,879</u>	<u>377,138</u>
Net Position			
Net investment in capital assets	31,313,135	36,159,859	67,472,994
Restricted for radium capital projects	60,156	-	60,156
Unrestricted	<u>527,120</u>	<u>20,756,972</u>	<u>21,284,092</u>
Total net position	<u>\$ 31,900,411</u>	<u>\$ 56,916,831</u>	<u>\$ 88,817,242</u>

See notes to the financial statements

City of Pewaukee

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Funds

Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating Revenues	<u>\$ 3,049,287</u>	<u>\$ 4,265,910</u>	<u>\$ 7,315,197</u>
Operating Expenses			
Operation and maintenance	1,621,335	3,279,321	4,900,656
Depreciation	1,371,008	848,463	2,219,471
Taxes	33,019	-	33,019
Total operating expenses	<u>3,025,362</u>	<u>4,127,784</u>	<u>7,153,146</u>
Operating income	<u>23,925</u>	<u>138,126</u>	<u>162,051</u>
Nonoperating Revenues (Expenses)			
Interest income	6,212	345,594	351,806
Interest and fiscal charges	(349,450)	(161,928)	(511,378)
Miscellaneous revenue	-	12,815	12,815
Gain/ loss on sale of capital assets	(181,003)	16,000	(165,003)
Amortization	30,969	-	30,969
Advance forgiveness	5,312,577	(5,312,577)	-
Total nonoperating income (expense)	<u>4,819,305</u>	<u>(5,100,096)</u>	<u>(280,791)</u>
Income before contributions and transfers	<u>4,843,230</u>	<u>(4,961,970)</u>	<u>(118,740)</u>
Contributions and Transfers			
Capital contributions	661,199	325,426	986,625
Transfers	(450,222)	-	(450,222)
Total contributions and transfers	<u>210,977</u>	<u>325,426</u>	<u>536,403</u>
Change in net position	<u>5,054,207</u>	<u>(4,636,544)</u>	<u>417,663</u>
Net Position, Beginning	<u>26,846,204</u>	<u>61,553,375</u>	<u>88,399,579</u>
Net Position, Ending	<u>\$ 31,900,411</u>	<u>\$ 56,916,831</u>	<u>\$ 88,817,242</u>

See notes to the financial statements

City of Pewaukee

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 3,002,196	\$ 4,271,167	\$ 7,273,363
Paid to vendors for goods and services	(1,534,881)	(2,771,212)	(4,306,093)
Paid to employees for services	(122,709)	(182,876)	(305,585)
Net cash flows from operating activities	<u>1,344,606</u>	<u>1,317,079</u>	<u>2,661,685</u>
Cash Flows From Noncapital and Related Financing Activities			
Transfers to other funds	<u>(450,222)</u>	<u>-</u>	<u>(450,222)</u>
Net cash flows from noncapital and related financing activities	<u>(450,222)</u>	<u>-</u>	<u>(450,222)</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(327,434)	(458,088)	(785,522)
Principal paid on long-term debt retirements	(651,020)	(266,519)	(917,539)
Proceeds from sale of capital assets	-	16,001	16,001
Collection of special assessments, net	(204,424)	86,082	(118,342)
Interest paid	(355,410)	(179,289)	(534,699)
Net cash from capital and related financing activities	<u>(1,538,288)</u>	<u>(801,813)</u>	<u>(2,340,101)</u>
Cash Flows From Investing Activities			
Investment income	<u>6,212</u>	<u>345,594</u>	<u>351,806</u>
Net change in cash and investments	(637,692)	860,860	223,168
Cash and Investments, Beginning	<u>4,723,899</u>	<u>19,929,653</u>	<u>24,653,552</u>
Cash and Investments, Ending	<u>\$ 4,086,207</u>	<u>\$ 20,790,513</u>	<u>\$ 24,876,720</u>

See notes to the financial statements

City of PewaukeeStatement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Reconciliation of Operating Income to Net Cash From Operating Activities			
Operating income	\$ 23,925	\$ 138,126	\$ 162,051
Nonoperating income	-	12,815	12,815
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation expense	1,371,008	848,463	2,219,471
Changes in assets, deferred outflows/inflows of resources and liabilities:			
Accounts receivable	(47,090)	(33,350)	(80,440)
Due from other funds	-	25,792	25,792
Pension related deferrals and liabilities	29,111	15,677	44,788
Accounts payable	(46,072)	303,880	257,808
Inventory	3,183	-	3,183
Accrued liabilities	10,541	5,676	16,217
Net cash flows from operating activities	<u>\$ 1,344,606</u>	<u>\$ 1,317,079</u>	<u>\$ 2,661,685</u>
Reconciliation of Cash and Investments to the Statement of Net Position, Proprietary Funds			
Cash and investments, statement of net position	\$ 2,003,949	\$ 18,439,467	\$ 20,443,416
Restricted cash and investments, statement of net position	<u>2,082,258</u>	<u>2,351,046</u>	<u>4,433,304</u>
Cash and cash equivalents, ending	<u>\$ 4,086,207</u>	<u>\$ 20,790,513</u>	<u>\$ 24,876,720</u>
Noncash Capital and Related Financing Activities			
Amortization on premiums	<u>\$ 30,968</u>	<u>\$ 14,872</u>	
Advance forgiveness	<u>\$ 5,312,577</u>	<u>\$ (5,312,577)</u>	

See notes to the financial statements

City of Pewaukee

Statement of Fiduciary Net Position -
Fiduciary Fund
December 31, 2023

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Assets	
Cash and investments	\$ 22,668,215
Taxes receivable	<u>14,213,885</u>
Total assets	<u>36,882,100</u>
Liabilities	
Due to other taxing units	<u>36,882,100</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, 2023

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Additions	
Tax collections	<u>\$ 27,134,249</u>
Deductions	
Tax disbursements to other entities	<u>27,134,249</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

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December 31, 2023

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City of Pewaukee

Notes to Financial Statements
December 31, 2023

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, 2023

- 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

Road Construction 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 infrastructure and other related 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

City of Pewaukee

Notes to Financial Statements
December 31, 2023

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.

Capital Equipment
City Hall Remodel

Bike Path
DPW Building

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.

Nonexpendable Cemetery

In addition, the City reports the following fund type:

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, 2023

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 to 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, 2023, there were \$2,662, \$3,905,083 and \$992,497 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, 2023, 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, 2023

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 county government 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, 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale, 2023 delinquent real estate taxes	October 2026

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 Financial 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 and overhead. 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 assets 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 assets 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 \$1,982,214, 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, 2023, the City's unassigned fund balance was 29% of subsequent year's budgeted general fund revenue.

See Note 4 for further information.

City of Pewaukee

Notes to Financial Statements
December 31, 2023

Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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 December 21, 2023.

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	\$ 7,256,326
Construction in progress	29,428,699
Buildings and improvements	14,705,483
Land improvements	5,122,443
Equipment	12,430,999
Infrastructure	62,094,637
Intangibles	181,150
Library	1,026,196
Less accumulated depreciation	<u>(46,626,943)</u>
Combined adjustment for capital assets	<u>\$ 85,618,990</u>

City of Pewaukee

Notes to Financial Statements
December 31, 2023

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	\$ 38,973,980
Compensated absences	802,310
Accrued interest	494,641
Unamortized debt premium	<u>2,377,400</u>
Combined adjustment for long-term liabilities	<u>\$ 42,648,331</u>

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>
DPW building fund	\$ -	\$ 2,307,409	\$ 2,307,409
Tourism & convention fund	386,650	469,127	82,477
Public safety grants	-	25,041	25,041
American rescue fund	-	70	70
Capital equipment fund	1,003,842	1,267,801	263,959

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.

Deficit Balances

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

As of December 31, 2023, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Capital Projects - DPW Building Fund	\$ 1,214,473	Expenditures exceeded original funding source

The DPW Building Fund deficit is anticipated to be funded with future contributions, general tax revenues or long-term borrowing.

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

City of Pewaukee

Notes to Financial Statements
December 31, 2023

4. Detailed Notes on All Funds

Deposits 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	\$ 24,932,641	\$ 20,261,512	Custodial credit
U.S. agencies	4,405,161	4,405,161	Credit, custodial credit, interest, concentration of credit
U.S. treasuries	1,381,820	1,381,820	Custodial credit, interest rate
Certificate of deposits, negotiable	2,308,990	2,308,990	Credit, custodial credit, interest, concentration of credit
Municipal bonds	2,156,446	2,156,446	Credit, custodial credit, interest, concentration of credit
LGIP	42,957,244	42,957,244	Credit
Petty cash	<u>1,636</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 78,143,938</u>	<u>\$ 73,471,173</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 51,042,419		
Restricted cash and investments	4,433,304		
Per statement of fiduciary net position, custodial funds:			
Tax Collection Fund	<u>22,668,215</u>		
Total deposits and investments	<u>\$ 78,143,938</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

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

The City maintains collateral agreements with its banks. At December 31, 2023, the banks had pledged various government securities in the amount of \$26,935,879 to secure the City's deposits.

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

City of Pewaukee

Notes to Financial Statements
December 31, 2023

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

- Market value

Investment Type	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Certificate of deposit, negotiable	\$ -	\$ 2,308,990	\$ -	\$ 2,308,990
Municipal bonds	-	2,156,446	-	2,156,446
U.S. treasuries	-	1,381,820	-	1,381,820
U.S. agencies	-	4,405,161	-	4,405,161
Total	<u>\$ -</u>	<u>\$ 10,252,417</u>	<u>\$ -</u>	<u>\$ 10,252,417</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.

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, 2023, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
U.S. agencies	AA+	Aaa
Municipal bonds	AA+ to AA-	Aaa
Certificates of deposit, negotiable	A+ to BBB-	N/A
U.S. treasuries	AA+	Aaa

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

LGIP

Concentration of Credit Risk

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

City of Pewaukee

Notes to Financial Statements
December 31, 2023

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, 2023, the City's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)		
		Less Than 1	1-5	6-10
U.S. agencies	\$ 4,405,161	\$ -	\$ 4,405,161	\$ -
Certificate of deposits, negotiable	2,308,990	1,812,509	496,481	-
Municipal bonds	2,156,446	1,709,828	446,618	-
U.S. treasuries	1,381,820	996,460	385,360	-
Total	<u>\$ 10,252,417</u>	<u>\$ 4,518,797</u>	<u>\$ 5,733,620</u>	<u>\$ -</u>

Investments Highly Sensitive to Interest Rate Changes

At December 31, 2023, the City held \$4,405,161, \$2,308,990, \$2,156,446 and \$1,381,820 in U.S. agencies, certificates of deposit - negotiable, municipal bonds and U.S. treasuries, 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 1-5 years.

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

Receivables

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

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 15,068,028	\$ -
Grants received prior to meeting all eligibility requirements	1,531,336	-
Special assessments not yet due	-	1,127,173
Ambulance revenue	-	146,280
Total unearned/unavailable revenue for governmental funds	<u>\$ 16,599,364</u>	<u>\$ 1,273,453</u>
Unearned revenue included in liabilities	\$ 1,531,336	
Unearned revenue included in deferred inflows	<u>15,068,028</u>	
Total unearned revenue for governmental funds	<u>\$ 16,599,364</u>	

City of Pewaukee

Notes to Financial Statements
December 31, 2023

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.

Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

Capital Assets

Capital asset activity for the year ended December 31, 2023, 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	\$ 7,256,326	\$ -	\$ -	\$ 7,256,326
Construction in progress	<u>22,257,783</u>	<u>7,908,225</u>	<u>737,309</u>	<u>29,428,699</u>
Total capital assets not being depreciated / amortized	<u>29,514,109</u>	<u>7,908,225</u>	<u>737,309</u>	<u>36,685,025</u>
Capital assets being depreciated / amortized:				
Buildings and improvements	14,705,483	-	-	14,705,483
Land improvements	4,848,838	273,605	-	5,122,443
Equipment	11,399,953	1,283,100	252,054	12,430,999
Infrastructure	61,393,815	700,822	-	62,094,637
Intangibles	144,597	36,553	-	181,150
Library	<u>1,024,901</u>	<u>1,295</u>	<u>-</u>	<u>1,026,196</u>
Total capital assets being depreciated / amortized	<u>93,517,587</u>	<u>2,295,375</u>	<u>252,054</u>	<u>95,560,908</u>
Total capital assets	<u>123,031,696</u>	<u>10,203,600</u>	<u>989,363</u>	<u>132,245,933</u>
Less accumulated depreciation / amortization for:				
Buildings and improvements	(6,594,850)	(411,174)	-	(7,006,024)
Land improvements	(2,143,109)	(229,688)	-	(2,372,797)
Equipment	(5,732,854)	(968,715)	149,578	(6,551,991)
Infrastructure	(28,485,582)	(1,767,615)	-	(30,253,197)
Intangibles	(77,235)	(25,065)	-	(102,300)
Library	<u>(321,986)</u>	<u>(18,648)</u>	<u>-</u>	<u>(340,634)</u>
Total accumulated depreciation / amortization	<u>(43,355,616)</u>	<u>(3,420,905)</u>	<u>149,578</u>	<u>(46,626,943)</u>
Net capital assets being depreciated / amortized	<u>50,161,971</u>	<u>(1,125,530)</u>	<u>102,476</u>	<u>48,933,965</u>
Total governmental activities capital assets, net as reported in the statement of net position	<u>\$ 79,676,080</u>	<u>\$ 6,782,695</u>	<u>\$ 839,785</u>	<u>\$ 85,618,990</u>

City of Pewaukee

Notes to Financial Statements
December 31, 2023

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 308,254
Public safety	603,335
Public works	2,151,817
Culture and recreation	<u>357,499</u>

Total governmental activities depreciation/amortization
expense \$ 3,420,905

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets not being depreciated/amortized:				
Land	\$ 530,387	\$ -	\$ -	\$ 530,387
Construction in progress	<u>2,493,313</u>	<u>1,439,253</u>	<u>706,128</u>	<u>3,226,438</u>
Total capital assets not being depreciated/amortized	<u>3,023,700</u>	<u>1,439,253</u>	<u>706,128</u>	<u>3,756,825</u>
Capital assets being depreciated/amortized:				
Buildings	11,091,867	-	-	11,091,867
Improvements other than buildings	97,659,286	869,766	230,816	98,298,236
Furniture and equipment	1,773,386	217,954	-	1,991,340
Intangibles	<u>10,772,106</u>	<u>-</u>	<u>-</u>	<u>10,772,106</u>
Total capital assets being depreciated/amortized	<u>121,296,645</u>	<u>1,087,720</u>	<u>230,816</u>	<u>122,153,549</u>
Total capital assets	<u>124,320,345</u>	<u>2,526,973</u>	<u>936,944</u>	<u>125,910,374</u>
Less accumulated for:				
Buildings	(4,980,800)	(309,140)	-	(5,289,940)
Improvements other than buildings	(27,795,669)	(1,799,425)	49,812	(29,545,282)
Furniture and equipment	(1,424,968)	(110,906)	-	(1,535,874)
Intangibles	<u>(10,772,105)</u>	<u>-</u>	<u>-</u>	<u>(10,772,105)</u>
Total accumulated	<u>(44,973,542)</u>	<u>(2,219,471)</u>	<u>49,812</u>	<u>(47,143,201)</u>
Net capital assets being depreciated/amortized	<u>76,323,103</u>	<u>(1,131,751)</u>	<u>181,004</u>	<u>75,010,348</u>
Business-type activities capital assets, net as reported in the statement of net position	<u>\$ 79,346,803</u>	<u>\$ 307,502</u>	<u>\$ 887,132</u>	<u>\$ 78,767,173</u>

Depreciation/amortization expense was charged to functions as follows:

Business-Type Activities

Sewer	\$ 848,463
Water	<u>1,371,008</u>

Total business-type activities, net as reported in the statement
of net position expense \$ 2,219,471

City of Pewaukee

Notes to Financial Statements
December 31, 2023

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Utility	General Fund	\$ 63,837
Sewer Utility	General Fund	<u>130,793</u>
Total		<u>\$ 194,630</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ -
Business-type activities	Governmental activities	<u>194,630</u>
Total government-wide financial statements		<u>\$ 194,630</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 has advanced funds to the water utility totaling \$7,404,609. 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. During 2023, the sewer utility established a repayment plan with the water utility which included forgiving \$5,312,577 of the original advance.

The general fund has advance funds to the DPW building fund. The amount advanced was \$1,213,832. No repayment plan has 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	\$ 2,092,032	\$ 2,022,298
General Fund	DPW Building	<u>1,213,832</u>	1,213,832
Total, fund financial statements		3,305,864	
Less fund eliminations		<u>(3,305,864)</u>	
Total, interfund advances, government-wide statement of net position		<u>\$ -</u>	

City of Pewaukee

Notes to Financial Statements
December 31, 2023

<u>Years</u>	<u>Water Utility Repayment Principal</u>
2024	\$ 69,734
2025	69,734
2026	69,734
2027	69,734
2028	69,734
2029-2033	348,672
2034-2038	348,672
2039-2043	348,672
2043-2047	348,672
2048-2052	<u>348,674</u>
Total	<u>\$ 2,092,032</u>

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 Storm Water Management Fund	\$ 450,222	Tax equivalent
Debt Service Fund	General Fund	437,552	Debt service
Capital Equipment Fund	General Fund	919,000	Capital equipment
Storm Water Management Fund	General Fund	64,652	Council approved contribution
General Fund	Tourism and Convention	20,000	Operating subsidy
Storm Water Management Fund	Cemetery Fund	<u>420</u>	Funding for projects
Total, fund financial statements		1,891,846	
Less fund eliminations		<u>(1,441,624)</u>	
Total transfers, government-wide statement of activities		<u>\$ 450,222</u>	

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 450,222
Business-type activities	Governmental activities	<u>-</u>
Total government-wide financial statements		<u>\$ 450,222</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, 2023

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2023, 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	\$ 41,117,960	\$ -	\$ 2,143,980	\$ 38,973,980	\$ 2,338,980
(Discounts)/Premiums	<u>2,573,315</u>	<u>-</u>	<u>195,915</u>	<u>2,377,400</u>	<u>-</u>
Total bonds and notes payable	<u>43,691,275</u>	<u>-</u>	<u>2,339,895</u>	<u>41,351,380</u>	<u>2,338,980</u>
Other liabilities:					
Vested compensated absences	<u>807,093</u>	<u>206,917</u>	<u>211,700</u>	<u>802,310</u>	<u>266,641</u>
Total governmental activities long-term liabilities	<u>\$ 44,498,368</u>	<u>\$ 206,917</u>	<u>\$ 2,551,595</u>	<u>\$ 42,153,690</u>	<u>\$ 2,605,621</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 14,332,039	\$ -	\$ 831,019	\$ 13,501,020	\$ 856,020
General obligation notes from direct borrowings and direct placements	182,356	-	21,300	161,056	21,876
Alternative revenue bonds	1,334,559	-	65,220	1,269,339	66,188
(Discounts)/Premiums	<u>761,753</u>	<u>-</u>	<u>45,841</u>	<u>715,912</u>	<u>-</u>
Total bonds and notes payable	<u>16,610,707</u>	<u>-</u>	<u>963,380</u>	<u>15,647,327</u>	<u>944,084</u>
Other liabilities:					
Vested compensated absences	<u>92,212</u>	<u>42,413</u>	<u>26,195</u>	<u>108,430</u>	<u>40,688</u>
Total business-type activities long-term liabilities	<u>\$ 16,702,919</u>	<u>\$ 42,413</u>	<u>\$ 989,575</u>	<u>\$ 15,755,757</u>	<u>\$ 984,772</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, 2023, was \$242,820,150. Total general obligation debt outstanding at year end was \$52,636,056.

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, 2023</u>
General Obligation Debt					
2012 G.O. Debt	06/12/12	12/01/24	1.05-2.15%	\$ 3,040,788	\$ 253,980
2013 G.O. Debt	05/30/13	09/01/32	2.0-3.0	3,060,000	1,565,000
2016 G.O. Debt	10/12/16	09/01/27	2.0-2.25	2,995,000	1,290,000
2021 G.O. Debt	12/01/21	03/01/29	2.00	7,730,000	5,945,000
2022 G.O. Debt	09/01/22	03/01/32	3.0-5.0	11,090,000	10,790,000
2022 G.O. Debt	09/01/22	03/01/42	4.0-5.0	19,620,000	<u>19,130,000</u>
Total governmental activities, general obligation debt					<u>\$ 38,973,980</u>

City of Pewaukee

Notes to Financial Statements
December 31, 2023

<u>Business-Type Activities</u>					<u>Balance</u>
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2023</u>
2010 G.O. Note, direct	05/01/10	05/01/29	2.91%	\$ 222,618	\$ 84,222
2011 G.O. Note, direct	07/13/11	05/01/31	2.40	174,403	76,834
2012 G.O. Debt	06/12/12	12/01/24	1.05-2.15	834,212	86,020
2013 G.O. Debt	05/30/13	09/01/32	2.0-3.0	5,915,000	3,040,000
2016 G.O. Debt	10/12/16	09/01/36	2.0-2.25	2,550,000	1,735,000
2018 G.O. Debt	11/01/18	09/01/38	3.0-4.0	1,425,000	1,125,000
2022 G.O. Debt	09/01/22	03/01/42	4.0-5.0	7,785,000	<u>7,515,000</u>

Total business-type activities, general obligation debt \$ 13,662,076

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>General Obligation Debt</u>		<u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,338,980	\$ 1,455,588	\$ 856,020	\$ 484,488
2025	2,460,000	1,369,203	795,000	457,838
2026	2,545,000	1,279,503	815,000	432,188
2027	2,605,000	1,186,513	830,000	405,643
2028	2,670,000	1,084,025	860,000	377,479
2029-2033	12,975,000	3,918,075	4,275,000	1,415,122
2034-2038	7,295,000	1,960,525	3,050,000	702,213
2039-2042	<u>6,085,000</u>	<u>485,300</u>	<u>2,020,000</u>	<u>160,600</u>
Total	<u>\$ 38,973,980</u>	<u>\$ 12,738,732</u>	<u>\$ 13,501,020</u>	<u>\$ 4,435,571</u>

<u>Years</u>	<u>Business-Type Activities</u>	
	<u>General Obligation Notes</u>	
	<u>From Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 21,876	\$ 3,999
2025	22,468	3,400
2026	23,076	2,784
2027	23,700	2,151
2028	24,340	1,500
2029-2031	<u>45,596</u>	<u>1,329</u>
Total	<u>\$ 161,056</u>	<u>\$ 15,163</u>

Revenue Debt

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

City of Pewaukee

Notes to Financial Statements
December 31, 2023

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 7.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,436,222. Principal and interest paid for the current year and total customer net revenues were \$84,554 and \$1,274,641, respectively.

Revenue debt payable at December 31, 2023, consists of the following:

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
Sewer Utility					
2021 Clean Water Loan	01/27/21	05/01/40	1.485%	\$ 1,398,666	\$ 1,269,339 (1)
Total Sewer Utility					<u>1,269,339</u>

(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, 2023. The repayment schedule is for the amount issued.

Total business-type activities, revenue debt \$ 1,269,339

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt From Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 66,188	\$ 18,358
2025	67,171	17,368
2026	68,169	16,363
2027	69,181	15,343
2028	70,208	14,308
2029-2033	366,994	55,471
2034-2038	395,065	27,192
2039-2040	<u>166,363</u>	<u>2,480</u>
Total	<u>\$ 1,269,339</u>	<u>\$ 166,883</u>

Other Debt Information

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

City of Pewaukee

Notes to Financial Statements
December 31, 2023

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2023, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 7,256,326
Construction in progress	29,428,699
Other capital assets, net of accumulated depreciation/amortization	48,933,965
Less long-term debt outstanding	(38,973,980)
Plus unspent capital related debt proceeds	6,842,287
Less unamortized debt premium	<u>(2,377,400)</u>
Total net investment in capital assets	<u>51,109,897</u>

Restricted:

Debt service	3,330,946
Cemetery	162,095
Tourism	955,830
Public safety grants	13,273
Impact fees	454,782
Cemetery perpetual care	<u>96,909</u>
Total restricted	<u>5,013,835</u>

Unrestricted

16,031,878

Total governmental activities net position

\$ 72,155,610

City of Pewaukee

Notes to Financial Statements
December 31, 2023

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2023, include the following:

	<u>General Fund</u>	<u>Storm Water Management</u>	<u>Debt Service</u>	<u>Road Construction</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances						
Nonspendable:						
Prepaid items	\$ 240,096	\$ -	\$ -	\$ -	\$ -	\$ 240,096
Inventories	331,270	-	-	-	-	331,270
Noncurrent receivables	7,596	-	-	-	-	7,596
Advance to other fund	<u>1,213,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,213,832</u>
Subtotal	<u>1,792,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,792,794</u>
Restricted for:						
Debt service	-	-	2,698,414	-	-	2,698,414
Impact fees	-	-	-	-	454,782	454,782
Tourism	-	-	-	-	955,086	955,086
Cemetery	-	-	-	-	385,399	385,399
Public safety	-	-	-	-	13,273	13,273
Capital projects	<u>-</u>	<u>2,748,229</u>	<u>-</u>	<u>2,332,674</u>	<u>1,634,990</u>	<u>6,715,893</u>
Subtotal	<u>-</u>	<u>2,748,229</u>	<u>2,698,414</u>	<u>2,332,674</u>	<u>3,443,530</u>	<u>11,222,847</u>
Committed to:						
Capital projects	-	-	-	-	6,198,640	6,198,640
Assigned to:						
Storm water	-	1,925,592	-	-	-	1,925,592
Unassigned (deficit):	<u>5,881,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,214,473)</u>	<u>4,666,798</u>
Total fund balances	<u>\$ 7,674,065</u>	<u>\$ 4,673,821</u>	<u>\$ 2,698,414</u>	<u>\$ 2,332,674</u>	<u>\$ 8,427,697</u>	<u>\$ 25,806,671</u>

Business-Type Activities

Net investment in capital assets:

Land	\$ 530,387
Construction in progress	3,226,438
Other capital assets, net of accumulated depreciation	75,010,348
Less unspent capital related debt proceeds	(14,931,415)
Plus noncapital debt proceeds	4,353,148
Less unamortized debt premium	<u>(715,912)</u>

Total net investment in capital assets \$ 67,472,994

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>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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, 2023

Postretirement 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>
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
2021	5.1	13.0
2022	7.4	15.0

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 was 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 \$616,326 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.50 %	6.50 %
Protective with Social Security	6.50	12.00
Protective without Social Security	6.50	16.40

City of Pewaukee

Notes to Financial Statements
December 31, 2023

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

At December 31, 2023, the City reported a liability of \$2,646,810 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. 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 liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.04996147%, which was an increase of 0.00252079% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense (revenue) of \$1,245,829.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 4,215,549	\$ 5,538,285
Changes in assumptions	520,472	-
Net differences between projected and actual earnings on pension plan investments	4,496,320	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,151	52,453
Employer contributions subsequent to the measurement date	<u>712,841</u>	<u>-</u>
Total	<u>\$ 9,955,333</u>	<u>\$ 5,590,738</u>

\$712,841 reported as deferred outflows of resources 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2024	\$ 144,542
2025	752,718
2026	769,714
2027	1,984,780

City of Pewaukee

Notes to Financial Statements
December 31, 2023

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

** No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

City of Pewaukee

Notes to Financial Statements
December 31, 2023

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:

Asset Allocation Targets and Expected Returns* as of December 31, 2022

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	48	7.6	5
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
Variable Fund Asset			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

* Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

** New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.5%

*** The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

City of Pewaukee

Notes to Financial Statements
December 31, 2023

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (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, 2022. 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 6.8% expected rate of return implies that a dividend of approximately 1.7% 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.

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 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
City's proportionate share of the net pension liability (asset)	\$ 8,784,678	\$ 2,646,810	\$ (1,575,515)

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, 2023, the City reported a payable to the pension plan of \$140,256, 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.

City of Pewaukee

Notes to Financial Statements
December 31, 2023

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, 2023. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

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 \$871,795 in 2023.

Financial information of the library as of December 31, 2023 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. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*

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, 2023

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Taxes	\$ 9,736,431	\$ 9,793,818	\$ 57,387
Intergovernmental	1,451,726	1,621,928	170,202
Regulation and compliance	1,832,410	1,248,298	(584,112)
Charges for services	4,222,942	4,358,744	135,802
Interest income	118,100	1,712,224	1,594,124
Miscellaneous	114,600	148,315	33,715
	<u>17,476,209</u>	<u>18,883,327</u>	<u>1,407,118</u>
Total revenues			
Expenditures			
Current:			
General government	2,720,957	2,495,205	225,752
Public safety	10,096,582	9,745,360	351,222
Public works	3,179,329	2,945,369	233,960
Culture and recreation	2,520,849	2,474,453	46,396
Capital outlay	31,000	24,807	6,193
	<u>18,548,717</u>	<u>17,685,194</u>	<u>863,523</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(1,072,508)</u>	<u>1,198,133</u>	<u>2,270,641</u>
Other Financing Sources (Uses)			
Transfers in	580,000	470,222	(109,778)
Transfers out	<u>(983,652)</u>	<u>(983,652)</u>	<u>-</u>
Total other financing sources (uses)	<u>(403,652)</u>	<u>(513,430)</u>	<u>(109,778)</u>
Net change in fund balance	<u>\$ (1,476,160)</u>	684,703	<u>\$ 2,160,863</u>
Fund Balance, Beginning		<u>6,989,362</u>	
Fund Balance, Ending		<u>\$ 7,674,065</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Intergovernmental charges for services	\$ 20,000	\$ 34,428	\$ 14,428
Licenses and permits	200	-	(200)
Public charges for services	1,618,000	1,654,214	36,214
Investment income	1,400	378	(1,022)
Miscellaneous revenues	50,000	73,401	23,401
	<u>1,689,600</u>	<u>1,762,421</u>	<u>72,821</u>
Total revenues			
Expenditures			
Current:			
Public works	1,092,285	729,324	362,961
Capital outlay	5,650,000	2,456,379	3,193,621
	<u>6,742,285</u>	<u>3,185,703</u>	<u>3,556,582</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(5,052,685)</u>	<u>(1,423,282)</u>	<u>3,629,403</u>
Other Financing Sources (Uses)			
Transfers in	65,072	65,072	-
Transfers out	<u>(746,302)</u>	<u>(437,552)</u>	<u>308,750</u>
Total other financing sources (uses)	<u>(681,230)</u>	<u>(372,480)</u>	<u>308,750</u>
Net change in fund balance	<u>\$ (5,733,915)</u>	<u>(1,795,762)</u>	<u>\$ 3,938,153</u>
Fund Balance, Beginning		<u>6,469,583</u>	
Fund Balance, Ending		<u>\$ 4,673,821</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, 2023

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%
12/31/21	0.04744068%	(3,823,806)	6,435,329	-59.42%	106.02%
12/31/22	0.04996147%	2,646,810	6,775,317	39.07%	95.72%

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2023

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%
12/31/22	619,420	619,420	-	6,775,317	9.63%
12/31/23	712,841	712,841	-	7,066,793	10.09%

See notes to required supplementary information

City of Pewaukee

Notes to Required Supplementary Information
Year Ended December 31, 2023

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. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

City of Pewaukee

Combining Balance Sheet -
 Nonmajor Governmental Funds
 December 31, 2023

	Special Revenue Funds					Capital Project Funds			Permanent Fund	Total Governmental Funds	
	Impact Fee	Tourism and Convention	Public Safety Grants	American Rescue Plan	Cemetery	Bike Path	City Hall Remodel	DPW Building	Capital Equipment		Cemetery Perpetual Care
Assets											
Cash and Investments	\$ 454,782	\$ 955,830	\$ 14,413	\$ 1,531,336	\$ 288,753	\$ 652,703	\$ 983,892	\$ -	\$ 6,458,700	\$ 96,909	\$ 11,437,318
Receivables (net):											
Taxes	-	-	-	-	35,000	-	-	-	450,000	-	485,000
Total assets	<u>\$ 454,782</u>	<u>\$ 955,830</u>	<u>\$ 14,413</u>	<u>\$ 1,531,336</u>	<u>\$ 323,753</u>	<u>\$ 652,703</u>	<u>\$ 983,892</u>	<u>\$ -</u>	<u>\$ 6,908,700</u>	<u>\$ 96,909</u>	<u>\$ 11,922,318</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)											
Liabilities											
Accounts payable	\$ -	\$ 744	\$ 1,140	\$ -	\$ 263	\$ 1,605	\$ -	\$ 641	\$ 610	\$ -	\$ 5,003
Advance to other fund	-	-	-	-	-	-	-	1,213,832	-	-	1,213,832
Unearned revenues	-	-	-	1,531,336	-	-	-	-	-	-	1,531,336
Total liabilities	<u>-</u>	<u>744</u>	<u>1,140</u>	<u>1,531,336</u>	<u>263</u>	<u>1,605</u>	<u>-</u>	<u>1,214,473</u>	<u>610</u>	<u>-</u>	<u>2,750,171</u>
Deferred Inflows of Resources											
Unearned revenues	-	-	-	-	35,000	-	-	-	709,450	-	744,450
Fund Balances (Deficit)											
Restricted	454,782	955,086	13,273	-	288,490	651,098	983,892	-	-	96,909	3,443,530
Committed	-	-	-	-	-	-	-	-	6,198,640	-	6,198,640
Unassigned (deficit)	-	-	-	-	-	-	-	(1,214,473)	-	-	(1,214,473)
Total fund balances (deficit)	<u>454,782</u>	<u>955,086</u>	<u>13,273</u>	<u>-</u>	<u>288,490</u>	<u>651,098</u>	<u>983,892</u>	<u>(1,214,473)</u>	<u>6,198,640</u>	<u>96,909</u>	<u>8,427,697</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 454,782</u>	<u>\$ 955,830</u>	<u>\$ 14,413</u>	<u>\$ 1,531,336</u>	<u>\$ 323,753</u>	<u>\$ 652,703</u>	<u>\$ 983,892</u>	<u>\$ -</u>	<u>\$ 6,908,700</u>	<u>\$ 96,909</u>	<u>\$ 11,922,318</u>

City of Pewaukee

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2023

	Special Revenue Funds					Capital Project Funds			Permanent Fund	Total Governmental Funds	
	Impact Fees	Tourism and Convention	Public Safety Grants	American Rescue Plan	Cemetery	Bike Path	City Hall Remodel	DPW Building	Capital Equipment		Cemetery Perpetual Care
Revenues											
Taxes	\$ -	\$ 626,277	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 711,277
Intergovernmental	-	-	12,195	70	-	-	-	-	51,178	-	63,443
Public charges for services	79,851	-	-	-	16,387	-	-	-	-	7,288	103,526
Investment income	13,567	-	-	-	-	-	-	-	-	1,645	15,212
Miscellaneous revenues	-	-	-	-	-	-	-	-	30,336	-	30,336
Total revenues	93,418	626,277	12,195	70	51,387	-	-	-	131,514	8,933	923,794
Expenditures											
Current:											
General government	-	-	-	70	-	-	-	-	-	-	70
Public safety	-	-	25,041	-	-	-	-	-	-	-	25,041
Health and human services	-	-	-	-	7,290	-	-	-	-	-	7,290
Conservation and development	-	385,178	-	-	-	-	-	-	-	-	385,178
Capital outlay	-	63,949	-	-	273,605	9,177	6,251	2,307,409	1,267,801	-	3,928,192
Total expenditures	-	449,127	25,041	70	280,895	9,177	6,251	2,307,409	1,267,801	-	4,345,771
Excess (deficiency) of revenues over expenditures	93,418	177,150	(12,846)	-	(229,508)	(9,177)	(6,251)	(2,307,409)	(1,136,287)	8,933	(3,421,977)
Other Financing Sources (Uses)											
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	82,675	-	82,675
Transfers in	-	-	-	-	-	-	-	-	919,000	-	919,000
Transfers out	-	(20,000)	-	-	(420)	-	-	-	-	-	(20,420)
Total other financing sources (uses)	-	(20,000)	-	-	(420)	-	-	-	1,001,675	-	981,255
Net change in fund balances (deficit)	93,418	157,150	(12,846)	-	(229,928)	(9,177)	(6,251)	(2,307,409)	(134,612)	8,933	(2,440,722)
Fund Balances, Beginning	361,364	797,936	26,119	-	518,418	660,275	990,143	1,092,936	6,333,252	87,976	10,868,419
Fund Balances (Deficit), Ending	\$ 454,782	\$ 955,086	\$ 13,273	\$ -	\$ 288,490	\$ 651,098	\$ 983,892	\$ (1,214,473)	\$ 6,198,640	\$ 96,909	\$ 8,427,697