

Village of Pewaukee

Financial Statements and
Supplementary Information

December 31, 2023

Village of Pewaukee

Table of Contents
December 31, 2023

	<u>Page</u>
Independent Auditors' Report	i
Required Supplementary Information	
Management's Discussion and Analysis	iv
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	3
Fund Financial Statements	
Balance Sheet - Governmental Funds	4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Funds	10
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	14
Statement of Cash Flows - Proprietary Funds	16
Statement of Fiduciary Net Position - Fiduciary Funds	20
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	21
Index to Notes to Financial Statements	22
Notes to Financial Statements	23
Required Supplementary Information	
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	56
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System	59
Schedule of Employer Contributions - Wisconsin Retirement System	59
Notes to Required Supplementary Information	60

Village of Pewaukee

Table of Contents
December 31, 2023

	<u>Page</u>
Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	63
Combining Statement of Fiduciary Net Position - Custodial Funds	65
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	66

Independent Auditors' Report

To the Village Board of
Village 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 Village of Pewaukee, Wisconsin (the Village), as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village 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 Village 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 Village'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 Village'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 Village'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village'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

Madison, Wisconsin
June 14, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Pewaukee

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

The management of the Village of Pewaukee offers all persons interested in the financial position of the Village this narrative overview and analysis of the Village's financial performance during the fiscal year ended December 31, 2023. You are invited to read this narrative in conjunction with the Village's financial statements.

Financial Highlights

- The assets and deferred outflows of the Village of Pewaukee exceeded its liabilities and deferred inflows by \$53,140,893 (net position). Of this amount, \$11,864,388 is considered unrestricted, \$3,263,449 is restricted for specific purposes (restricted net position) and \$38,013,056 is the net investment in capital assets.
- The Village's total net position increased by \$1,181,145. Governmental activities net position increased by \$334,994, while business-type net position increased by \$846,151.
- On December 31, 2023, the Village's governmental funds reported combined fund balances of \$6,524,317 a decrease of \$736,057 from 2022. Unassigned fund balance was \$3,421,544.

Overview of the Financial Statements

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

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

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

Village of Pewaukee

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

Government-Wide Statements

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

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

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

Fund Financial Statements

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

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains nine (9) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, general debt service fund, the capital projects fund, and TID No. 3 capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Village of Pewaukee

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

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

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

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

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

Financial Analysis of the Village as a Whole

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

Village of Pewaukee

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

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

Table 1
Condensed Statements of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023*	2022*
Assets:						
Current and other assets	\$ 14,815,093	\$ 16,436,340	\$ 12,636,002	\$ 13,080,724	\$ 27,451,095	\$ 29,517,064
Capital assets	<u>23,759,948</u>	<u>23,433,821</u>	<u>34,265,728</u>	<u>33,326,681</u>	<u>58,025,676</u>	<u>56,760,502</u>
Total assets	<u>38,575,041</u>	<u>39,870,161</u>	<u>46,901,730</u>	<u>46,407,405</u>	<u>85,476,771</u>	<u>86,277,566</u>
Deferred outflows of resources	<u>4,119,523</u>	<u>3,072,338</u>	<u>292,827</u>	<u>361,531</u>	<u>4,412,350</u>	<u>3,433,869</u>
Long-term liabilities	14,422,577	14,140,861	8,863,522	8,975,822	23,286,099	23,116,683
Other liabilities	<u>1,217,094</u>	<u>1,613,235</u>	<u>1,002,183</u>	<u>631,232</u>	<u>2,219,277</u>	<u>2,244,467</u>
Total liabilities	<u>15,639,671</u>	<u>15,754,096</u>	<u>9,865,705</u>	<u>9,607,054</u>	<u>25,505,376</u>	<u>25,361,150</u>
Deferred inflows of resources	<u>8,856,370</u>	<u>9,324,874</u>	<u>2,386,482</u>	<u>3,065,663</u>	<u>11,242,852</u>	<u>12,390,537</u>
Net investment in capital	11,045,764	11,865,602	27,007,187	27,554,697	38,013,056	39,372,946
Restricted	739,923	2,273,659	2,523,526	2,446,643	3,263,449	4,720,302
Unrestricted	<u>6,412,836</u>	<u>3,724,268</u>	<u>5,411,657</u>	<u>4,094,879</u>	<u>11,864,388</u>	<u>7,866,500</u>
Total net position	<u>\$ 18,198,523</u>	<u>\$ 17,863,529</u>	<u>\$ 34,942,370</u>	<u>\$ 34,096,219</u>	<u>\$ 53,140,893</u>	<u>\$ 51,959,748</u>

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

The largest portion of the Village's net position (72%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment and infrastructure), less any debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (22%) may be used to meet the government's ongoing obligation to citizens and creditors.

Village of Pewaukee

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

Table 2
Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 2,261,477	\$ 1,748,828	\$ 4,770,788	\$ 4,211,299	\$ 7,032,265	\$ 5,960,127
Operating grants and contributions	516,876	503,297	-	-	516,876	503,297
Capital grants and contributions	33,486	29,361	54,150	-	87,636	29,361
General revenues:						
Property taxes	5,535,141	5,362,819	-	-	5,535,141	5,362,819
Other taxes	108,689	93,384	-	-	108,689	93,384
Intergovernmental	642,459	323,426	-	-	642,459	323,426
Investment income	490,489	200,518	468,156	246,739	958,645	447,257
Gain on sale of assets	20,523	13,672	-	-	20,523	13,672
Miscellaneous	66,699	88,830	37,360	1,252	104,059	90,082
Total revenues	<u>9,675,839</u>	<u>8,364,135</u>	<u>5,330,454</u>	<u>4,459,290</u>	<u>15,006,293</u>	<u>12,823,425</u>
Expenses						
General government	865,734	1,033,064	-	-	865,734	1,033,064
Public safety	4,924,247	4,078,685	-	-	4,924,247	4,078,685
Health and human services	34,291	37,585	-	-	34,291	37,585
Public works	2,702,515	1,763,409	-	-	2,702,515	1,763,409
Culture, recreation and education	800,044	604,500	-	-	800,044	604,500
Conservation and development	33,301	43,774	-	-	33,301	43,774
Water	-	-	1,532,830	1,440,431	1,532,830	1,440,431
Sewer	-	-	1,984,191	1,856,931	1,984,191	1,856,931
Lakeside Park	-	-	134,375	146,073	134,375	146,073
Transportation	-	-	195,034	167,725	195,034	167,725
Stormwater	-	-	321,364	296,414	321,364	296,414
Interest and fiscal charges	297,222	384,869	-	-	297,222	384,869
Total expenses	<u>9,657,354</u>	<u>7,945,886</u>	<u>4,167,794</u>	<u>3,907,574</u>	<u>13,825,148</u>	<u>11,853,460</u>
Income (loss) before transfers	18,485	418,249	1,162,660	551,716	1,181,145	969,965
Transfers	<u>316,509</u>	<u>69,299</u>	<u>(316,509)</u>	<u>(69,299)</u>	<u>-</u>	<u>-</u>
Increases in net position	334,994	487,548	846,151	482,417	1,181,145	969,965
Beginning Net Position	<u>17,863,529</u>	<u>17,375,981</u>	<u>34,096,219</u>	<u>33,613,802</u>	<u>51,959,748</u>	<u>50,989,783</u>
Ending Net Position	<u>\$ 18,198,523</u>	<u>\$ 17,863,529</u>	<u>\$ 34,942,370</u>	<u>\$ 34,096,219</u>	<u>\$ 53,140,893</u>	<u>\$ 51,959,748</u>

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

Village of Pewaukee

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

Governmental Activities

Governmental activities increased the Village's net position by \$334,994. This is the result of the reconciling items as detailed on page 9 of the financial statements, primarily items capitalized less debt repaid, and the financial results of the general fund, in large part from the growth in investment income.

Business-Type Activities

Net position of the business-type activities increased \$846,151. This was due to the positive financial results of all five enterprise funds in the current year.

Financial Analysis of the Village's Funds

Governmental Funds

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

At December 31, 2023, the Village's governmental funds reported combined fund balances of \$6,524,317. Approximately 52% of this amount, \$3,421,544, constitutes unassigned fund balance, which is available to meet the Village's current and future needs. An additional \$1,453,743 is assigned for specific projects or expenditures. Restricted fund balance is \$1,512,555 and the remaining \$136,475 of fund balance is attributed to nonspendable amounts for prepaid expenditures and long-term receivables.

General Fund

The Village's general fund is the chief operating fund of the Village. Total fund balance in the general fund increased by \$822,917 during 2023. Unassigned fund balance increased by \$601,321. See the following General Fund Budgetary Highlights section for further details.

The Village evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the subsequent year's general fund budget. For 2023, unassigned fund balance is \$3,421,544 and the 2024 general fund expenditure budget is \$8,553,860, resulting in an unassigned fund balance ratio of 40%, the same as the prior four years.

General Debt Service Fund

The Village's debt service fund accounts for the accumulation of resources for and payment of, long-term debt principal, interest and related costs. The entire amount of the fund balance, \$444,989 is restricted for future debt service. Included in this restricted fund balance is \$90,000 received from the Pewaukee Public Library Foundation and \$156,711 from unspent debt proceeds, for a total of \$246,711 to be used for debt service on obligations previously issued to construct the Pewaukee Public Library.

Village of Pewaukee

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

General Capital Projects

The Village's general capital projects fund is used to account for the purchase or construction of major capital items, other than those reported in the other capital project funds. The fund balance is \$368,659, a decrease of \$1,608,736 from the prior year. This was due to the spend-down of debt proceeds issued in the prior year for current year projects.

TID No. 3 Capital Projects Fund

The Village's TID No. 3 capital projects fund is used to account for the accumulation of resources for improvements within the established district as detailed in the project plan. This fund was created during 2021. The current year experienced a \$95,575 loss due to the payment of debt issued for the purchase, additional capital outlay for infrastructure needs, and an increment that is just beginning to increase to pay for these costs.

Nonmajor Governmental Funds

Fund balance of all other governmental funds is \$563,405, of which \$119,183 is restricted for cemetery projects, \$11,168 is restricted for lake patrol purposes, \$370,303 is restricted for TIF projects, \$56,093 is restricted for projects to be funded by ARPA grant funds, and \$6,658 is restricted in the downtown loan fund.

Proprietary Funds

The Village of Pewaukee's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. At December 31, 2023, the Village's proprietary funds reported combined net position of \$34,942,370.

Water Utility

The water utility net position increased \$161,794 or about 1.4% from prior year. Operating revenues decreased \$41,193 or approximately 2.4%. This was due to some residential credits being applied in the current year. Operating expenses increased \$94,873 or approximately 6.9%.

Sewer Utility

The sewer utility net position increased \$294,026 or just under 1.4%. Operating revenues increased \$336,979 or 18.8%. This was the result of fiscal 2023 being the first full year of rates approved during late 2022. Operating expenses increased \$115,187 or approximately 6.4%.

Laimon Family Lakeside Park Fund

The Village created this fund during 2015 upon the acquisition of a marina, a building, property and equipment and is now being used for outdoor recreational purposes. At year end, the fund had \$1,244,638 of net position which was an increase of \$88,915 from the prior year. Operating revenues at year end were \$219,415, \$11,062 more than last year and operating expenses were \$118,896, \$11,004, less than last year.

Transportation Utility

The Village created this utility during 2021 to finance local road improvements. Net position ended the year at \$354,092, an increase of \$227,672.

Village of Pewaukee

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

General Fund Budgetary Highlights

Overall fund balance increased by \$822,917, approximately 19.6% from the prior year. There were no budget amendments made during the year.

Total revenues were \$7,424,066, or \$768,316 more than budget. Additional revenues compared to budget were generated from building permits, ambulance fees, recreational programs, and investment income as the returns on amounts held at the Local Government Investment Pool increased considerably during 2023 compared to recent years.

Total expenditures were \$6,929,043, or \$112,955 under the budgeted amount of \$7,041,998. Significant variances with budgeted expenditures were experienced in the police department.

Capital Assets

At the end of 2023, the Village had invested a total of \$56,760,502 in capital assets. This investment in capital assets includes land, buildings, machinery and equipment, utility plant, construction in progress and infrastructure.

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 6,565,101	\$ 6,565,101	\$ 925,238	\$ 925,238	\$ 7,490,339	\$ 7,490,339
Land improvements	363,924	274,611	569,348	561,448	933,272	836,059
Buildings	9,579,410	10,005,840	136,706	136,706	9,716,116	10,142,546
Machinery and equipment	3,168,106	3,326,025	6,400	6,400	3,174,506	3,332,425
Water plant	-	-	20,470,454	20,495,859	20,470,454	20,495,859
Sewer plant	-	-	27,158,307	26,372,801	27,158,307	26,372,801
Storm water	-	-	1,445,760	1,272,319	1,445,760	1,272,319
Construction in progress	5,102,595	4,290,327	3,278,419	2,473,220	8,381,014	6,763,547
Infrastructure	5,104,678	5,104,678	-	-	5,104,678	5,104,678
Total capital assets	29,883,814	29,566,582	53,990,632	52,243,991	83,874,446	81,810,573
Less accumulated depreciation	(6,123,866)	(6,132,761)	(19,724,904)	(18,917,310)	(25,848,770)	(25,050,071)
Capital assets, net of accumulated depreciation	\$ 23,759,948	\$ 23,433,821	\$ 34,265,728	\$ 33,326,681	\$ 58,025,676	\$ 56,760,502

Significant projects for 2023 include:

- The continued construction of the new public works facility that will be completed in 2024
- Equipment including two Ford Explorers, service weapon replacements for the Police Department, security cameras, a barrier system, and a forklift
- Additional improvements on East Wisconsin related to project close-out/punch list items
- Design work related to a balcony replacement at Lakeside Park
- Design work on well no. 4, Village contributions to the Brookfield Treatment plant capital needs, and several stormwater improvements

See Note 3 for additional information.

Village of Pewaukee

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

Long-Term Debt

At December 31, 2023, the Village and utilities had \$21,540,785 of long-term bonds outstanding. Of this amount, \$12,971,982 are general obligation issues to be repaid by future levies or tax increment.

Total long-term bonds outstanding at December 31, 2023 decreased by a net amount of \$930,576 or 4%.

At the end of the year, the Village was at 32% of its general obligation debt capacity. The prior year was 38%. Excluding general obligation debt to be financed by user charges of the enterprise funds, the debt capacity was 19%.

See Note 3 for additional information.

Currently Known Facts/Economic Conditions

All currently known facts and economic conditions were considered in preparing the 2024 Village budget. None of these conditions are anticipated to change the overall financial position of the Village.

The Village of Pewaukee is located approximately 25 miles west of Milwaukee. The Village has successful business and commercial areas, which continue to see activity and interest. New and continuing development projects of note are: 1) the former St. Mary's Catholic School property is currently under redevelopment into a 46-lot single-family residential development moving a significant portion of the former school property to the property tax rolls; and 2) the former River Hills Nursing Home is now under redevelopment as the "Riverside Preserve" 36-lot single-family subdivision which included the creation of TID #4 to assist with blight elimination; 3) The Westerly Senior Homes project, a 141-unit senior housing continuum of care facility, is under construction at the corner of STH 164 and Swan Road with an anticipated 2025 opening; and 4) the Village is working on the construction of an HMO Treatment Facility for its Well #4 for radium reduction along with undertaking a new well siting project for an eventual replacement for Well #2.

Requests for Information

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

General information relating to the Village of Pewaukee, Wisconsin, can be found at the Village's website, www.villageofpewaukee.com.

Village of Pewaukee

Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 7,317,493	\$ 5,504,739	\$ 12,822,232
Receivables (net):			
Taxes	6,827,802	-	6,827,802
Accounts	161,709	1,148,215	1,309,924
Loans	6,479	-	6,479
Special assessments	1,040	-	1,040
Lease receivable	-	2,172,738	2,172,738
Internal balances	(126,059)	126,059	-
Inventories and prepaid items	136,475	36,123	172,598
Investment in Brookfield Plant (net of amortization)	-	1,124,602	1,124,602
Investment in Pewaukee Public Library	490,154	-	490,154
Restricted assets:	-	-	-
Cash and investments	-	2,523,526	2,523,526
Capital assets (net of accumulated depreciation):			
Land	6,565,101	925,238	7,490,339
Construction in progress	5,102,595	3,278,419	8,381,014
Other capital assets, net of accumulated depreciation	12,092,252	30,062,071	42,154,323
Total assets	<u>38,575,041</u>	<u>46,901,730</u>	<u>85,476,771</u>
Deferred Outflows of Resources			
Deferred charge on refunding	4,663	-	4,663
Pension related amount	4,114,860	292,827	4,407,687
Total deferred outflows of resources	<u>4,119,523</u>	<u>292,827</u>	<u>4,412,350</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	482,427	805,387	1,287,814
Accrued liabilities and deposits	281,565	152,067	433,632
Unearned revenue	453,102	44,729	497,831
Noncurrent liabilities:			
Net pension liability	1,092,450	76,020	1,168,470
Due within one year	979,069	470,707	1,449,776
Due in more than one year	12,351,058	8,316,795	20,667,853
Total liabilities	<u>15,639,671</u>	<u>9,865,705</u>	<u>25,505,376</u>
Deferred Inflows of Resources			
Pension related amounts	2,257,642	213,744	2,471,386
Unearned revenues	6,598,728	-	6,598,728
Lease related amounts	-	2,172,738	2,172,738
Total deferred inflows of resources	<u>8,856,370</u>	<u>2,386,482</u>	<u>11,242,852</u>

See notes to financial statements

Village of Pewaukee

Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Net Position			
Net investment in capital assets	\$ 11,045,764	\$ 27,007,187	\$ 38,013,056
Restricted for:			
Debt service	90,630	-	90,630
Equipment replacement	-	2,523,526	2,523,526
TIF activities	502,441	-	502,441
Park maintenance	3,364	-	3,364
Cemetery	119,183	-	119,183
Loans	13,137	-	13,137
Lake patrol	11,168	-	11,168
Unrestricted	<u>6,412,836</u>	<u>5,411,657</u>	<u>11,864,388</u>
Total net position	<u>\$ 18,198,523</u>	<u>\$ 34,942,370</u>	<u>\$ 53,140,893</u>

See notes to financial statements

Village of Pewaukee

Statement of Activities

Year Ended December 31, 2023

Functions/Programs	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
Governmental activities:							
General government	\$ 865,734	\$ 176,372	\$ -	\$ -	\$ (689,362)	\$ -	\$ (689,362)
Public safety	4,924,247	1,565,343	151,765	-	(3,207,139)	-	(3,207,139)
Public works	2,702,515	309,758	365,111	5,911	(2,021,735)	-	(2,021,735)
Health and human services	34,291	50,414	-	-	16,123	-	16,123
Culture, recreation and education	800,044	159,590	-	27,575	(612,879)	-	(612,879)
Conservation and development	33,301	-	-	-	(33,301)	-	(33,301)
Interest and fiscal charges	297,222	-	-	-	(297,222)	-	(297,222)
Total governmental activities	<u>9,657,354</u>	<u>2,261,477</u>	<u>516,876</u>	<u>33,486</u>	<u>(6,845,515)</u>	<u>-</u>	<u>(6,845,515)</u>
Business-type activities:							
Water	1,532,830	1,678,822	-	-	-	145,992	145,992
Sewer	1,984,191	2,128,822	-	-	-	144,631	144,631
Lakeside park	134,375	219,415	-	-	-	85,040	85,040
Transportation	195,034	415,136	-	-	-	220,102	220,102
Stormwater	321,364	328,593	-	54,150	-	61,379	61,379
Total business-type activities	<u>4,167,794</u>	<u>4,770,788</u>	<u>-</u>	<u>54,150</u>	<u>-</u>	<u>657,144</u>	<u>657,144</u>
Total	<u>\$ 13,825,148</u>	<u>\$ 7,032,265</u>	<u>\$ 516,876</u>	<u>\$ 87,636</u>	<u>(6,845,515)</u>	<u>657,144</u>	<u>(6,188,371)</u>
General Revenues							
Taxes:							
Property taxes, levied for general purposes					4,018,344	-	4,018,344
Property taxes, levied for debt service					1,324,089	-	1,324,089
Property taxes, levied for tax increment financing districts					192,708	-	192,708
Other taxes					108,689	-	108,689
Intergovernmental revenues not restricted to specific programs					642,459	-	642,459
Investment income					490,489	468,156	958,645
Gain on sale of assets					20,523	-	20,523
Miscellaneous					66,699	37,360	104,059
Total general revenues					<u>6,864,000</u>	<u>505,516</u>	<u>7,369,516</u>
Transfers					<u>316,509</u>	<u>(316,509)</u>	<u>-</u>
Total general revenues and transfers					<u>7,180,509</u>	<u>189,007</u>	<u>7,369,516</u>
Change in net position					334,994	846,151	1,181,145
Net Position, Beginning					<u>17,863,529</u>	<u>34,096,219</u>	<u>51,959,748</u>
Net Position, Ending					<u>\$ 18,198,523</u>	<u>\$ 34,942,370</u>	<u>\$ 53,140,893</u>

See notes to financial statements

Village of Pewaukee

Balance Sheet -
Governmental Funds
December 31, 2023

	<u>General Fund</u>	<u>General Debt Service</u>	<u>Capital Projects Fund</u>	<u>TID No. 3</u>
Assets				
Cash and investments	\$ 4,995,421	\$ 445,147	\$ 676,264	\$ 132,138
Receivables:				
Taxes	5,427,401	1,185,005	-	80,224
Accounts	148,171	-	13,538	-
Loans	-	-	-	-
Special assessments	-	-	1,040	-
Prepaid items	<u>136,475</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 10,707,468</u>	<u>\$ 1,630,152</u>	<u>\$ 690,842</u>	<u>\$ 212,362</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 109,110	\$ 158	\$ 321,143	\$ -
Accrued liabilities	104,278	-	-	-
Due to other funds	126,059	-	-	-
Deposits	49,390	-	-	-
Other current liabilities	20,249	-	-	-
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>409,086</u>	<u>158</u>	<u>321,143</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	5,198,327	1,185,005	-	80,224
Unavailable revenue	<u>84,929</u>	<u>-</u>	<u>1,040</u>	<u>-</u>
Total deferred inflows of resources	<u>5,283,256</u>	<u>1,185,005</u>	<u>1,040</u>	<u>80,224</u>
Fund Balances				
Nonspendable	136,475	-	-	-
Restricted	3,364	444,989	368,659	132,138
Assigned	1,453,743	-	-	-
Unassigned	<u>3,421,544</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>5,015,126</u>	<u>444,989</u>	<u>368,659</u>	<u>132,138</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 10,707,468</u>	<u>\$ 1,630,152</u>	<u>\$ 690,842</u>	<u>\$ 212,362</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 1,068,523	\$ 7,317,493
135,172	6,827,802
-	161,709
6,479	6,479
-	1,040
-	136,475
<u>\$ 1,210,174</u>	<u>\$ 14,450,998</u>

\$ 52,016	\$ 482,427
-	104,278
-	126,059
-	49,390
-	20,249
<u>453,102</u>	<u>453,102</u>
<u>505,118</u>	<u>1,235,505</u>

135,172	6,598,728
<u>6,479</u>	<u>92,448</u>
<u>141,651</u>	<u>6,691,176</u>

-	136,475
563,405	1,512,555
-	1,453,743
-	<u>3,421,544</u>
<u>563,405</u>	<u>6,524,317</u>

<u>\$ 1,210,174</u>	<u>\$ 14,450,998</u>
---------------------	----------------------

Village of Pewaukee

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

Total Fund Balances, Governmental Funds	\$ 6,524,317
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.	
Land and right of way	6,565,101
Construction in progress	5,102,595
Other capital assets	18,216,118
Less accumulated depreciation	(6,123,866)
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. See Note 3.	92,448
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(1,092,450)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	4,114,860
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(2,257,642)
The Village's investment in the library joint venture is not a financial resource and, therefore, is not reported in the fund statements.	490,154
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(12,971,982)
Compensated absences	(40,841)
Accrued interest	(107,648)
Unamortized debt premium	(317,304)
A deferred charge on refunding represents a consumption of net assets that applies to a future period and, therefore, is not reported in the funds.	<u>4,663</u>
Net Position of Governmental Activities	<u><u>\$ 18,198,523</u></u>

See notes to financial statements

Village of Pewaukee

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

	<u>General Fund</u>	<u>General Debt Service</u>	<u>Capital Projects Fund</u>	<u>TID No. 3</u>
Revenues				
Taxes	\$ 4,127,033	\$ 1,324,089	\$ -	\$ 14,483
Intergovernmental	708,670	-	27,075	-
Licenses and permits	432,679	-	-	-
Fines, forfeitures and penalties	165,061	-	-	-
Public charges for services	1,528,844	-	-	-
Special assessments	-	-	2,038	-
Investment income	405,003	8,225	23,605	610
Miscellaneous revenues	56,776	-	500	-
	<u>7,424,066</u>	<u>1,332,314</u>	<u>53,218</u>	<u>15,093</u>
Total revenues				
Expenditures				
Current:				
General government	839,986	-	-	1,050
Public safety	4,311,823	-	-	-
Public works	987,045	-	-	-
Health and human services	4,043	-	-	-
Culture, recreation and education	680,546	-	-	-
Conservation and development	32,292	-	-	150
Capital outlay	73,308	-	1,950,089	62,553
Debt service:				
Principal	-	1,039,539	-	-
Interest and fiscal charges	-	285,645	-	46,915
	<u>6,929,043</u>	<u>1,325,184</u>	<u>1,950,089</u>	<u>110,668</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>495,023</u>	<u>7,130</u>	<u>(1,896,871)</u>	<u>(95,575)</u>
Other Financing Sources (Uses)				
Debt issued	-	-	288,135	-
Sales of capital assets	20,523	-	-	-
Transfers out	(9,138)	-	-	-
Transfers in	316,509	-	-	-
	<u>327,894</u>	<u>-</u>	<u>288,135</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances	822,917	7,130	(1,608,736)	(95,575)
Fund Balances, Beginning	<u>4,192,209</u>	<u>437,859</u>	<u>1,977,395</u>	<u>227,713</u>
Fund Balances, Ending	<u>\$ 5,015,126</u>	<u>\$ 444,989</u>	<u>\$ 368,659</u>	<u>\$ 132,138</u>

See notes to financial statements

Nonmajor Governmental Funds		Total	
\$	178,225	\$	5,643,830
	441,527		1,177,272
	-		432,679
	-		165,061
	52,034		1,580,878
	-		2,038
	52,954		490,397
	16,113		73,389
	<u>740,853</u>		<u>9,565,544</u>
	352,582		1,193,618
	87,418		4,399,241
	-		987,045
	30,248		34,291
	-		680,546
	1,699		34,141
	108,410		2,194,360
	16,909		1,056,448
	14,518		347,078
	<u>611,784</u>		<u>10,926,768</u>
	<u>129,069</u>		<u>(1,361,224)</u>
	-		288,135
	-		20,523
	-		(9,138)
	9,138		325,647
	<u>9,138</u>		<u>625,167</u>
	138,207		(736,057)
	425,198		7,260,374
\$	<u>563,405</u>	\$	<u>6,524,317</u>

See notes to financial statements

Village of Pewaukee

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2023

Net Change in Fund Balances, Total Governmental Funds \$ (736,057)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,194,360
Some items reported as capital outlay were not capitalized	(1,094,673)
Depreciation is reported in the government-wide financial statements	(546,297)
Net book value of assets retired	(227,263)

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.

80,634

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Debt issued	(288,135)
Principal repaid	1,056,448

Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. However, in the Statement of Net Position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the Statement of Activities and are reported as interest expense.

Amortization of debt premium	45,825
Amortization of loss on refunding	(9,600)

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	(3,404)
Accrued interest on debt	13,631
Net pension asset/liability	(2,670,672)
Deferred outflows of resources related to pensions	1,056,785
Deferred inflows of resources related to pensions	1,442,027

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.

21,385

Change in Net Position of Governmental Activities \$ 334,994

Village 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>Laimon Family Lakeside Park Fund</u>	<u>Transportation Fund</u>
Assets				
Current assets:				
Cash and investments	\$ 1,868,643	\$ 2,937,361	\$ 340,491	\$ 317,904
Accounts receivable	400,631	542,987	-	110,497
Due from other funds	50,257	60,998	-	6,516
Lease receivable	127,682	-	9,739	-
Materials and supplies	25,940	-	-	-
Prepayments	-	10,183	-	-
Total current assets	<u>2,473,153</u>	<u>3,551,529</u>	<u>350,230</u>	<u>434,917</u>
Noncurrent assets:				
Restricted assets:				
Equipment replacement	-	2,523,526	-	-
Capital assets:				
Land	10,742	250	914,246	-
Construction work in progress	205,786	1,722,174	10,955	1,339,504
Land improvements	-	-	569,348	-
Buildings and improvements	-	-	136,706	-
Machinery, equipment and furnishings	-	-	6,400	-
Plant in service	20,470,454	27,158,307	-	-
Less accumulated depreciation	(8,516,858)	(10,378,642)	(304,216)	-
Other assets:				
Investment in Brookfield plant	-	6,192,698	-	-
Less accumulated amortization	-	(5,068,096)	-	-
Lease receivable	<u>2,035,317</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>14,205,441</u>	<u>22,150,217</u>	<u>1,333,439</u>	<u>1,339,504</u>
Total assets	<u>16,678,594</u>	<u>25,701,746</u>	<u>1,683,669</u>	<u>1,774,421</u>
Deferred Outflows of Resources				
Pension related items	<u>147,350</u>	<u>145,477</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>147,350</u>	<u>145,477</u>	<u>-</u>	<u>-</u>

See notes to financial statements

**Business-Type Activities -
Enterprise Funds**

Nonmajor Enterprise Fund - Stormwater Utility	Total
--	--------------

\$ 40,340	\$ 5,504,739
94,100	1,148,215
8,288	126,059
-	137,421
-	25,940
-	10,183
<u>142,728</u>	<u>6,952,557</u>

-	2,523,526
---	-----------

-	925,238
---	---------

-	3,278,419
---	-----------

-	569,348
---	---------

-	136,706
---	---------

-	6,400
---	-------

1,445,760	49,074,521
-----------	------------

(525,188)	(19,724,904)
-----------	--------------

-	6,192,698
---	-----------

-	(5,068,096)
---	-------------

-	2,035,317
---	-----------

<u>920,572</u>	<u>39,949,173</u>
----------------	-------------------

<u>1,063,300</u>	<u>46,901,730</u>
------------------	-------------------

<u>-</u>	<u>292,827</u>
----------	----------------

<u>-</u>	<u>292,827</u>
----------	----------------

Village of Pewaukee

Statement of Net Position -
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Laimon Family Lakeside Park Fund	Transportation Fund
Liabilities				
Current liabilities:				
Accounts payable	\$ 113,838	\$ 625,704	\$ 1,058	\$ 64,377
Accrued wages	13,184	8,843	-	2,663
Accrued interest	20,269	26,878	11,469	10,233
Unearned revenue	-	-	27,315	-
General obligation debt	195,000	180,000	25,707	50,000
Deposits	47,261	-	8,200	-
Total current liabilities	<u>389,552</u>	<u>841,425</u>	<u>73,749</u>	<u>127,273</u>
Noncurrent liabilities:				
Long-term debt:				
General obligation debt	2,752,916	3,465,000	355,543	1,240,000
Unamortized premium	46,724	115,609	-	53,056
Net pension liability	41,478	34,542	-	-
Total noncurrent liabilities	<u>2,841,118</u>	<u>3,615,151</u>	<u>355,543</u>	<u>1,293,056</u>
Total liabilities	<u>3,230,670</u>	<u>4,456,576</u>	<u>429,292</u>	<u>1,420,329</u>
Deferred Inflows of Resources				
Pension related items	121,596	92,148	-	-
Deferred inflow, leases	2,162,999	-	9,739	-
Total deferred inflows of resources	<u>2,284,595</u>	<u>92,148</u>	<u>9,739</u>	<u>-</u>
Net Position				
Net investment in capital assets	9,776,442	15,605,647	952,189	36,944
Restricted for:				
Replacement of equipment and capital assets	-	2,523,526	-	-
Unrestricted	1,534,237	3,169,326	292,449	317,148
Total net position	<u>\$ 11,310,679</u>	<u>\$ 21,298,499</u>	<u>\$ 1,244,638</u>	<u>\$ 354,092</u>

See notes to financial statements

Business-Type Activities - Enterprise Funds	
Nonmajor Enterprise Fund - Stormwater Utility	Total
\$ 410	\$ 805,387
2,134	26,824
933	69,782
17,414	44,729
20,000	470,707
-	55,461
<u>40,891</u>	<u>1,472,890</u>
284,637	8,098,096
3,310	218,699
-	76,020
<u>287,947</u>	<u>8,392,815</u>
<u>328,838</u>	<u>9,865,705</u>
-	213,744
-	2,172,738
-	2,386,482
635,965	27,007,187
-	2,523,526
<u>98,497</u>	<u>5,411,657</u>
<u>\$ 734,462</u>	<u>\$ 34,942,370</u>

See notes to financial statements

Village of Pewaukee

Statement of Revenues, Expenses and Changes in Net Position -
 Proprietary Funds
 Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Laimon Family Lakeside Park Fund</u>	<u>Transportation Fund</u>
Operating Revenues				
Charges for services	\$ 1,556,275	\$ 2,128,822	\$ 219,415	\$ 415,136
Other operating revenue	<u>122,547</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>1,678,822</u>	<u>2,128,822</u>	<u>219,415</u>	<u>415,136</u>
Operating Expenses				
Operation and maintenance	952,905	1,256,034	98,476	158,612
Depreciation	516,392	415,396	20,420	-
Amortization	<u>-</u>	<u>230,368</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,469,297</u>	<u>1,901,798</u>	<u>118,896</u>	<u>158,612</u>
Operating income	<u>209,525</u>	<u>227,024</u>	<u>100,519</u>	<u>256,524</u>
Nonoperating Revenues (Expenses)				
Investment income	196,302	266,502	3,875	1,427
Miscellaneous revenues	-	-	-	1
Interest expense	(63,533)	(82,393)	(15,479)	(36,422)
Amortization of premium	<u>5,589</u>	<u>13,313</u>	<u>-</u>	<u>6,142</u>
Total nonoperating revenues (expenses)	<u>138,358</u>	<u>197,422</u>	<u>(11,604)</u>	<u>(28,852)</u>
Income before contributions and transfers	<u>347,883</u>	<u>424,446</u>	<u>88,915</u>	<u>227,672</u>
Contributions and Transfers				
Capital contributions	-	-	-	-
Transfers, tax equivalent	(186,089)	-	-	-
Transfers out	<u>-</u>	<u>(130,420)</u>	<u>-</u>	<u>-</u>
Total contributions and transfers	<u>(186,089)</u>	<u>(130,420)</u>	<u>-</u>	<u>-</u>
Change in net position	161,794	294,026	88,915	227,672
Net Position, Beginning	<u>11,148,885</u>	<u>21,004,473</u>	<u>1,155,723</u>	<u>126,420</u>
Net Position, Ending	<u>\$ 11,310,679</u>	<u>\$ 21,298,499</u>	<u>\$ 1,244,638</u>	<u>\$ 354,092</u>

See notes to financial statements

Business-Type Activities - Enterprise Funds	
Nonmajor Enterprise Fund - Stormwater Utility	Total
\$ 328,593	\$ 4,648,241
-	122,547
<u>328,593</u>	<u>4,770,788</u>
261,985	2,728,012
55,979	1,008,187
-	230,368
<u>317,964</u>	<u>3,966,567</u>
<u>10,629</u>	<u>804,221</u>
50	468,156
11,302	11,303
(3,400)	(201,227)
<u>1,013</u>	<u>26,057</u>
<u>8,965</u>	<u>304,289</u>
<u>19,594</u>	<u>1,108,510</u>
54,150	54,150
-	(186,089)
-	(130,420)
<u>54,150</u>	<u>(262,359)</u>
73,744	846,151
<u>660,718</u>	<u>34,096,219</u>
<u>\$ 734,462</u>	<u>\$ 34,942,370</u>

See notes to financial statements

Village of Pewaukee

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

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Laimon Family Lakeside Park Fund	Transportation Fund
Cash Flows From Operating Activities				
Received from customers	\$ 1,350,582	\$ 2,016,358	\$ 219,415	\$ 355,849
Received from municipality	364,519	-	-	-
Customer deposits	-	-	9,384	-
Paid to suppliers for goods and services	(549,062)	(739,694)	(99,228)	(108,994)
Paid to employees for services	(312,664)	(177,467)	(1,850)	(123,529)
Net cash flows from operating activities	<u>853,375</u>	<u>1,099,197</u>	<u>127,721</u>	<u>123,326</u>
Cash Flows From Investing Activities				
Investment income	196,302	266,502	3,875	1,428
Net cash flows from investing activities	<u>196,302</u>	<u>266,502</u>	<u>3,875</u>	<u>1,428</u>
Cash Flows From Noncapital Financing Activities				
Paid to municipality for tax equivalent Transfers	(186,089)	-	-	-
	-	(130,420)	-	-
Net cash flows from noncapital financing activities	<u>(186,089)</u>	<u>(130,420)</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities				
Debt issued	217,916	-	-	-
Debt retired	(190,000)	(220,000)	(24,816)	(90,000)
Interest paid	(65,716)	(83,992)	(16,192)	(31,600)
Acquisition and construction of capital assets	(335,011)	(1,168,613)	(18,855)	(205,956)
Capital contributions received	-	-	-	-
Net cash flows from capital and related financing activities	<u>(372,811)</u>	<u>(1,472,605)</u>	<u>(59,863)</u>	<u>(327,556)</u>
Net change in cash and cash equivalents	490,777	(237,326)	71,733	(202,802)
Cash and Cash Equivalents, Beginning	<u>1,377,866</u>	<u>5,698,213</u>	<u>268,758</u>	<u>520,706</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,868,643</u>	<u>\$ 5,460,887</u>	<u>\$ 340,491</u>	<u>\$ 317,904</u>

See notes to financial statements

**Business-Type Activities -
Enterprise Funds**

<u>Nonmajor Enterprise Fund - Stormwater Utility</u>	<u>Total</u>
\$ 329,529	\$ 4,271,733
-	364,519
-	9,384
(159,461)	(1,656,439)
<u>(138,370)</u>	<u>(753,880)</u>
31,698	2,235,317
50	468,157
50	468,157
-	(186,089)
<u>-</u>	<u>(130,420)</u>
-	(316,509)
164,637	382,553
(20,000)	(544,816)
(3,000)	(200,500)
(187,195)	(1,915,630)
<u>54,150</u>	<u>54,150</u>
8,592	(2,224,243)
40,340	162,722
-	7,865,543
<u>\$ 40,340</u>	<u>\$ 8,028,265</u>

See notes to financial statements

Village of Pewaukee

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

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Laimon Family Lakeside Park Fund</u>	<u>Transportation Fund</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities				
Operating income	\$ 209,525	\$ 227,024	\$ 100,519	\$ 256,524
Nonoperating revenue	-	-	-	-
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	516,392	415,396	20,420	-
Depreciation charged to other funds	31,797	-	-	-
Other operating amortization expenses	-	230,368	-	-
Changes in assets and liabilities:				
Customer accounts receivable	8,478	(51,466)	36,972	(52,771)
Due from village	(50,257)	(60,998)	-	(6,516)
Prepayments	8,676	1,942	1,275	833
Accounts payable	42,398	191,992	(3,877)	(75,703)
Other current liabilities	5,575	-	-	959
Due from other funds	109	79,401	-	-
Pension related deferrals and liabilities	34,421	61,283	-	-
Customer deposits	46,261	-	9,384	-
Other accounts receivable	401,445	4,255	-	-
Deferred inflow of resources	(401,445)	-	(36,972)	-
Net cash flows from operating activities	<u>\$ 853,375</u>	<u>\$ 1,099,197</u>	<u>\$ 127,721</u>	<u>\$ 123,326</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds				
Cash and investments	\$ 1,868,643	\$ 2,937,361	\$ 340,491	\$ 317,904
Equipment replacement	-	2,523,526	-	-
Cash and cash equivalents	<u>\$ 1,868,643</u>	<u>\$ 5,460,887</u>	<u>\$ 340,491</u>	<u>\$ 317,904</u>
Noncash Capital and Related Financing Activities				
Amortization of premiums	<u>\$ 5,589</u>	<u>\$ (217,055)</u>	<u>\$ -</u>	<u>\$ 6,142</u>

See notes to financial statements

**Business-Type Activities -
Enterprise Funds**

Nonmajor Enterprise Fund - Stormwater Utility		Total	
\$	10,629	\$	804,221
	11,302		11,302
	55,979		1,008,187
	-		31,797
	-		230,368
	(19,492)		(78,279)
	(8,288)		(126,059)
	1,563		14,289
	(12,103)		142,707
	-		6,534
	(26,064)		53,446
	-		95,704
	-		55,645
	758		406,458
	17,414		(421,003)
<u>\$</u>	<u>31,698</u>	<u>\$</u>	<u>2,235,317</u>
\$	40,340	\$	5,504,739
	-		2,523,526
<u>\$</u>	<u>40,340</u>	<u>\$</u>	<u>8,028,265</u>
<u>\$</u>	<u>1,013</u>	<u>\$</u>	<u>-</u>

Village of Pewaukee

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

	Custodial Funds
Assets	
Cash and investments	\$ 3,963,829
Taxes receivable	7,789,544
Prepaid items	1,461
Customer accounts receivable	<u>1,675</u>
Total assets	<u>11,756,509</u>
Liabilities	
Accounts payable	26,322
Accrued liabilities	23,613
Due to other governments	<u>11,414,612</u>
Total liabilities	<u>11,464,547</u>
Net Position	
Restricted	<u>291,962</u>
Total net position	<u><u>\$ 291,962</u></u>

See notes to financial statements

Village of Pewaukee

Statement of Changes in Fiduciary Net Position -
Fiduciary Funds
Year Ended December 31, 2023

	Custodial Funds
Additions	
Intergovernmental	\$ 1,249,781
Fines	8,681
Donations	85,345
Investment income	1,202
Other miscellaneous	7,251
Property taxes collected for other governments	<u>8,601,566</u>
Total additions	<u>9,953,826</u>
Deductions	
Library activities	1,253,917
Property taxes collected for other governments	8,601,566
Capital outlay	<u>66,109</u>
Total deductions	<u>9,921,592</u>
Change in fiduciary net position	32,234
Net Position, Beginning	<u>259,728</u>
Net Position, Ending	<u><u>\$ 291,962</u></u>

See notes to financial statements

Village of Pewaukee

Index to Notes to Financial Statements

December 31, 2023

	<u>Page</u>
1. Summary of Significant Accounting Policies	23
Reporting Entity	23
Government-Wide and Fund Financial Statements	23
Measurement Focus, Basis of Accounting and Financial Statement Presentation	25
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	27
Deposits and Investments	27
Receivables	28
Inventories and Prepaid Items	28
Restricted Assets	29
Capital Assets	29
Other Assets	29
Deferred Outflows of Resources	30
Compensated Absences	30
Long-Term Obligations/Conduit Debt	30
Leases	30
Deferred Inflows of Resources	30
Equity Classifications	31
Pension	32
Basis for Existing Rates	33
2. Stewardship, Compliance and Accountability	33
Budgetary Information	33
Excess Expenditures Over Budget	33
Limitations on the Village's Tax Levy	33
3. Detailed Notes on All Funds	34
Deposits and Investments	34
Receivables	35
Restricted Assets	35
Capital Assets	36
Interfund Receivables/Payables and Transfers	39
Long-Term Obligations	41
Lease Disclosures	44
Net Position/Fund Balances	44
4. Other Information	46
Employees' Retirement System	46
Risk Management	51
Commitments and Contingencies	51
Joint Ventures	52
Other Postemployment Benefits	53
Subsequent Event	53
Tax Abatement	54
Effect of New Accounting Standards on Current-Period Financial Statements	54
Investment in Brookfield Wastewater Treatment Facility	54

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Pewaukee, Wisconsin (the Village) 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 Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Village has not identified any organizations that meet this criteria.

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 except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

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

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund

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

Debt Service Fund

General Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs, other than TID or enterprise debt.

Capital Projects Funds

Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Tax Incremental District (TID) No. 3 Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

Enterprise Funds

The Village reports the following major enterprise funds:

Water Utility accounts for operations of the water system

Sewer Utility accounts for operations of the sewer system

Transportation Fund accounts for the apportionment of costs of transportation system improvements

Laimon Family Lakeside Park Fund accounts for operations of the park and its marina facilities

The Village reports the following nonmajor governmental and enterprise 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).

Cemetery Fund
Downtown Loan Fund
Lake Patrol Fund
American Rescue Plan Fund

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

Capital Projects Fund

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

Tax Incremental District (TID) No. 2

Enterprise Fund

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

Stormwater Utility

In addition, the Village reports the following fund type:

Custodial Funds

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

Pewaukee Public Library
Tax Collection

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held by the County are reported as receivables and unavailable revenues. At December 31, 2023, there were \$2,963 of unrecorded anticipated future assessments which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

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

All Financial Statements

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

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

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 Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

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

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

Village 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 Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar, 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

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

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

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

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

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

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 (including right-to-use lease assets), 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 \$15,000 for infrastructure assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor 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 of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

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

Lease assets are typically amortized over the lease term.

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.

Other Assets

Other assets in the utility funds represents the investment in the Brookfield Wastewater Treatment Plant (see Note 4.)

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

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.

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

Compensated Absences

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2023, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations/Conduit Debt

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

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

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

Leases

The Village is a lessor because it leases capital assets to other entities. As a lessor, the Village reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The Village continues to report and depreciate the capital assets being leased as capital assets of the primary government.

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.

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

Equity Classifications

Government-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Net investment in capital assets	\$ 11,045,764	\$ 27,007,187	\$ (39,895)	\$ 38,013,056
Unrestricted	6,412,836	5,411,657	39,895	11,864,388

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by resolution, adopted a financial policy authorizing the Village Clerk/Treasurer and/or Administrator to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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

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

The Village has a working capital policy to meet cash flow needs during the year and to preserve credit worthiness. The working capital amount is to equal 10% of the ensuing year's budgeted expenditures. This amount is \$855,386 and is included within the unassigned fund balance of the general fund at year-end.

The Village has a fund balance policy that includes a requirement to maintain as of December 31 of each year a minimum of 35% of the ensuing year's budgeted general fund expenditures, with a targeted maximum of 40% for the purpose of strengthening the Village's financial position and maintaining and/or increasing the Village's bond rating. Any amount over the 40% targeted maximum may be assigned by management for future capital projects and/or infrastructure needs. As of December 31, 2023, the Village reported 40% of the ensuing year's budgeted general fund expenditures in its unassigned fund balance.

See Note 3 for further information.

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.

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on January 26, 2022.

Sewer Utility

Current sewer rates were approved by the Village board on November 15, 2022.

Transportation Utility

Current transportation rates were approved by the Village board on February 2, 2021.

Stormwater Utility

Current stormwater rates were approved by the Village board on November 15, 2022.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for all funds other than the Downtown Loan special revenue fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures Over Budget

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Debt Service Fund	\$ 1,324,089	\$ 1,325,184	\$ 1,095
TID District No. 2	34,077	118,643	84,566
TID District No. 3	46,915	110,668	63,753
Lake Patrol Fund	81,273	110,311	29,038
Cemetery Fund	30,000	30,248	248

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

Limitations on the Village's Tax Levy

Wisconsin law limits the Village's future tax levies. Generally the Village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Village's equalized value due to 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 Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

3. Detailed Notes on All Funds

Deposits and Investments

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the Village's funds.

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

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risks</u>
Deposits	\$ 2,344,156	\$ 3,121,965	Custodial credit
LGIP	16,964,781	16,964,781	Credit
Petty cash	650	-	N/A
	<u>\$ 19,309,587</u>	<u>\$ 20,086,746</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 12,822,232		
Restricted cash and investments	2,523,526		
Per statement of net position, fiduciary funds:			
Custodial Funds	<u>3,963,829</u>		
	<u>\$ 19,309,587</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 been considered in computing custodial credit risk.

The Village maintains collateral agreements with its banks. At December 31, 2023, the banks had pledged various government securities in the amount of \$15,485,560 to secure the Village's deposits.

Custodial Credit Risk

Deposits

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

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

Credit Risk

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

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

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

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 loans and delinquent personal property taxes receivable.

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 4,828,096	\$ -
Licenses for the subsequent year	480	-
Yard waste fees for subsequent year	489	-
Deferred loan receivable	-	6,479
Special assessments	-	1,040
Unspent American Rescue Plan funds	453,102	-
Fire inspection fees	<u>1,769,663</u>	<u>84,929</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 7,051,830</u>	<u>\$ 92,448</u>
Unearned revenue included in liabilities	\$ 453,102	
Unearned revenue included in deferred inflows	<u>6,598,728</u>	
Total unearned revenue for governmental funds	<u>\$ 7,051,830</u>	

Restricted Assets

The following represent the balances of the restricted assets:

Equipment Replacement Account

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

Following is a list of restricted assets at December 31, 2023:

Restricted assets:	
Equipment replacement	<u>\$ 2,523,526</u>
Total restricted assets	<u>\$ 2,523,526</u>

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

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:				
Land and right of way	\$ 6,565,101	\$ -	\$ -	\$ 6,565,101
Construction in progress	4,290,327	812,268	-	5,102,595
Total capital assets not being depreciated	<u>10,855,428</u>	<u>812,268</u>	<u>-</u>	<u>11,667,696</u>
Capital assets being depreciated:				
Buildings	10,005,840	5,179	431,609	9,579,410
Machinery and equipment	3,326,025	192,927	350,846	3,168,106
Streets	4,221,705	-	-	4,221,705
Dams	582,973	-	-	582,973
Bridges	300,000	-	-	300,000
Land improvements	274,611	89,313	-	363,924
Total capital assets being depreciated	<u>18,711,154</u>	<u>287,419</u>	<u>782,455</u>	<u>18,216,118</u>
Total capital assets	<u>29,566,582</u>	<u>1,099,687</u>	<u>782,455</u>	<u>29,883,814</u>
Less accumulated depreciation for:				
Buildings	(3,409,312)	(226,547)	283,501	(3,352,358)
Machinery and equipment	(1,852,418)	(178,103)	271,691	(1,758,830)
Streets	(702,400)	(105,543)	-	(807,943)
Dams	(115,428)	(10,493)	-	(125,921)
Bridges	(26,250)	(7,500)	-	(33,750)
Land improvements	(26,953)	(18,111)	-	(45,064)
Total accumulated depreciation	<u>(6,132,761)</u>	<u>(546,297)</u>	<u>555,192</u>	<u>(6,123,866)</u>
Net capital assets being depreciated	<u>12,578,393</u>	<u>(258,878)</u>	<u>227,263</u>	<u>12,092,252</u>
Total governmental activities capital assets, net as reported in the statement of net position	<u>\$ 23,433,821</u>	<u>\$ 553,390</u>	<u>\$ 227,263</u>	<u>\$ 23,759,948</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

Public safety	\$ 114,042
Public works	265,989
Culture, recreation and education	152,641
General government	<u>13,625</u>

Total governmental activities depreciation expense \$ 546,297

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land and land rights	\$ 10,742	\$ -	\$ -	\$ 10,742
Construction work in progress	17,595	188,191	-	205,786
Total capital assets not being depreciated	<u>28,337</u>	<u>188,191</u>	<u>-</u>	<u>216,528</u>
Capital assets being depreciated:				
Source of supply	1,048,451	-	-	1,048,451
Pumping	2,684,391	-	-	2,684,391
Water treatment	1,705,460	-	-	1,705,460
Transmission and distribution	14,676,123	146,820	172,225	14,650,718
General	381,434	-	-	381,434
Total capital assets being depreciated	<u>20,495,859</u>	<u>146,820</u>	<u>172,225</u>	<u>20,470,454</u>
Total capital assets	<u>20,524,196</u>	<u>335,011</u>	<u>172,225</u>	<u>20,686,982</u>
Less accumulated depreciation for:				
Water	<u>(8,140,894)</u>	<u>(548,189)</u>	<u>172,225</u>	<u>(8,516,858)</u>
Total accumulated depreciation	<u>(8,140,894)</u>	<u>(548,189)</u>	<u>172,225</u>	<u>(8,516,858)</u>
Net capital assets being depreciated	<u>12,354,965</u>	<u>(401,369)</u>	<u>-</u>	<u>11,953,596</u>
Net water capital assets	<u>\$ 12,383,302</u>	<u>\$ (213,178)</u>	<u>\$ -</u>	<u>\$ 12,170,124</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated:				
Land and land rights	\$ 250	\$ -	\$ -	\$ 250
Construction work in progress	1,385,478	336,696	-	1,722,174
Total capital assets not being depreciated	<u>1,385,728</u>	<u>336,696</u>	<u>-</u>	<u>1,722,424</u>
Capital assets being depreciated:				
Collection system	22,901,720	769,788	25,226	23,646,282
Pumping	2,631,809	62,129	21,185	2,672,753
Treatment and disposal	577,088	-	-	577,088
General	262,184	-	-	262,184
Total capital assets being depreciated	<u>26,372,801</u>	<u>831,917</u>	<u>46,411</u>	<u>27,158,307</u>
Total capital assets	<u>27,758,529</u>	<u>1,168,613</u>	<u>46,411</u>	<u>28,880,731</u>
Less accumulated depreciation for:				
Sewer	<u>(10,009,657)</u>	<u>(415,396)</u>	<u>46,411</u>	<u>(10,378,642)</u>
Total accumulated depreciation	<u>(10,009,657)</u>	<u>(415,396)</u>	<u>46,411</u>	<u>(10,378,642)</u>
Net capital assets being depreciated	<u>16,363,144</u>	<u>416,521</u>	<u>-</u>	<u>16,779,665</u>
Net sewer capital assets	<u>\$ 17,748,872</u>	<u>\$ 753,217</u>	<u>\$ -</u>	<u>\$ 18,502,089</u>

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Stormwater				
Capital assets being depreciated:				
Mains	\$ 1,025,130	\$ 133,045	\$ 13,754	\$ 1,144,421
Equipment	247,189	54,150	-	301,339
Total capital assets being depreciated	<u>1,272,319</u>	<u>187,195</u>	<u>13,754</u>	<u>1,445,760</u>
Less accumulated depreciation for:				
Stormwater	<u>(482,963)</u>	<u>(55,979)</u>	<u>13,754</u>	<u>(525,188)</u>
Total accumulated depreciation	<u>(482,963)</u>	<u>(55,979)</u>	<u>13,754</u>	<u>(525,188)</u>
Net capital assets being depreciated	<u>789,356</u>	<u>131,216</u>	<u>-</u>	<u>920,572</u>
Net stormwater capital assets	<u>\$ 789,356</u>	<u>\$ 131,216</u>	<u>\$ -</u>	<u>\$ 920,572</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Transportation				
Capital assets not being depreciated:				
Construction work in progress	\$ 1,070,147	\$ 269,357	\$ -	\$ 1,339,504
Total capital assets not being depreciated	<u>1,070,147</u>	<u>269,357</u>	<u>-</u>	<u>1,339,504</u>
Net transportation capital assets	<u>\$ 1,070,147</u>	<u>\$ 269,357</u>	<u>\$ -</u>	<u>\$ 1,339,504</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Laimon Family Lakeside Park				
Capital assets not being depreciated:				
Land	\$ 914,246	\$ -	\$ -	\$ 914,246
Construction work in progress	-	10,955	-	10,955
Total capital assets not being depreciated	<u>914,246</u>	<u>10,955</u>	<u>-</u>	<u>925,201</u>
Capital assets being depreciated:				
Land improvements	561,448	7,900	-	569,348
Buildings and improvements	136,706	-	-	136,706
Machinery and equipment	6,400	-	-	6,400
Total capital assets being depreciated	<u>704,554</u>	<u>7,900</u>	<u>-</u>	<u>712,454</u>
Total capital assets	<u>1,618,800</u>	<u>18,855</u>	<u>-</u>	<u>1,637,655</u>
Less accumulated depreciation for:				
Land improvements	(244,972)	(13,813)	-	(258,785)
Buildings and improvements	(38,248)	(6,319)	-	(44,567)
Machinery and equipment	(576)	(288)	-	(864)
Total accumulated depreciation	<u>(283,796)</u>	<u>(20,420)</u>	<u>-</u>	<u>(304,216)</u>
Net capital assets being depreciated	<u>420,758</u>	<u>(12,520)</u>	<u>-</u>	<u>408,238</u>
Net other enterprise capital assets	<u>\$ 1,335,004</u>	<u>\$ (1,565)</u>	<u>\$ -</u>	<u>\$ 1,333,439</u>
Business-type activities capital assets, net as reported in the statement of net position	<u>\$ 33,326,681</u>	<u>\$ 939,047</u>	<u>\$ -</u>	<u>\$ 34,265,728</u>

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$	516,392
Sewer		415,396
Stormwater		55,979
Laimon Family Lakeside Park		<u>20,420</u>
Total business-type activities Laimon expense	\$	<u>1,008,187</u>

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

Interfund Receivables/Payables 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	\$ 50,257
Sewer utility	General fund	60,998
Stormwater utility	General fund	8,288
Transportation fund	General fund	<u>6,516</u>
Total, fund financial statements		\$ <u>126,059</u>

The principal purpose of these interfunds is due to delinquents put on tax roll.

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

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	\$ 186,089	Payment in lieu of taxes
Lake patrol fund	General	9,138	Operational support
General fund	Sewer fund	<u>130,420</u>	Budgeted transfer from operations
Total, fund financial statements		325,647	
Less fund eliminations		<u>(9,138)</u>	
Total transfers, government-wide statement of activities		<u>\$ 316,509</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental activities	Business-type activities	\$ 316,509	
Business-type activities	Governmental activities	<u>-</u>	
Total government-wide financial statements		<u>\$ 316,509</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.

Village 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:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 13,140,000	\$ -	\$ 1,005,000	\$ 12,135,000	\$ 885,000
General obligation notes from direct borrowings and direct placements	600,295	288,135	51,448	836,982	53,228
Premiums	363,129	-	45,825	317,304	-
Subtotal	<u>14,103,424</u>	<u>288,135</u>	<u>1,102,273</u>	<u>13,289,286</u>	<u>938,228</u>
Other liabilities:					
Vested compensated absences	37,437	25,617	22,213	40,841	40,841
Total other liabilities	<u>37,437</u>	<u>25,617</u>	<u>22,213</u>	<u>40,841</u>	<u>40,841</u>
Total governmental activities long-term liabilities	<u>\$ 14,140,861</u>	<u>\$ 313,752</u>	<u>\$ 1,124,486</u>	<u>\$ 13,330,127</u>	<u>\$ 979,069</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 8,325,000	\$ -	\$ 520,000	\$ 7,805,000	\$ 445,000
General obligation notes from direct borrowings and direct placements	406,066	382,553	24,816	763,803	25,707
Premiums	244,756	-	26,057	218,699	-
Total bonds and notes payable	<u>8,975,822</u>	<u>382,553</u>	<u>570,873</u>	<u>8,787,502</u>	<u>470,707</u>
Total business-type activities long-term liabilities, excluding lease liabilities	<u>\$ 8,975,822</u>	<u>\$ 382,553</u>	<u>\$ 570,873</u>	<u>\$ 8,787,502</u>	<u>\$ 470,707</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2023, was \$68,091,835. Total general obligation debt outstanding at year end was \$21,540,785.

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the Village. 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>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>
G.O. Refunding Bonds	06/11/2013	03/01/2025	.50-2.0%	\$ 2,610,000	\$ 585,000
G.O. Corporate Purpose Bonds	06/11/2013	03/01/2033	2.25-3.0	545,000	545,000
G.O. State Trust Fund Loan	09/23/2015	03/15/2035	3.75	200,000	144,393
G.O. Corporate Purpose Bonds	04/03/2017	03/01/2032	1.10-3.0	1,475,000	1,320,000
G.O. Corporate Purpose Bonds	04/03/2017	03/01/2032	1.10-3.0	2,170,000	1,150,000
G.O. State Trust Fund Loan	02/20/2018	03/15/2027	3.50	166,477	80,551
G.O. State Trust Fund Loan	03/12/2019	03/15/2038	4.75	68,670	58,796
G.O. State Trust Fund Loan	05/29/2020	03/15/2039	4.75	137,330	117,915
G.O. Refunding Bonds	03/24/2020	09/01/2035	2.00	2,615,000	2,015,000
G.O. Public Works Building Bonds	12/22/2021	03/01/2041	2.00-4.00	5,445,000	5,445,000
G.O. State Trust Fund Loan	07/23/2021	03/15/2031	3.00	180,745	147,192
G.O. Taxable Refunding Bonds	06/30/2022	03/01/2033	3.60-3.80	1,075,000	1,075,000
G.O. State Trust Fund Loan	09/26/2023	03/15/2033	5.50	288,135	<u>288,135</u>
Total governmental activities, general obligation debt					<u>\$ 12,971,982</u>

<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>
G.O. Corporate Purpose Bonds	06/11/2013	03/01/2033	2.25-3.00%	\$ 1,425,000	\$ 1,425,000
G.O. State Trust Fund Loan	10/04/2015	03/15/2035	3.75	528,800	381,250
G.O. Corporate Purpose Bonds	04/03/2017	03/01/2032	1.10-3.0	145,000	90,000
G.O. Refunding Bond	03/24/2020	09/01/2040	2.00	4,010,000	3,405,000
G.O. Public Works Building Bonds	12/22/2021	03/01/2041	2.00-4.00	3,085,000	2,885,000
G.O. State Trust Fund Loan	09/26/2023	03/15/2033	5.50	382,553	<u>382,553</u>
Total business-type activities, general obligation debt					<u>\$ 8,568,803</u>

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 885,000	\$ 293,221	\$ 445,000	\$ 173,131
2025	910,000	252,537	455,000	163,774
2026	1,000,000	236,326	460,000	152,917
2027	1,030,000	207,625	485,000	140,309
2028	1,070,000	176,967	500,000	126,798
2029-2033	4,005,000	539,524	2,560,000	439,139
2034-2038	2,040,000	216,500	1,890,000	197,100
2039-2041	1,195,000	36,150	1,010,000	26,200
Total	<u>\$ 12,135,000</u>	<u>\$ 1,958,850</u>	<u>\$ 7,805,000</u>	<u>\$ 1,419,368</u>

<u>Years</u>	Governmental Activities Notes From Direct Borrowings and Direct Placements		Business-Type Activities General Obligation Notes From Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 53,228	\$ 21,101	\$ 25,707	\$ 14,336
2025	74,378	42,413	52,190	44,230
2026	84,836	31,958	64,449	31,970
2027	88,403	28,390	67,510	28,910
2028	70,131	24,729	70,649	25,771
2029-2033	358,321	74,038	407,501	74,602
2034-2038	97,478	14,161	75,797	4,289
2039	10,207	485	-	-
Total	<u>\$ 836,982</u>	<u>\$ 237,275</u>	<u>\$ 763,803</u>	<u>\$ 224,108</u>

The Village's outstanding State Trust Fund Loans from Direct borrowings related to governmental activities of \$836,982 and \$763,803 related to business-type activities contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the Village.

Other Debt Information

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

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

Lease Disclosures

Lessor - Lease Receivables

<u>Business-Type Activities</u>				Receivable Balance December 31, 2023
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	
Milwaukee SMSA, LLP, cell tower	02/01/2000	12/31/2025	3.75%	\$ 71,339
AT&T Mobility, Quinian, cell tower	02/07/2000	12/31/2045	3.75	544,499
AT&T Mobility, Sunnyridge, cell tower	05/07/2022	12/31/2047	3.75	609,540
Sprint PCS, cell tower	10/04/2004	12/31/2029	3.75	205,325
T-Mobile, Quinian, cell tower	07/17/2003	12/31/2028	3.75	171,748
U.S. Cellular, Quinian, cell tower	07/12/2022	12/31/2027	3.75	137,903
Verizon Wireless, Sunnyridge, cell tower	04/08/2009	12/31/2034	3.75	422,645
Beachside Boat and Bait	04/01/2019	12/31/2024	3.75	<u>9,739</u>
Total business-type activities				<u><u>\$ 2,172,738</u></u>

The Village recognized \$438,417 of lease revenue during the fiscal year.

The Village recognized \$153,158 of interest revenue during the fiscal year.

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	\$ 6,565,101
Construction in progress	5,102,595
Other capital assets, net of accumulated depreciation	12,092,252
Less long-term capital-related debt outstanding	(12,932,086)
Plus unspent capital related debt proceeds	530,543
Plus unamortized loss on refunding	4,663
Less unamortized debt premium	<u>(317,304)</u>

Total net investment in capital assets 11,045,764

Restricted:

Debt service	90,630
TIF activities	502,441
Park maintenance	3,364
Cemetery	119,183
Downtown loan	13,137
Lake patrol	<u>11,168</u>

Total restricted 739,923

Unrestricted 6,412,836

Total governmental activities net position \$ 18,198,523

Village 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>General Debt Service</u>	<u>Capital Projects Fund</u>	<u>TID No. 3</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances						
Nonspendable:						
Prepaid items	\$ 136,475	\$ -	\$ -	\$ -	\$ -	\$ 136,475
Subtotal	<u>136,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,475</u>
Restricted for:						
Capital projects	-	-	368,659	-	-	368,659
Debt service	-	444,989	-	-	-	444,989
Cemetery purposes	-	-	-	-	119,183	119,183
Koepp park maintenance	3,364	-	-	-	-	3,364
TIF related purposes	-	-	-	132,138	370,303	502,441
Downtown loan fund	-	-	-	-	6,658	6,658
Lake patrol purposes	-	-	-	-	11,168	11,168
ARPA	-	-	-	-	56,093	56,093
Subtotal	<u>3,364</u>	<u>444,989</u>	<u>368,659</u>	<u>132,138</u>	<u>563,405</u>	<u>1,512,555</u>
Assigned to:						
Police donations	2,096	-	-	-	-	2,096
Joint pistol range	8,586	-	-	-	-	8,586
Park equipment	44,874	-	-	-	-	44,874
Parks and open spaces	1,331	-	-	-	-	1,331
Capital projects	102,809	-	-	-	-	102,809
Infrastructure	1,294,047	-	-	-	-	1,294,047
Subtotal	<u>1,453,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,453,743</u>
Unassigned:	<u>3,421,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,421,544</u>
Total fund balances	<u>\$ 5,015,126</u>	<u>\$ 444,989</u>	<u>\$ 368,659</u>	<u>\$ 132,138</u>	<u>\$ 563,405</u>	<u>\$ 6,524,317</u>

Business-Type Activities

Net investment in capital assets:

Land	\$ 925,238
Construction in progress	3,278,419
Other capital assets, net of accumulated depreciation	30,062,071
Less long-term debt outstanding	(8,568,803)
Plus unspent capital related debt proceeds	1,528,961
Less unamortized debt premium	<u>(218,699)</u>

Total net investment in capital assets \$ 27,007,187

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

4. 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.

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the Floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
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 \$264,520 in contributions from the Village.

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 %

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

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

At December 31, 2023, the Village reported a liability of \$1,168,470 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 Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Village's proportion was 0.02205617%, which was an increase of 0.00001747% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense of \$506,622.

At December 31, 2023, the Village 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	\$ 1,871,193	\$ 2,469,920
Changes in assumptions	228,261	-
Net differences between projected and actual earnings on pension plan investments	2,008,886	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,116	1,466
Employer contributions subsequent to the measurement date	<u>295,231</u>	<u>-</u>
Total	<u>\$ 4,407,687</u>	<u>\$ 2,471,386</u>

\$295,931 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	\$ 68,239
2025	339,846
2026	349,044
2027	883,941

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

Actuarial Assumptions

The total pension liability in the December 31, 2021 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
Post-Retirement 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.

Village 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%.

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

The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (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>
Village's proportionate share of the net pension liability (asset)	<u>\$ 3,878,116</u>	<u>\$ 1,168,470</u>	<u>\$ (695,532)</u>

Pension Plan Fiduciary Net Position

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

Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

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.

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

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

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

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

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the Library. The Village is obligated by the joint venture agreement to remit an amount annually to the Library. The Village made a payment to the Library of \$262,744 in 2023.

Financial information of the Library as of December 31, 2023 is available directly from the Library's office.

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

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

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

Park and Recreation Service

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

The advisory board consists of three City citizens and one common council alderman as well as two Village citizens and one Village board trustee. The advisory board controls the financial affairs of the District. The board prepares budgets which are then approved by the Village and City governing bodies. The Village believes the joint venture will continue to provide services in the future at similar rates. The Village's share for 2023 was \$417,802.

Financial information of the District as of December 31, 2023 is available directly from the park and recreation service office.

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

Lake Patrol Service

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

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

Expenses associated with the administration and implementation of the services are allocated on the following basis: 43% to the City of Pewaukee, 43% to the Town of Delafield and 14% to the Village of Pewaukee. The Village's share for 2023 was \$9,138.

Financial information for the lake patrol as of December 31, 2023 is available directly from the Village's office.

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

Other Postemployment Benefits

The Village provides postemployment health insurance benefits for all eligible employees. Eligibility is based on being employed by the Village for 15 years for protective services and 20 years or more for general employees. The benefits are based on contractual agreements with employee groups, local ordinances or employee benefit policies. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the Village. Funding for those costs is provided out of the current operating budget of the Village. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were not material. The number of participants currently eligible to receive benefits is three.

Subsequent Event

On April 15, 2024 the Village issued Note Anticipation Notes in the amount of \$6,300,000 with an interest rate of 5.0%. This amount will be used to fund capital projects consisting of road, water, sanitary sewer and storm water.

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Village is disclosing all abatement agreements individually.

The Village through its Tax Incremental Financing District (TID) No. 3 has entered into a tax abatement agreement with a developer in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plan. The developer pays property taxes as they become due, and after meeting the criteria established in the development agreement, is entitled to a future incentive payment that directly correlates to the taxes paid. The incentive is calculated based on 80% of tax increment and the developer commitment includes completing the initial construction of the buildings set forth in the project plan, such that the assessed value of the constructed improvements will be not less than \$7.2 million. Additionally, the developer shall complete construction of the improvements as part of the project plan such that the value of said improvements shall not be less than \$16 million by January 1, 2024 and \$23.69 million by January 1, 2025. Incentive payments for the year ended December 31, 2023 were \$0.

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.

Investment in Brookfield Wastewater Treatment Facility

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

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

Village of Pewaukee

Notes to Financial Statements
December 31, 2023

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

REQUIRED SUPPLEMENTARY INFORMATION

Village of Pewaukee

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
General property taxes	\$ 4,018,344	\$ 4,018,368	\$ 24
Payments in lieu of taxes	92,700	92,509	(191)
Other taxes	<u>15,791</u>	<u>16,156</u>	<u>365</u>
Total taxes	<u>4,126,835</u>	<u>4,127,033</u>	<u>198</u>
Intergovernmental Revenues			
State shared revenues	229,924	230,464	540
State aid, general transportation aids	365,063	365,111	48
Fire insurance tax (2% fire dues)	42,500	44,295	1,795
Exempt computer aid	14,608	14,608	-
State aid, other law enforcement	4,360	1,712	(2,648)
Other state payments	33,386	52,267	18,881
Grants from local governments	<u>-</u>	<u>213</u>	<u>213</u>
Total intergovernmental revenues	<u>689,841</u>	<u>708,670</u>	<u>18,829</u>
Licenses and Permits			
Liquor and malt beverage licenses	16,000	17,430	1,430
Operators' license	12,000	15,170	3,170
Cigarette licenses	800	800	-
Bicycle licenses	14,000	28,823	14,823
Dog and cat licenses	4,200	5,405	1,205
Cable television franchise fees	57,000	61,706	4,706
Building permits	64,000	137,416	73,416
Heating and air conditioning permits	14,000	42,954	28,954
Electrical permits	24,000	42,685	18,685
Plumbing permits	27,000	45,742	18,742
Zoning permits and fees	2,000	5,500	3,500
Mobile home park licenses	2,252	2,117	(135)
Yard waste permits	15,000	17,668	2,668
Other regulatory permits and fees	<u>12,000</u>	<u>9,263</u>	<u>(2,737)</u>
Total licenses and permits	<u>264,252</u>	<u>432,679</u>	<u>168,427</u>
Fines, Forfeitures and Penalties			
Court penalties and costs	150,000	145,686	(4,314)
Parking violations	<u>30,000</u>	<u>19,375</u>	<u>(10,625)</u>
Total fines, forfeitures and penalties	<u>180,000</u>	<u>165,061</u>	<u>(14,939)</u>

See notes to required supplementary information

Village of Pewaukee

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Public Charges for Services			
Ambulance fees	\$ 300,000	\$ 429,228	\$ 129,228
Refuse and garbage collection	306,000	309,758	3,758
Special assessment letters	4,800	6,640	1,840
Dog license fees	-	1,071	1,071
Fire inspection fees	77,300	92,283	14,983
Law enforcement fees	505,072	501,699	(3,373)
Fiscal agent fees, library	19,992	19,992	-
Recreation programs	95,508	148,270	52,762
Park rental	6,000	11,320	5,320
Police charges for services	6,000	4,861	(1,139)
Joint pistol range	2,000	3,722	1,722
Total public charges for services	<u>1,322,672</u>	<u>1,528,844</u>	<u>206,172</u>
Investment Income			
Interest on investments	<u>60,000</u>	<u>405,003</u>	<u>345,003</u>
Miscellaneous Revenues			
Other miscellaneous	5,050	26,915	21,865
Rent	7,100	6,150	(950)
Insurance recoveries	<u>-</u>	<u>23,711</u>	<u>23,711</u>
Total miscellaneous revenues	<u>12,150</u>	<u>56,776</u>	<u>44,626</u>
Total revenues	<u>6,655,750</u>	<u>7,424,066</u>	<u>768,316</u>
Expenditures			
General Government			
Village board	31,503	31,047	456
Municipal court	62,403	60,721	1,682
Legal	89,000	97,823	(8,823)
Administrator	123,340	125,243	(1,903)
Clerk	192,711	192,961	(250)
Elections	16,800	15,624	1,176
Data processing	14,000	18,113	(4,113)
Property and liability insurance	170,000	150,275	19,725
Assessment of property	2,000	1,425	575
Accounting and auditing	-	7,725	(7,725)
Village hall	66,900	56,629	10,271
Other general government	<u>7,650</u>	<u>82,400</u>	<u>(74,750)</u>
Total general government	<u>776,307</u>	<u>839,986</u>	<u>(63,679)</u>
Public Safety			
Police	2,754,148	2,490,306	263,842
Fire service	1,625,238	1,625,238	-
Building inspection	<u>116,129</u>	<u>196,279</u>	<u>(80,150)</u>
Total public safety	<u>4,495,515</u>	<u>4,311,823</u>	<u>183,692</u>
Health and Social Services			
Animal control	<u>4,043</u>	<u>4,043</u>	<u>-</u>

See notes to required supplementary information

Village of Pewaukee

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Public Works			
Public works administration	\$ 48,737	\$ 66,010	\$ (17,273)
Public works wages and benefits	438,369	292,451	145,918
Engineering	10,000	21,544	(11,544)
Equipment maintenance & general operations	68,000	73,740	(5,740)
Garage expenses	62,560	89,925	(27,365)
Street maintenance	-	1,117	(1,117)
Snow and ice control	63,500	43,730	19,770
Street lighting	67,500	88,861	(21,361)
Other sanitation	600	333	267
Tree and brush removal	-	33	(33)
Refuse and garbage collection	216,000	228,828	(12,828)
Recycling	82,000	80,473	1,527
Total public works	<u>1,057,266</u>	<u>987,045</u>	<u>70,221</u>
Leisure Activities			
Library	262,744	262,744	-
Parks and recreation	415,079	417,802	(2,723)
Total leisure activities	<u>677,823</u>	<u>680,546</u>	<u>(2,723)</u>
Conservation and Development			
Urban forestry	18,000	16,759	1,241
Weed control	1,800	840	960
Planning commission	11,244	14,693	(3,449)
Total conservation and development	<u>31,044</u>	<u>32,292</u>	<u>(1,248)</u>
Capital Outlay			
Police	-	13,328	(13,328)
Highway	-	59,980	(59,980)
Total capital outlay	<u>-</u>	<u>73,308</u>	<u>(73,308)</u>
Total expenditures	<u>7,041,998</u>	<u>6,929,043</u>	<u>112,955</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(386,248)</u>	<u>495,023</u>	<u>881,271</u>
Other Financing Sources (Uses)			
Transfers out	(8,560)	(9,138)	(578)
Sales of capital assets	16,000	20,523	4,523
Transfers in	380,420	316,509	(63,911)
Total other financing sources (uses)	<u>387,860</u>	<u>327,894</u>	<u>(59,966)</u>
Net change in fund balance	1,612	822,917	821,305
Fund Balance, Beginning	<u>4,192,209</u>	<u>4,192,209</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,193,821</u>	<u>\$ 5,015,126</u>	<u>\$ 821,305</u>

See notes to required supplementary information

Village of Pewaukee

Schedule of Proportionate Share of the Net Pension (Asset) Liability -
Wisconsin Retirement System
Year Ended December 31, 2023

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
12/31/23	0.02205617%	\$ 1,168,470	\$ 2,785,750	8.72%	95.72%
12/31/22	0.02195939%	(1,769,966)	2,642,490	66.98%	106.02%
12/31/21	0.02219528%	(1,385,683)	2,607,598	53.14%	105.26%
12/31/20	0.02226248%	(717,844)	2,621,355	27.38%	102.96%
12/31/19	0.02227313%	792,408	2,559,799	30.96%	96.45%
12/31/18	0.02192185%	(650,885)	2,488,305	26.16%	102.93%
12/31/17	0.02200528%	181,376	2,615,778	6.93%	99.12%
12/31/16	0.02205735%	358,496	2,563,304	13.99%	98.20%
12/31/15	0.02259796%	(555,068)	2,563,809	21.65%	102.74%

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

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/23	\$ 295,231	\$ 295,231	\$ -	\$ 2,804,056	9.95%
12/31/22	239,058	239,058	-	2,522,810	9.48%
12/31/21	253,803	253,803	-	2,642,490	9.60%
12/31/20	248,169	248,169	-	2,607,598	9.52%
12/31/19	234,872	234,872	-	2,621,355	8.96%
12/31/18	232,824	232,824	-	2,559,779	9.10%
12/31/17	225,984	225,984	-	2,488,305	9.08%
12/31/16	214,160	214,160	-	2,615,778	8.19%
12/31/15	217,941	217,941	-	2,563,304	8.50%

See notes to required supplementary information

Village 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 Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

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

Wisconsin Retirement System

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

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

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

Changes in assumptions. 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

Village of Pewaukee

Combining Balance Sheet -
 Nonmajor Governmental Funds
 December 31, 2023

	Special Revenue Funds			
	Cemetery Fund	Downtown Loan Fund	Lake Patrol Fund	American Rescue Plan Fund
Assets				
Cash and investments	\$ 120,205	\$ 6,658	\$ 11,168	\$ 560,189
Receivables:				
Taxes	-	-	-	-
Loans	-	6,479	-	-
	<u>120,205</u>	<u>13,137</u>	<u>11,168</u>	<u>560,189</u>
Total assets	<u>\$ 120,205</u>	<u>\$ 13,137</u>	<u>\$ 11,168</u>	<u>\$ 560,189</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 1,022	\$ -	\$ -	\$ 50,994
Unearned revenues	-	-	-	453,102
	<u>1,022</u>	<u>-</u>	<u>-</u>	<u>504,096</u>
Total liabilities	<u>1,022</u>	<u>-</u>	<u>-</u>	<u>504,096</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	6,479	-	-
	<u>-</u>	<u>6,479</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>6,479</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	<u>119,183</u>	<u>6,658</u>	<u>11,168</u>	<u>56,093</u>
Total fund balances	<u>119,183</u>	<u>6,658</u>	<u>11,168</u>	<u>56,093</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 120,205</u>	<u>\$ 13,137</u>	<u>\$ 11,168</u>	<u>\$ 560,189</u>

<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>TID No. 2</u>	
\$ 370,303	\$ 1,068,523
135,172	135,172
-	6,479
<u>\$ 505,475</u>	<u>\$ 1,210,174</u>

\$ -	\$ 52,016
-	453,102
-	505,118
135,172	135,172
-	6,479
<u>135,172</u>	<u>141,651</u>
<u>370,303</u>	<u>563,405</u>
<u>370,303</u>	<u>563,405</u>
<u>\$ 505,475</u>	<u>\$ 1,210,174</u>

Village of Pewaukee

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

	Special Revenue Funds			
	Cemetery Fund	Downtown Loan Fund	Lake Patrol Fund	American Rescue Plan Fund
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	82,833	352,582
Public charges for services	50,414	1,620	-	-
Investment income	1,684	-	58	43,126
Miscellaneous revenues	-	-	3,611	-
Total revenues	52,098	1,620	86,502	395,708
Expenditures				
Current:				
General government	-	-	-	352,582
Public safety	-	-	87,418	-
Health and human services	30,248	-	-	-
Conservation and development	-	-	-	-
Capital outlay	-	-	22,893	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	30,248	-	110,311	352,582
Excess (deficiency) of revenues over expenditures	21,850	1,620	(23,809)	43,126
Other Financing Sources (Uses)				
Transfers in	-	-	9,138	-
Total other financing sources (uses)	-	-	9,138	-
Net change in fund balances	21,850	1,620	(14,671)	43,126
Fund Balances, Beginning	97,333	5,038	25,839	12,967
Fund Balances, Ending	\$ 119,183	\$ 6,658	\$ 11,168	\$ 56,093

Capital Projects Fund	Total Nonmajor Governmental Funds
TID No. 2	
\$ 178,225	\$ 178,225
6,112	441,527
-	52,034
8,086	52,954
<u>12,502</u>	<u>16,113</u>
<u>204,925</u>	<u>740,853</u>
-	352,582
-	87,418
-	30,248
1,699	1,699
85,517	108,410
16,909	16,909
<u>14,518</u>	<u>14,518</u>
<u>118,643</u>	<u>611,784</u>
<u>86,282</u>	<u>129,069</u>
<u>-</u>	<u>9,138</u>
<u>-</u>	<u>9,138</u>
86,282	138,207
<u>284,021</u>	<u>425,198</u>
<u>\$ 370,303</u>	<u>\$ 563,405</u>

Village of Pewaukee

Combining Statement of Fiduciary Net Position -
Custodial Funds
December 31, 2023

	Tax Collection Fund	Pewaukee Library Fund	Total
Assets			
Cash and investments	\$ 3,625,068	\$ 338,761	\$ 3,963,829
Receivables:			
Taxes receivable	7,789,544	-	7,789,544
Accounts receivable	-	1,675	1,675
Prepaid items	-	1,461	1,461
	<u>11,414,612</u>	<u>341,897</u>	<u>11,756,509</u>
Total assets			
Liabilities			
Accounts payable	-	26,322	26,322
Accrued liabilities	-	23,613	23,613
Due to other governments	11,414,612	-	11,414,612
	<u>11,414,612</u>	<u>49,935</u>	<u>11,464,547</u>
Total liabilities			
Net Position			
Restricted	<u>\$ -</u>	<u>\$ 291,962</u>	<u>\$ 291,962</u>

Village of Pewaukee

Combining Statement of Changes in Fiduciary Net Position -
Custodial Funds
Year Ended December 31, 2023

	<u>Tax Collection Fund</u>	<u>Pewaukee Library Fund</u>	<u>Total</u>
Additions			
Intergovernmental	\$ -	\$ 1,249,781	\$ 1,249,781
Fines	-	8,681	8,681
Donations	-	85,345	85,345
Investment income	-	1,202	1,202
Miscellaneous	-	7,251	7,251
Property taxes collected for other governments	<u>8,601,566</u>	<u>-</u>	<u>8,601,566</u>
Total additions	<u>8,601,566</u>	<u>1,352,260</u>	<u>9,953,826</u>
Deductions			
Library activities	-	1,253,917	1,253,917
Capital outlay	-	66,109	66,109
Property taxes collected for other governments	<u>8,601,566</u>	<u>-</u>	<u>8,601,566</u>
Total deductions	<u>8,601,566</u>	<u>1,320,026</u>	<u>9,921,592</u>
Change in net position	-	32,234	32,234
Net Position, Beginning	<u>-</u>	<u>259,728</u>	<u>259,728</u>
Net Position, Ending	<u>\$ -</u>	<u>\$ 291,962</u>	<u>\$ 291,962</u>