

VILLAGE OF KEWASKUM

Kewaskum, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

VILLAGE OF KEWASKUM

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Kewaskum
Kewaskum, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kewaskum, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of Kewaskum's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Kewaskum's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Kewaskum's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Village Board
Village of Kewaskum

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kewaskum, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Kewaskum's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Milwaukee, Wisconsin
September 20, 2021

BASIC FINANCIAL STATEMENTS

VILLAGE OF KEWASKUM

STATEMENT OF NET POSITION As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 729,200	\$ 1,229,835	\$ 1,959,035
Receivables (net)			
Taxes	2,649,658	18,453	2,668,111
Accounts	99,205	502,728	601,933
Special assessments	32,026	33,366	65,392
Internal balances	2,107,914	(2,107,914)	-
Inventories and prepaid items	41,967	18,368	60,335
Restricted			
Cash and investments	400,589	757,302	1,157,891
Capital Assets (net of accumulated depreciation)			
Land	1,223,854	42,298	1,266,152
Construction in progress	38,168	-	38,168
Other capital assets, net of depreciation	11,399,840	23,866,347	35,266,187
Total Assets	18,722,421	24,360,783	43,083,204
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	539,006	130,140	669,146
Pension related amounts	764,841	183,869	948,710
Total Deferred Outflows of Resources	1,303,847	314,009	1,617,856
LIABILITIES			
Accounts payable	91,994	1,199,778	1,291,772
Accrued liabilities and deposits	126,577	64,487	191,064
Noncurrent Liabilities			
Due within one year	857,283	874,020	1,731,303
Due in more than one year	7,184,653	6,726,221	13,910,874
Total Liabilities	8,260,507	8,864,506	17,125,013
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable for subsequent year	2,621,971	131,700	2,753,671
Pension related amounts	385,489	92,280	477,769
Total Deferred Inflows of Resources	3,007,460	223,980	3,231,440
NET POSITION			
Net investment in capital assets	7,675,538	16,690,290	22,298,773
Restricted for			
Impact fees	-	57,692	57,692
Equipment replacement	-	434,896	434,896
Debt service	1,591,050	47,040	1,638,090
Permanent fund	6,309	-	6,309
Library	762,020	-	762,020
Unrestricted (deficit)	(1,276,616)	(1,643,612)	(853,173)
TOTAL NET POSITION	\$ 8,758,301	\$ 15,586,306	\$ 24,344,607

See accompanying notes to financial statements.

VILLAGE OF KEWASKUM

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 510,771	\$ 77,971	\$ 4	\$ -
Public safety	1,527,614	375,328	72,611	-
Public works	952,370	77,220	188,063	(613)
Health and human services	1,327	-	-	-
Culture, education and recreation	462,715	52,577	71,061	-
Conservation and development	6,837	800	-	-
Interest and fiscal charges	<u>346,827</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>3,808,461</u>	<u>583,896</u>	<u>331,739</u>	<u>(613)</u>
Business-type Activities				
Water Utility	593,228	819,598	-	-
Sewer Utility	<u>1,183,367</u>	<u>1,377,020</u>	<u>-</u>	<u>77,563</u>
Total Business-type Activities	<u>1,776,595</u>	<u>2,196,618</u>	<u>-</u>	<u>77,563</u>
Total	<u>\$ 5,585,056</u>	<u>\$ 2,780,514</u>	<u>\$ 331,739</u>	<u>\$ 76,950</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF District

Property taxes, levied for the library

Intergovernmental revenues not restricted to specific programs

Investment income

Gain on disposal of assets

Miscellaneous

Total General Revenues

Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (432,796)	\$ -	\$ (432,796)
(1,079,675)	-	(1,079,675)
(687,700)	-	(687,700)
(1,327)	-	(1,327)
(339,077)	-	(339,077)
(6,037)	-	(6,037)
<u>(346,827)</u>	<u>-</u>	<u>(346,827)</u>
<u>(2,893,439)</u>	<u>-</u>	<u>(2,893,439)</u>
-	226,370	226,370
-	<u>271,216</u>	<u>271,216</u>
-	<u>497,586</u>	<u>497,586</u>
<u>(2,893,439)</u>	<u>497,586</u>	<u>(2,395,853)</u>
1,368,789	-	1,368,789
698,169	-	698,169
360,699	-	360,699
127,888	-	127,888
301,614	-	301,614
190,279	19,752	210,031
37,505	-	37,505
6,075	-	6,075
<u>3,091,018</u>	<u>19,752</u>	<u>3,110,770</u>
<u>147,406</u>	<u>(147,406)</u>	<u>-</u>
344,985	369,932	714,917
<u>8,413,316</u>	<u>15,216,374</u>	<u>23,629,690</u>
<u>\$ 8,758,301</u>	<u>\$ 15,586,306</u>	<u>\$ 24,344,607</u>

See accompanying notes to financial statements.

VILLAGE OF KEWASKUM

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>General Capital Projects Fund</u>
ASSETS			
Cash and investments	\$ (221,646)	\$ 44,281	\$ 102,302
Receivables			
Taxes	1,404,579	677,255	-
Accounts	9,713	-	-
Special assessments	23,947	-	-
Prepaid items	41,967	-	-
Restricted cash and investments	-	-	-
Advances to other funds	<u>2,613,341</u>	<u>1,619,582</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 3,871,901</u>	<u>\$ 2,341,118</u>	<u>\$ 102,302</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 83,841	\$ -	\$ -
Accrued liabilities	50,084	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>133,925</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Property taxes receivable for subsequent year	1,391,677	677,255	-
Unavailable revenues	<u>29,662</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,421,339</u>	<u>677,255</u>	<u>-</u>
Fund Balances (Deficit)			
Nonspendable	2,657,636	-	-
Restricted	-	1,663,863	-
Committed	-	-	-
Assigned	-	-	102,302
Unassigned (deficit)	<u>(340,999)</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficit)	<u>2,316,637</u>	<u>1,663,863</u>	<u>102,302</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ 3,871,901</u>	<u>\$ 2,341,118</u>	<u>\$ 102,302</u>

See accompanying notes to financial statements.

TID Capital Projects Fund	Nonmajor Governmental Funds	Totals
\$ -	\$ 804,263	\$ 729,200
435,926	131,898	2,649,658
300	89,192	99,205
8,079	-	32,026
-	-	41,967
-	400,589	400,589
<u>-</u>	<u>-</u>	<u>4,232,923</u>
<u>\$ 444,305</u>	<u>\$ 1,425,942</u>	<u>\$ 8,185,568</u>
\$ -	\$ 8,153	\$ 91,994
-	3,685	53,769
<u>2,125,009</u>	<u>-</u>	<u>2,125,009</u>
<u>2,125,009</u>	<u>11,838</u>	<u>2,270,772</u>
421,315	131,724	2,621,971
<u>16,056</u>	<u>40,272</u>	<u>85,990</u>
<u>437,371</u>	<u>171,996</u>	<u>2,707,961</u>
-	-	2,657,636
-	768,329	2,432,192
-	473,779	473,779
-	-	102,302
<u>(2,118,075)</u>	<u>-</u>	<u>(2,459,074)</u>
<u>(2,118,075)</u>	<u>1,242,108</u>	<u>3,206,835</u>
<u>\$ 444,305</u>	<u>\$ 1,425,942</u>	<u>\$ 8,185,568</u>

See accompanying notes to financial statements.

VILLAGE OF KEWASKUM

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

Total Fund Balances - Governmental Funds	\$ 3,206,835
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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	1,223,854
Construction in progress	38,168
Other capital assets	20,025,408
Less: Accumulated depreciation	(8,625,568)

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.	85,990
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	764,841
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(385,489)
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A deferred charge on refunding represents a consumption of net position that applies to a future period and, therefore, is not reported in the funds.	539,006
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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	(7,592,385)
Compensated absences	(161,393)
Net pension liability	(288,158)
Accrued interest	(72,808)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 8,758,301</u>
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See accompanying notes to financial statements.

VILLAGE OF KEWASKUM

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

For the Year Ended December 31, 2019

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>General Capital Projects Fund</u>
REVENUES			
Taxes	\$ 1,368,789	\$ 698,169	\$ -
Special assessments	34,201	-	-
Intergovernmental	553,864	-	-
Licenses and permits	74,602	-	-
Fines, forfeitures and penalties	30,698	-	-
Public charges for services	191,000	-	-
Intergovernmental charges for services	55,675	-	-
Investment income	130,609	43,037	-
Miscellaneous revenues	16,108	-	-
Total Revenues	<u>2,455,546</u>	<u>741,206</u>	<u>-</u>
EXPENDITURES			
Current			
General government	470,967	-	-
Public safety	1,120,112	-	-
Public works	637,482	-	-
Health and human services	1,287	-	-
Culture, recreation and education	202,686	-	-
Conservation and development	6,777	-	-
Capital Outlay	112,755	-	377,424
Debt Service			
Principal	-	322,241	-
Interest and fiscal charges	-	83,254	-
Total Expenditures	<u>2,552,066</u>	<u>405,495</u>	<u>377,424</u>
Excess (deficiency) of revenues over expenditures	<u>(96,520)</u>	<u>335,711</u>	<u>(377,424)</u>
OTHER FINANCING SOURCES			
Sale of capital assets	37,505	-	-
Transfers in	147,406	-	-
Total Other Financing Sources	<u>184,911</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	88,391	335,711	(377,424)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>2,228,246</u>	<u>1,328,152</u>	<u>479,726</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 2,316,637</u>	<u>\$ 1,663,863</u>	<u>\$ 102,302</u>

See accompanying notes to financial statements.

TID Capital Projects Fund	Nonmajor Governmental Funds	Totals
\$ 360,699	\$ 127,888	\$ 2,555,545
6,653	-	40,854
2,244	78,072	634,180
-	-	74,602
-	-	30,698
-	194,109	385,109
-	-	55,675
-	16,633	190,279
-	9,222	25,330
<u>369,596</u>	<u>425,924</u>	<u>3,992,272</u>
-	-	470,967
-	127,983	1,248,095
-	-	637,482
-	-	1,287
-	218,006	420,692
-	-	6,777
4,686	35,057	529,922
499,408	-	821,649
195,739	-	278,993
<u>699,833</u>	<u>381,046</u>	<u>4,415,864</u>
<u>(330,237)</u>	<u>44,878</u>	<u>(423,592)</u>
-	-	37,505
<u>-</u>	<u>-</u>	<u>147,406</u>
<u>-</u>	<u>-</u>	<u>184,911</u>
(330,237)	44,878	(238,681)
<u>(1,787,838)</u>	<u>1,197,230</u>	<u>3,445,516</u>
<u>\$ (2,118,075)</u>	<u>\$ 1,242,108</u>	<u>\$ 3,206,835</u>

See accompanying notes to financial statements.

VILLAGE OF KEWASKUM

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

Net change in fund balances - total governmental funds	\$	(238,681)
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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		529,922
Some items reported as capital outlay were not capitalized		(23,405)
Depreciation is reported in the government-wide financial statements		(546,110)
Net book value of assets retired		(9,071)

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.

Ambulance receivables		23,519
Special assessments		(47,258)

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

Principal repaid		821,649
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Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization of refunding loss		(72,211)
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences		11,078
Accrued interest on debt		4,380
Net pension liability		(519,780)
Deferred outflows of resources related to pensions		331,624
Deferred inflows of resources related to pensions		79,329

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>344,985</u>
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See accompanying notes to financial statements.

VILLAGE OF KEWASKUM

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

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and investments	\$ 1,451,623	\$ (221,788)	\$ 1,229,835
Receivables			
Taxes	2,098	16,355	18,453
Accounts	152,298	350,430	502,728
Inventories	14,440	3,928	18,368
Restricted Assets			
Cash and investments	43,672	26,739	70,411
Total Current Assets	<u>1,664,131</u>	<u>175,664</u>	<u>1,839,795</u>
Noncurrent Assets			
Restricted Assets			
Cash and investments	131,527	555,364	686,891
Capital Assets			
Land	38,294	4,004	42,298
Other capital assets	10,171,092	22,547,312	32,718,404
Less: Accumulated depreciation	(3,507,415)	(5,344,642)	(8,852,057)
Other Assets			
Special assessments receivable	233	33,133	33,366
Total Noncurrent Assets	<u>6,833,731</u>	<u>17,795,171</u>	<u>24,628,902</u>
Total Assets	<u>8,497,862</u>	<u>17,970,835</u>	<u>26,468,697</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	9,116	121,024	130,140
Pension related amounts	77,198	106,671	183,869
Total Deferred Outflows of Resources	<u>86,314</u>	<u>227,695</u>	<u>314,009</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 601,747	\$ 598,031	\$ 1,199,778
Accrued interest	12,005	19,884	31,889
Accrued wages	4,079	5,146	9,225
Unearned revenues	131,700	-	131,700
Current portion of general obligation debt	46,801	172,197	218,998
Liabilities payable from restricted assets			
Current portion of long-term debt	62,700	592,322	655,022
Accrued interest payable	1,852	21,519	23,371
Total Current Liabilities	<u>860,884</u>	<u>1,409,099</u>	<u>2,269,983</u>
Noncurrent Liabilities			
Long-Term Debt			
Bonds and notes payable	610,556	6,058,222	6,668,778
Advances from other funds	-	2,107,914	2,107,914
Net pension liability	26,883	30,562	57,445
Total Noncurrent Liabilities	<u>637,439</u>	<u>8,196,698</u>	<u>8,834,137</u>
Total Liabilities	<u>1,498,323</u>	<u>9,605,797</u>	<u>11,104,120</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	<u>37,597</u>	<u>54,683</u>	<u>92,280</u>
Total Deferred Inflows of Resources	<u>37,597</u>	<u>54,683</u>	<u>92,280</u>
NET POSITION			
Net investment in capital assets	6,064,865	10,625,425	16,690,290
Restricted for			
Impact fees	57,692	-	57,692
Equipment replacement	-	434,896	434,896
Debt service	41,820	5,220	47,040
Unrestricted (deficit)	<u>883,879</u>	<u>(2,527,491)</u>	<u>(1,643,612)</u>
TOTAL NET POSITION	<u>\$ 7,048,256</u>	<u>\$ 8,538,050</u>	<u>\$ 15,586,306</u>

See accompanying notes to financial statements.

VILLAGE OF KEWASKUM

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
OPERATING REVENUES			
Charges for services	\$ 819,598	\$ 1,377,020	\$ 2,196,618
Total Operating Revenues	819,598	1,377,020	2,196,618
OPERATING EXPENSES			
Operation and maintenance	358,380	545,685	904,065
Depreciation	190,683	362,848	553,531
Taxes	11,670	13,161	24,831
Total Operating Expenses	560,733	921,694	1,482,427
Operating Income	258,865	455,326	714,191
NONOPERATING REVENUES (EXPENSES)			
Investment income	3,892	15,853	19,745
Interest expense	(29,760)	(243,909)	(273,669)
Amortization of loss on refunding	(2,734)	(17,758)	(20,492)
Total Nonoperating Revenues (Expenses)	(28,602)	(245,814)	(274,416)
Income Before Contributions and Transfers	230,263	209,512	439,775
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	-	77,563	77,563
Transfers out - tax equivalent	(145,807)	(1,599)	(147,406)
Total Contributions and Transfers	(145,807)	75,964	(69,843)
Change in Net Position	84,456	285,476	369,932
NET POSITION - Beginning of Year	6,963,800	8,252,574	15,216,374
NET POSITION - END OF YEAR	\$ 7,048,256	\$ 8,538,050	\$ 15,586,306

See accompanying notes to financial statements.

VILLAGE OF KEWASKUM

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2019

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 1,197,350	\$ 1,313,122	\$ 2,510,472
Paid to suppliers for goods and services	(229,570)	(421,987)	(651,557)
Paid to employees for services	(133,104)	(170,426)	(303,530)
Net Cash Flows From Operating Activities	<u>834,676</u>	<u>720,709</u>	<u>1,555,385</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>3,892</u>	<u>15,853</u>	<u>19,745</u>
Net Cash Flows From Investing Activities	<u>3,892</u>	<u>15,853</u>	<u>19,745</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	<u>(145,807)</u>	<u>(1,599)</u>	<u>(147,406)</u>
Net Cash Flows From Noncapital Financing Activities	<u>(145,807)</u>	<u>(1,599)</u>	<u>(147,406)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	(102,732)	(735,340)	(838,072)
Interest paid	(34,486)	(223,396)	(257,882)
Special assessments received	77	30,070	30,147
Acquisition and construction of capital assets	(212,744)	(95,407)	(308,151)
Contribution received for construction	<u>-</u>	<u>77,563</u>	<u>77,563</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(349,885)</u>	<u>(946,510)</u>	<u>(1,296,395)</u>
Net Change in Cash and Cash Equivalents	342,876	(211,547)	131,329
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,283,946</u>	<u>571,862</u>	<u>1,855,808</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,626,822</u>	<u>\$ 360,315</u>	<u>\$ 1,987,137</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 258,865	\$ 455,326	\$ 714,191
Adjustments to Reconcile Operating Income to Net Cash			
Flows From Operating Activities			
Depreciation	190,683	362,848	553,531
Depreciation charged to other funds	6,076	(6,076)	-
Changes in assets and liabilities			
Accounts and taxes receivable	(10,297)	(57,822)	(68,119)
Accounts payable	(3,279)	(50,076)	(53,355)
Due to other funds	381,973	-	381,973
Accrued wages	1,103	1,582	2,685
Pension related deferrals and liability	9,552	14,927	24,479
	<u>9,552</u>	<u>14,927</u>	<u>24,479</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 834,676</u>	<u>\$ 720,709</u>	<u>\$ 1,555,385</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS			
Cash and investments	\$ 1,451,623	\$ (221,788)	\$ 1,229,835
Restricted cash and investments			
Redemption account	43,672	26,739	70,411
Reserve account	131,527	120,468	251,995
Equipment replacement	-	434,896	434,896
	<u>-</u>	<u>434,896</u>	<u>434,896</u>
CASH AND CASH EQUIVALENTS	<u>\$ 1,626,822</u>	<u>\$ 360,315</u>	<u>\$ 1,987,137</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest expense on advances from General Fund	\$ -	\$ 58,155	
Capital additions financed by accounts payable	\$ 1,351	\$ 9,082	
	<u>1,351</u>	<u>9,082</u>	

See accompanying notes to financial statements.

VILLAGE OF KEWASKUM

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2019

	<u>Agency Fund</u> <u>Tax Roll Fund</u>
ASSETS	
Cash and investments	\$ 3,453,443
Taxes receivable	<u>228,562</u>
TOTAL ASSETS	<u>\$ 3,682,005</u>
LIABILITIES	
Accounts payable	\$ 53,540
Due to other governments	<u>3,628,465</u>
TOTAL LIABILITIES	<u>\$ 3,682,005</u>

See accompanying notes to financial statements.

VILLAGE OF KEWASKUM

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VILLAGE OF KEWASKUM

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

Fiduciary Component Units

B. 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.

VILLAGE OF KEWASKUM

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

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

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

Fund Financial Statements (cont.)

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

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

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

The Village reports the following major governmental funds:

- General Fund - accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.
- General Capital projects fund - accounts for resources legally restricted to supporting expenditures for the village's capital project programs.
- TID Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

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.

VILLAGE OF KEWASKUM

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

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

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

Fund Financial Statements (cont.)

The Village reports the following nonmajor governmental funds:

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

Library Fund
Rescue Squad Fund
Park Impact Fee Fund

Stormwater Utility - District 1 Fund
Stormwater Utility - District 2 Fund

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

KKCP Nature Trail Fund
Fickler Memorial Fund

In addition, the Village reports the following fund type:

Agency Fund - 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.

Tax Roll Fund

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

Government-Wide Financial Statements

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

VILLAGE OF KEWASKUM

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

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

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

Government-Wide Financial Statements (cont.)

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

Fund Financial Statements

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

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

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 fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

VILLAGE OF KEWASKUM

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

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

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

Fund Financial Statements (cont.)

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

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

1. Deposits and Investments

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

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

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

VILLAGE OF KEWASKUM

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

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

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

1. Deposits and Investments (cont.)

The Village has not adopted an investment policy.

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the Village 's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

2. Receivables

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

Property tax calendar - 2019 tax roll:

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

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

VILLAGE OF KEWASKUM

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

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

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

2. Receivables (cont.)

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.

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$500 for general capital assets and \$5,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

VILLAGE OF KEWASKUM

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

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

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

Buildings	40-60	Years
Machinery and Equipment	5-20	Years
Utility System	7-77	Years
Infrastructure	40-60	Years

Fund Financial Statements

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

6. Deferred Outflows of Resources

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

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

7. Compensated Absences

VILLAGE OF KEWASKUM

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

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

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

7. Compensated Absences (cont.)

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.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

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

8. 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.

9. Deferred Inflows of Resources

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

10. 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.

VILLAGE OF KEWASKUM

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

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

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

10. Equity Classifications (cont.)

Government-Wide Statements (cont.)

- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 7,675,538	\$ 16,690,290	\$ (2,067,055)	\$ 22,298,773
Unrestricted	(1,276,616)	(1,643,612)	2,067,055	(853,173)

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 KEWASKUM

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

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

- 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 Board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

The 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.

See Note III. G. for further information.

11. Pension

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

12. Basis for Existing Rates

Water Utility

Rates for the water utility were approved by the Public Service Commission of Wisconsin on December 17, 2015.

Sewer Utility

Rates for the sewer utility were approved by the village board by Resolution No. 2016-01 on January 11, 2016.

VILLAGE OF KEWASKUM

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

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
TID capital projects fund	\$ 654,876	\$ 699,833	\$ 44,957

The village controls expenditures at the function 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.

B. DEFICIT BALANCES

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

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

Fund	Amount	Reason
TID capital projects fund	\$ (2,118,075)	Expenditures related to infrastructure capital outlay and debt service.

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. On September 10, 2012, the TIF District was approved as being distressed by the state, so they now have until 2035 to collect tax increments.

C. LIMITATIONS ON THE VILLAGE'S TAX LEVY

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

VILLAGE OF KEWASKUM

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

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

D. VIOLATION OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2019, the Village was not in compliance with the provisions of the water and sewer revenue bond covenants that require assets to be accumulated in a restricted account for the payment of future debt service. The covenants require the Village to set aside monthly one-twelfth of the next principal payment and one-sixth of the next interest payment on the bonds. The required amount to be set aside at December 31, 2019 was \$460,312; however the Village had only set aside \$70,411. Management is currently evaluating how to address this issue.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Statement Balances	Associated Risks
Demand Deposits	\$ 3,169,201	\$ 2,992,278	Custodial credit risk
LGIP	3,401,018	3,401,018	Credit risk
Petty cash	150	-	N/A
 Total Deposits and Investments	 \$ 6,570,369	 \$ 6,393,296	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 1,959,035		
Restricted cash and investments	1,157,891		
Per statement of assets and liabilities -			
agency fund			
Agency Fund	3,453,443		
 Total Deposits and Investments	 \$ 6,570,369		

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

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

VILLAGE OF KEWASKUM

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

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.

As of December 31, 2019, \$2,402,724 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>2,402,724</u>
 Total	 \$ <u><u>2,402,724</u></u>

Credit Risk

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

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

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

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except for \$2,328 of delinquent personal property taxes, and \$65,392 of special assessments.

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	\$ 2,621,971	\$ -
Special assessments not yet due	-	44,711
Ambulance receivables	-	40,272
Interest on special assessments	<u>-</u>	<u>1,007</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 2,621,971</u>	 <u>\$ 85,990</u>

VILLAGE OF KEWASKUM

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

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

B. RECEIVABLES (cont.)

At the end of the current fiscal year, the various components of unearned revenue in the proprietary funds were as follows:

	Unearned
Water tower lease revenue	\$ 131,700
Total Unearned Revenue for Proprietary Funds	\$ 131,700

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

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.

Impact Fee Account

The village has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

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

	Restricted Assets
Bond redemption account	\$ 70,411
Bond reserve account	194,303
Equipment replacement account	434,896
Library capital improvements	400,589
Water impact fee account	57,692
Total	\$ 1,157,891

VILLAGE OF KEWASKUM

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

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

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,223,854	\$ -	\$ -	\$ 1,223,854
Construction in progress	-	38,168	-	38,168
Total Capital Assets Not Being Depreciated	<u>1,223,854</u>	<u>38,168</u>	<u>-</u>	<u>1,262,022</u>
Capital assets being depreciated				
Building	2,886,325	16,144	-	2,902,469
Machinery and Equipment	5,454,550	67,005	-	5,521,555
Roads	6,824,779	241,536	18,312	7,048,003
Storm sewer	3,321,777	143,664	7,358	3,458,083
Sidewalks	477,040	-	-	477,040
Curb and gutter	618,258	-	-	618,258
Total Capital Assets Being Depreciated	<u>19,582,729</u>	<u>468,349</u>	<u>25,670</u>	<u>20,025,408</u>
Total Capital Assets	<u>20,806,583</u>	<u>506,517</u>	<u>25,670</u>	<u>21,287,430</u>
Less: Accumulated depreciation for				
Building	(1,504,542)	(62,309)	-	(1,566,851)
Machinery and Equipment	(3,323,355)	(233,917)	-	(3,557,272)
Roads	(2,018,023)	(137,845)	15,587	(2,140,281)
Storm sewer	(945,260)	(84,658)	1,012	(1,028,906)
Sidewalks	(139,460)	(11,926)	-	(151,386)
Curb and gutter	(165,417)	(15,455)	-	(180,872)
Total Accumulated Depreciation	<u>(8,096,057)</u>	<u>(546,110)</u>	<u>16,599</u>	<u>(8,625,568)</u>
Net Capital Assets Being Depreciated	<u>11,486,672</u>	<u>(77,761)</u>	<u>9,071</u>	<u>11,399,840</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,710,526</u>	<u>\$ (39,593)</u>	<u>\$ 9,071</u>	<u>\$ 12,661,862</u>

VILLAGE OF KEWASKUM

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

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 32,469
Public safety	194,366
Public works, which includes the depreciation of infrastructure	285,831
Health and sanitation	41
Culture, recreation and education	33,343
Conservation and development	<u>60</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 546,110</u></u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Sewer</u>				
Capital assets not being depreciated				
Land and land rights	\$ 4,004	\$ -	\$ -	\$ 4,004
Construction in progress	<u>-</u>	<u>104,489</u>	<u>104,489</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>4,004</u>	<u>104,489</u>	<u>104,489</u>	<u>4,004</u>
Capital assets being depreciated				
Building and structures	6,561,450	-	-	6,561,450
Collection system	9,094,355	104,489	-	9,198,844
Equipment	<u>6,787,018</u>	<u>-</u>	<u>-</u>	<u>6,787,018</u>
Total Capital Assets Being Depreciated	<u>22,442,823</u>	<u>104,489</u>	<u>-</u>	<u>22,547,312</u>
Total Capital Assets	<u>22,446,827</u>	<u>208,978</u>	<u>104,489</u>	<u>22,551,316</u>
Less: Accumulated depreciation for				
Building and structures	(1,142,270)	(104,065)	-	(1,246,335)
Collection system	(2,230,021)	(145,065)	-	(2,375,086)
Equipment	<u>(1,615,579)</u>	<u>(107,642)</u>	<u>-</u>	<u>(1,723,221)</u>
Total Accumulated Depreciation	<u>(4,987,870)</u>	<u>(356,772)</u>	<u>-</u>	<u>(5,344,642)</u>
Net Capital Assets Being Depreciated	<u>17,454,953</u>	<u>(252,283)</u>	<u>-</u>	<u>17,202,670</u>
Net Sewer Capital Assets	<u><u>\$ 17,458,957</u></u>	<u><u>\$ (147,794)</u></u>	<u><u>\$ 104,489</u></u>	<u><u>\$ 17,206,674</u></u>

VILLAGE OF KEWASKUM

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

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 38,294	\$ -	\$ -	\$ 38,294
Total Capital Assets Not Being Depreciated	38,294	-	-	38,294
Capital assets being depreciated				
Source of supply	316,514	-	-	316,514
Pumping	1,262,467	-	-	1,262,467
Treatment	39,084	-	-	39,084
Transmission and distribution	8,134,228	218,033	34,100	8,318,161
Administrative and general assets	234,866	-	-	234,866
Total Capital Assets Being Depreciated	9,987,159	218,033	34,100	10,171,092
Total Capital Assets	10,025,453	218,033	34,100	10,209,386
Less: Accumulated depreciation for				
Source of supply	(186,635)	(9,179)	-	(195,814)
Pumping	(895,408)	(44,544)	-	(939,952)
Treatment	(24,349)	(1,290)	-	(25,639)
Transmission and distribution	(2,003,497)	(141,746)	34,100	(2,111,143)
Administrative and general assets	(234,867)	-	-	(234,867)
Total Accumulated Depreciation	(3,344,756)	(196,759)	34,100	(3,507,415)
Net Capital Assets Being Depreciated	6,642,403	21,274	-	6,663,677
Net Water Capital Assets	\$ 6,680,697	\$ 21,274	\$ -	\$ 6,701,971
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 24,139,654	\$ (126,520)	\$ 104,489	\$ 23,908,645

Depreciation expense was charged to functions as follows:

Business-type Activities

Sewer	\$ 362,848
Water	190,683
Total Business-type Activities Depreciation Expense	\$ 553,531

Depreciation expense is different from additions because of joint metering, salvage, cost of removal, internal allocations, and cost associated with the disposal of assets.

VILLAGE OF KEWASKUM

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

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

E. INTERFUND ADVANCES

Advances

The general fund is advancing funds to the TID capital projects fund. The amount advanced is determined by the amount of cash the district needs for the current year. No repayment schedule has been established.

The general fund is advancing funds to the Sewer Utility. The amount advanced is determined by the amount of cash the utility needs for the current year. No repayment schedule has been established.

The debt service fund is advancing funds to the TID capital projects fund. The amount advanced is determined by the amount of cash the district needs for the current year to meet their debt service payments. No repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TID Capital Projects	\$ 505,427	\$ 505,427
General Fund	Sewer Utility	2,107,914	2,107,914
Debt Service Fund	TID Capital Projects	<u>1,619,582</u>	1,619,582
Total - Fund Financial Statements		4,232,923	
Less: Fund eliminations		<u>(2,125,009)</u>	
Total - Interfund Advances - Government-Wide Statement of Net Position		<u>\$ 2,107,914</u>	

The principal purpose of this advance is to finance some costs the district had in the current and prior year.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Sewer Utility	\$ 1,599	Payment in lieu of taxes
General Fund	Water Utility	<u>145,807</u>	Payment in lieu of taxes
Total		<u>\$ 147,406</u>	

VILLAGE OF KEWASKUM

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

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

E. INTERFUND ADVANCES (cont.)

Transfers (cont.)

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

F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 8,414,034	\$ -	\$ 821,649	\$ 7,592,385	\$ 828,915
Other Liabilities					
Vested compensated absences	172,471	13,257	24,335	161,393	28,368
Net pension liability	-	288,158	-	288,158	-
Total Other Liabilities	172,471	301,415	24,335	449,551	28,368
Total Governmental Activities Long-Term Liabilities	\$ 8,586,505	\$ 301,415	\$ 845,984	\$ 8,041,936	\$ 857,283
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 2,343,591	\$ -	\$ 199,518	\$ 2,144,073	\$ 218,998
Revenue bonds	6,037,279	-	638,554	5,398,725	655,022
Sub-totals	8,380,870	-	838,072	7,542,798	874,020
Other Liabilities					
Net pension liability	-	57,445	-	57,445	-
Total Other Liabilities	-	57,445	-	57,445	-
Total Business-type Activities Long-Term Liabilities	\$ 8,380,870	\$ 57,445	\$ 838,072	\$ 7,600,243	\$ 874,020

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2019, was \$17,147,925. Total general obligation debt outstanding at year end was \$9,736,458.

VILLAGE OF KEWASKUM

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

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

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

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Refunding Bonds	3/28/12	6/1/23	0.50-2.25%	\$ 1,515,000	\$ 425,000
Refunding Bonds (TID)	5/14/15	4/1/28	.60-3.00	5,752,300	5,382,955
State Trust Fund Loan	4/7/15	3/15/25	3.50	160,000	102,299
State Trust Fund Loan	9/29/17	3/15/27	3.50	399,793	366,817
Westbury Bank Loan	8/7/18	6/1/28	4.10	1,444,488	<u>1,315,314</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 7,592,385</u>

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Refunding Bonds	5/14/15	4/1/28	.60-3.00%	\$ 1,262,700	\$ 1,192,045
State Trust Fund Loan	9/29/17	3/15/27	3.50	599,686	550,222
Westbury Bank Loan	8/7/18	6/1/28	4.10	441,267	<u>401,806</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 2,144,073</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2020	\$ 828,915	\$ 194,731	\$ 218,998	\$ 61,686
2021	863,950	176,682	230,040	55,936
2022	899,986	157,035	240,222	49,839
2023	935,848	135,367	246,017	43,290
2024	831,904	113,164	251,904	36,337
2025-2028	<u>3,231,782</u>	<u>215,032</u>	<u>956,892</u>	<u>66,757</u>
Totals	<u>\$ 7,592,385</u>	<u>\$ 992,011</u>	<u>\$ 2,144,073</u>	<u>\$ 313,845</u>

VILLAGE OF KEWASKUM

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

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

The village has pledged future water and sewer utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2007 and 2008. Proceeds from the bonds provided financing for the Village's new water and sewerage system projects. The bonds are payable solely from water and sewer utility revenues and are payable through 2028. Annual principal and interest payments on the bonds are expected to require 56.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,966,442. Principal and interest paid for the current year and total customer net revenues were \$787,533 and \$1,287,467, respectively.

Revenue debt payable at December 31, 2019, consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>
<u>Sewer Utility</u>					
Revenue Bonds	4/1/07	5/1/23	4.00-4.20%	\$ 1,395,000	\$ 440,200
Revenue Bonds (CWFL)	5/23/07	5/1/27	2.475	2,630,599	1,210,829
Revenue Bonds (CWFL)	10/8/08	5/1/28	2.365	6,792,545	<u>3,477,897</u>
				Total Sewer Utility	<u>5,128,926</u>
<u>Water Utility</u>					
Revenue Bonds	4/1/07	5/1/23	4.00-4.20%	\$ 855,000	<u>\$ 269,799</u>
				Total Water Utility	<u>269,799</u>
Total Business-type Activities - Revenue Debt					<u><u>\$ 5,398,725</u></u>

VILLAGE OF KEWASKUM

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Revenue Debt	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 655,022	\$ 132,511
2021	676,764	113,616
2022	693,787	94,060
2023	716,098	73,831
2024	538,705	57,083
2025-2028	2,118,349	96,618
Totals	\$ 5,398,725	\$ 567,719

Totals

Other Debt Information

Estimated payments of vested compensated absences are not included in the debt service requirement schedules. The compensated absences liability, other post employment benefits obligation, and net pension obligation attributable to governmental activities will be liquidated primarily by the general fund.

G. NET POSITION/FUND BALANCES

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

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 1,223,854
Other capital assets, net of accumulated depreciation	11,438,008
Less: Long-term debt outstanding	(7,592,385)
Plus: Noncapital debt proceeds	2,067,055
Plus: Unamortized loss on refunding	539,006
Total Net Investment in Capital Assets	\$ 7,675,538

VILLAGE OF KEWASKUM

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

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

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

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

	General Fund	Debt Service Fund	General Capital Projects Fund	TID Capital Projects Fund	Total Nonmajor Governmental Funds	Totals
Fund Balances						
Nonspendable:						
Prepaid items	\$ 41,967	\$ -	\$ -	\$ -	\$ -	\$ 41,967
Delinquent personal property taxes	2,328	-	-	-	-	2,328
Noncurrent amounts due from other funds	<u>2,613,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,613,341</u>
Sub-total	<u>2,657,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,657,636</u>
Restricted for:						
Debt Service	-	1,663,863	-	-	-	1,663,863
Library	-	-	-	-	762,020	762,020
Memorials	-	-	-	-	5,809	5,809
KKCP Nature Trail	-	-	-	-	500	500
Sub-total	<u>-</u>	<u>1,663,863</u>	<u>-</u>	<u>-</u>	<u>768,329</u>	<u>2,432,192</u>
Committed to:						
Rescue Squad	-	-	-	-	365,112	365,112
Stormwater utility - District 1 fund	-	-	-	-	47,093	47,093
Stormwater utility - district 2 fund	-	-	-	-	61,574	61,574
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>473,779</u>	<u>473,779</u>
Assigned to:						
Capital Projects	-	-	102,302	-	-	102,302
Sub-total	<u>-</u>	<u>-</u>	<u>102,302</u>	<u>-</u>	<u>-</u>	<u>102,302</u>
Unassigned (deficit):	<u>(340,999)</u>	<u>-</u>	<u>-</u>	<u>(2,118,075)</u>	<u>-</u>	<u>(2,459,074)</u>
Total Fund Balances (Deficit)	<u>\$ 2,316,637</u>	<u>\$ 1,663,863</u>	<u>\$ 102,302</u>	<u>\$ (2,118,075)</u>	<u>\$ 1,242,108</u>	<u>\$ 3,206,835</u>

VILLAGE OF KEWASKUM

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

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

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 42,298
Other capital assets, net of accumulated depreciation	23,866,347
Less: Long-term debt outstanding	(7,542,798)
Plus: Noncapital debt proceeds	194,303
Plus: Unamortized loss on refunding	<u>130,140</u>
Total Net Investment in Capital Assets	<u>\$ 16,690,290</u>

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

VILLAGE OF KEWASKUM

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

VILLAGE OF KEWASKUM

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$100,969 in contributions from the Village.

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

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

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

At December 31, 2019, the Village reported a liability of \$345,603 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.00971428%, which was an increase of 0.00018788% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of \$235,870.

VILLAGE OF KEWASKUM

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 269,172	\$ 475,800
Changes in assumptions	58,256	-
Net differences between projected and actual earnings on pension plan investments	504,730	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,094	1,969
Employer contributions subsequent to the measurement date	108,458	-
Totals	\$ 948,710	\$ 477,769

\$108,458 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ 134,189
2021	34,170
2022	56,151
2023	137,973

VILLAGE OF KEWASKUM

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

VILLAGE OF KEWASKUM

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF KEWASKUM

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	\$1,373,465	\$345,603	\$(418,691)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2019, the Village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

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

C. COMMITMENTS AND CONTINGENCIES

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

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

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

VILLAGE OF KEWASKUM

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

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES

Mid-Moraine Municipal Court

The fifteen municipalities from Washington and Ozaukee Counties jointly operate the local municipal court, which is called the Mid-Moraine Municipal Court and provides non-criminal citation processing.

The governing committee is made up of citizens from each community. Local representatives are appointed by the chief executive officer of each community. The committee recommends its own budget which is ratified by each community member. The committee also controls the financial affairs of the courts.

Financial information of the court as of December 31, 2019 is available directly from the municipal court in West Bend, Wisconsin.

The Village of Kewaskum does not have an equity interest in the Mid-Moraine Municipal Court.

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*

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

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF KEWASKUM

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

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 1,296,215	\$ 1,368,789	\$ 72,574
Special assessments	-	34,201	34,201
Intergovernmental	518,806	553,864	35,058
Licenses and permits	65,045	74,602	9,557
Fines, forfeitures and penalties	35,500	30,698	(4,802)
Public charges for services	185,168	191,000	5,832
Intergovernmental charges for services	54,303	55,675	1,372
Investment income	109,013	130,609	21,596
Miscellaneous revenues	5,700	16,108	10,408
Total Revenues	2,269,750	2,455,546	185,796
EXPENDITURES			
Current:			
General government	424,711	470,967	(46,256)
Public safety	1,150,760	1,120,112	30,648
Public works	616,831	637,482	(20,651)
Health and human services	567	1,287	(720)
Culture, recreation and education	169,265	202,686	(33,421)
Conservation and development	5,260	6,777	(1,517)
Capital Outlay	123,624	112,755	10,869
Total Expenditures	2,491,018	2,552,066	(61,048)
Excess (deficiency) of revenues over (under) expenditures	(221,268)	(96,520)	124,748
OTHER FINANCING SOURCES			
Sales of capital assets	8,750	37,505	28,755
Transfers in	143,500	147,406	3,906
Total Other Financing Sources	152,250	184,911	32,661
Net Change in Fund Balance	\$ (69,018)	88,391	\$ 157,409
FUND BALANCE - Beginning of Year		2,228,246	
FUND BALANCE - END OF YEAR		\$ 2,316,637	

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF KEWASKUM

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

WRS Fiscal Year End	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.01002089%	\$ (246,073)	\$ 1,085,110	22.68%	102.74%
12/31/15	0.00955955%	155,341	1,107,932	14.02%	98.20%
12/31/16	0.00930187%	76,670	1,121,473	6.84%	99.12%
12/31/17	0.00952640%	(282,850)	1,143,758	24.73%	102.93%
12/31/18	0.00971428%	345,603	1,159,227	29.81%	96.45%

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

Village Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 87,028	\$ 87,028	\$ -	\$ 1,107,932	7.85%
12/31/16	90,523	90,523	-	1,121,473	8.07%
12/31/17	101,023	101,023	-	1,143,758	8.83%
12/31/18	102,554	102,554	-	1,159,227	8.85%
12/31/19	108,458	108,458	-	1,277,297	8.49%

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF KEWASKUM

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

BUDGETARY INFORMATION

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

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

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

WISCONSIN RETIREMENT SYSTEM (WRS) PENSION

The amounts presented in relation to the schedule of employer's proportionate share of the net pension liability and the schedule of employer contributions represents the specific data of the System. The information was derived using a combination of the employer's contribution data along with data provided by the Wisconsin Retirement System in relation to the System as a whole.

The System is required to present the last ten fiscal years data; however the standards allow the System to present as many years as are available until ten fiscal years are presented.

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

Changes of assumptions. Actuarial assumptions are based on experience study conducted in 2018 using experience from 2015-2017. Based on the experience study, actuarial assumptions used to develop 1) the Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

SUPPLEMENTARY INFORMATION

VILLAGE OF KEWASKUM

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

	Special Revenue Funds			
	Library Fund	Rescue Squad Fund	Park Impact Fee Fund	Stormwater Utility - District 1 Fund
ASSETS				
Cash and investments	\$ 367,163	\$ 325,414	\$ -	\$ 44,487
Receivables (net)				
Taxes	131,724	-	-	63
Accounts	-	86,076	-	2,543
Restricted cash and investments	400,589	-	-	-
TOTAL ASSETS	\$ 899,476	\$ 411,490	\$ -	\$ 47,093
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,708	\$ 5,445	\$ -	\$ -
Accrued liabilities	3,024	661	-	-
Total Liabilities	5,732	6,106	-	-
Deferred Inflows of Resources				
Unearned revenues	131,724	-	-	-
Unavailable revenues	-	40,272	-	-
Total Deferred Inflows of Resources	131,724	40,272	-	-
Fund Balances				
Restricted	762,020	-	-	-
Committed	-	365,112	-	47,093
Total Fund Balances	762,020	365,112	-	47,093
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 899,476	\$ 411,490	\$ -	\$ 47,093

Special Revenue Funds	Permanent Funds		Total Nonmajor Governmental Funds
Stormwater Utility - District 2 Fund	KKCP Nature Trail Fund	Fickler Memorial Fund	
\$ 60,890	\$ 500	\$ 5,809	\$ 804,263
111	-	-	131,898
573	-	-	89,192
<u>-</u>	<u>-</u>	<u>-</u>	<u>400,589</u>
<u>\$ 61,574</u>	<u>\$ 500</u>	<u>\$ 5,809</u>	<u>\$ 1,425,942</u>
\$ -	\$ -	\$ -	\$ 8,153
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,685</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>11,838</u>
-	-	-	131,724
<u>-</u>	<u>-</u>	<u>-</u>	<u>40,272</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>171,996</u>
-	500	5,809	768,329
61,574	-	-	473,779
<u>61,574</u>	<u>500</u>	<u>5,809</u>	<u>1,242,108</u>
<u>\$ 61,574</u>	<u>\$ 500</u>	<u>\$ 5,809</u>	<u>\$ 1,425,942</u>

VILLAGE OF KEWASKUM

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

	Special Revenue Funds			
	Library Fund	Rescue Squad Fund	Park Impact Fee Fund	Stormwater Utility - District 1 Fund
REVENUES				
Taxes	\$ 127,888	\$ -	\$ -	\$ -
Intergovernmental	71,892	6,180	-	-
Public charges for services	-	180,112	-	9,434
Investment income	16,605	-	-	-
Miscellaneous revenues	9,222	-	-	-
Total Revenues	<u>225,607</u>	<u>186,292</u>	<u>-</u>	<u>9,434</u>
EXPENDITURES				
Current				
Public safety	-	127,983	-	-
Culture, recreation and education	218,006	-	-	-
Capital Outlay	<u>-</u>	<u>35,057</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>218,006</u>	<u>163,040</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	7,601	23,252	-	9,434
FUND BALANCES - Beginning of Year	<u>754,419</u>	<u>341,860</u>	<u>-</u>	<u>37,659</u>
FUND BALANCES - END OF YEAR	<u>\$ 762,020</u>	<u>\$ 365,112</u>	<u>\$ -</u>	<u>\$ 47,093</u>

Special Revenue Funds	Permanent Funds		Total Nonmajor Governmental Funds
Stormwater Utility - District 2 Fund	KKCP Nature Trail Fund	Fickler Memorial Fund	
\$ -	\$ -	\$ -	\$ 127,888
-	-	-	78,072
4,563	-	-	194,109
-	-	28	16,633
-	-	-	9,222
<u>4,563</u>	<u>-</u>	<u>28</u>	<u>425,924</u>
-	-	-	127,983
-	-	-	218,006
<u>-</u>	<u>-</u>	<u>-</u>	<u>35,057</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>381,046</u>
4,563	-	28	44,878
<u>57,011</u>	<u>500</u>	<u>5,781</u>	<u>1,197,230</u>
<u>\$ 61,574</u>	<u>\$ 500</u>	<u>\$ 5,809</u>	<u>\$ 1,242,108</u>