

Village of Pleasant Prairie

Financial Statements and
Supplementary Information

December 31, 2020

Village of Pleasant Prairie

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Independent Auditors' Report

To the Village Board of
Village of Pleasant Prairie

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Pleasant Prairie, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village of Pleasant Prairie'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 Pleasant Prairie'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 Pleasant Prairie'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.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Pleasant Prairie, Wisconsin, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

Supplementary Information

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

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
June 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Our discussion and analysis of the Village of Pleasant Prairie's financial performance provides an overview of the Village's financial activities as of and for the year ended December 31, 2020. Please read it in conjunction with the Village's financial statements following this section.

FINANCIAL HIGHLIGHTS

The total net position of the Village increased by \$31.9 million to \$245.4 million. Events that had major impacts on the Village's 2020 financials were:

- Governmental activities net position increased \$23.6 million with revenue of \$47.5 million, excluding capital contributions, exceeding expenses of \$24.5 million. Revenue was up \$7.6 million mainly due to land sales, and expenses were down \$7.8 million, with the majority of the decrease in Public Works expenses.
- Business activities net position increased \$8.3 million. Capital contribution of \$9.4 million is the main reason for the increase in net position, with Stateline I-94 contributing \$7.5 million of sewer and water infrastructure.
- The Village's debt decreased by \$11.8 million ending the year with \$79.8 million in general obligation bonds outstanding. The Village borrowed \$1.6 million for General Government, \$2.5 million for Clean Water Utility and refinanced \$1.9 million for RecPlex. The Village paid \$17.9 million of principal in 2020, \$10.3 million of that amount was TID #2 debt.
- The Village had investments of \$258.3 million at the end of 2020 in capital assets, a net increase of \$16.3 million. (See table A5). Additions of \$21.7 million plus \$4.7 million increase in work in progress exceeded depreciation of \$10.1 million, and insignificant disposals.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of four parts:

- *Management's discussion and analysis (required supplementary information)*
- *Basic financial statements*
 - Government-wide Financial Statements
 - Fund Financial Statements
 - Notes to the Financial Statements
- *Required supplementary information*
- *Supplementary information*

The basic financial statements include two kinds of statements that present different views of the Village. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status. The remaining statements are fund financial statements that focus on individual parts of Village government and report the Village's operations in more detail than the government-wide statements. The financial statements also include notes that explain some of the information in the financial statements and provide more data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a supplementary information section with combining statements that provide details about our nonmajor governmental funds. The nonmajor funds are added together and presented in single columns in the basic financial statements.

Government-wide Statements

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

The two government-wide statements report the Village's net position and how they have changed. Net position- the difference between the Village's assets, deferred outflows of resources, liabilities and deferred inflows of resources – is one way to measure the Village's financial health, or position.

- Over time, increases or decreases in the Village's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Village you need to consider additional nonfinancial factors such as changes in the Village's property tax base, economy and rate of growth.

The government-wide financial statements of the Village are divided into two categories:

- *Governmental activities* – The Village's basic services are included here, such as police, fire, public works, parks, community development, assessing, finance and administration. Property taxes and state aid finance most of these activities.
- *Business-type activities* – The Pleasant Prairie Utilities and the Lakeview RecPlex charge user fees to cover the costs of services they provide. This includes water, sewer, refuse, recycling, clean water and the recreational complex.

Fund Financial Statements

The fund financial statements provide detailed information about the Village's significant *funds*. Funds are accounting devices that the Village uses to keep track of specific sources of funding and spending for particular purposes.

The Village has three kinds of funds:

- **Governmental funds** - Most of the Village's basic services are included in governmental funds which focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, governmental fund statements tell how general government services like public safety and public works were financed in the short term as well as what future spending remains. Because this information does not encompass the additional long-term focus of government-wide statements, additional information is provided at the bottom of the governmental funds statement explaining the differences between them.

- **Proprietary funds** - Services for which the Village charges customers a fee are reported in proprietary funds. These include water, sewer and clean water utilities, waste collection, and our recreational complex. Proprietary fund statements offer short and long-term financial information about activities the Village operates like a business.
- **Fiduciary funds** - The Village is the trustee, or *fiduciary*, for collection of all property taxes within the Village for all taxing districts, including the Kenosha Unified School District, Kenosha County and Gateway Technical College. The Village also has a retired employees' healthcare plan trust, which reports resources for members and beneficiaries of the benefit plan. All of the Village's fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the Village's government-wide financial statements because these assets cannot be used to finance operations.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

STATEMENT OF NET POSITION

The Village's combined net position increased by \$31.9 million to \$245.4 million. The majority of the net position, \$164.1 million, belongs to business-type activities of the Village, primarily the sewer (\$65.4 million) and water utilities (\$61.3 million).

Table A-1
Village of Pleasant Prairie's Net Position
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Change	
	2019	2020	2019	2020	2019	2020	2019-2020	%
Current and other assets	85.1	98.9	27.7	25.6	112.9	124.5	11.6	10.3%
Capital assets	85.8	92.2	156.3	166.1	242.0	258.3	16.3	6.7%
Total assets	170.9	191.1	184.0	191.7	354.9	382.8	27.9	7.9%
Deferred outflow s of resources	9.2	7.9	2.9	2.5	12.0	10.4	(1.7)	26.8%
Long-term debt outstanding	82.8	66.3	26.7	23.7	109.5	90.1	(19.4)	-17.7%
Other liabilities	8.4	9.0	2.9	3.1	11.3	12.0	0.7	6.2%
Total liabilities	91.2	75.3	29.6	26.8	120.8	102.1	(18.7)	-15.5%
Deferred inflow s of resources	31.2	42.4	1.4	3.2	32.6	45.7	13.0	40.2%
Net Position								
Net investment in capital assets	51.3	54.5	132.2	144.0	174.2	192.3	18.2	10.4%
Restricted	2.5	6.3	1.3	2.2	3.7	8.5	4.7	129.7%
Unrestricted (deficit)	3.9	20.5	22.4	17.9	35.6	44.6	9.0	25.3%
Total net position - end of year	57.7	81.3	155.8	164.1	213.5	245.4	31.9	14.9%

Figures may not total due to rounding.

Governmental activities *current and other assets increase* of \$13.8 million due to the following increases:

- \$12.9 million - Cash and investments (unrestricted and restricted)
- \$ 2.6 million - Pension switched back to an asset from a pension liability in 2019
- \$ 4.3 million – Taxes receivable
Offset by reduction
- \$ 6.4 million - Land purchased and being held for resale

Additions of \$11.4 million of capital assets outpaced disposals and depreciation (\$5 million) accounting for a \$6.4 million increase in the Village's governmental activities *Capital Assets*. *Deferred outflow of resources* is pension related with a decrease of \$1.3 million. Village employees are covered under the State of Wisconsin pension plan. More information concerning the increase in capital assets and long-term debt is explained starting on page ix.

Other Liabilities increased by \$.6 million mainly because of an increase in accounts payable. *Deferred inflows of resources* are property tax (\$31.4 million) and pension (\$11 million), with property tax increasing \$4.5 and pension increasing \$6.8 million. The *net position* of the Village's governmental activities increased \$23.6 million to \$81.3 million.

The *net position* of the Village's business-type activities increased by \$8.3 million to \$164.1 million. Accounting for the majority of the increase is the sewer utility (\$5.4 million), water utility (\$4.5 million) and clean water utility (\$.8 million) offset by a decrease in the RecPlex of \$2 million and Waste Collection of \$.2 million. All business and government type activities are self-supporting entities. Net position of one entity is not permanently used by other entities.

STATEMENT OF ACTIVITIES

The Village's 2020 revenues total \$70.8 million and expenses total \$48.5 million resulting in an increase in net position of \$22.3 million prior to capital contributions and transfers. Table A-2 and the narrative that follow consider the operations of governmental and business-type activities separately.

Table A-2
Change in Village of Pleasant Prairie's Net Position
(in millions of dollars)

	Governmental		Business-type		Total		Total Change	
	Activities		Activities		Total		Dollar	%
	2019	2020	2019	2020	2019	2020	2019-2020	
Revenues								
Program revenues								
Charges for services	5.2	4.1	26.5	22.8	31.7	26.9	-4.8	-15.1%
Operating grants and contributions	1.3	1.6	0.1	0.1	1.4	1.7	0.4	21.4%
General revenues								
Property taxes	26.5	27.0	0.0	0.0	26.5	27.0	0.5	1.9%
Other taxes	0.3	0.3	0.0	0.0	0.3	0.3	0.0	0.0%
Intergovernmental (not restricted)	3.2	3.3	0.0	0.0	3.2	3.3	0.1	3.1%
Investment income	1.6	0.5	0.7	0.3	2.3	0.7	-1.5	0.0%
Others	1.8	10.7	0.0	0.1	1.8	10.7	8.9	494.4%
Total revenues	39.9	47.5	27.3	23.3	67.2	70.8	3.6	5.4%
Expenses								
General government	3.6	3.6	0.0	0.0	3.6	3.6	0.0	0.0%
Public safety	11.4	11.1	0.0	0.0	11.4	11.1	-0.3	-2.6%
Public works	8.1	3.5	0.0	0.0	8.1	3.5	-4.5	-56.8%
Parks	0.6	0.8	0.0	0.0	0.6	0.8	0.2	33.3%
Community development	6.7	4.0	0.0	0.0	6.7	4.0	-2.8	-40.3%
Interest and fiscal charges	2.0	1.5	0.0	0.0	2.0	1.5	-0.5	-25.0%
Water	0.0	0.0	4.9	4.6	4.9	4.6	-0.3	-6.1%
Sewer	0.0	0.0	5.8	5.3	5.8	5.3	-0.4	-8.6%
Clean Water	0.0	0.0	1.9	2.0	1.9	2.0	0.2	5.3%
LakeView RecPlex	0.0	0.0	13.2	9.7	13.2	9.7	-3.5	-26.5%
Waste collection	0.0	0.0	2.1	2.4	2.1	2.4	0.3	14.3%
Total expenses	32.3	24.5	27.8	24.0	60.1	48.5	-11.6	-19.3%
Increase (deficiency) before contributions & transfers	7.6	23.0	-0.5	-0.7	7.1	22.3	15.2	214.1%
Capital contributions	1.5	0.2	2.0	9.4	3.5	9.6	6.0	174.3%
Transfers	-6.1	0.4	6.1	-0.4	0.0	0.0	0.0	0.0%
CHANGE IN NET POSITION	3.0	23.6	7.6	8.3	10.6	31.9		
ENDING NET POSITION	57.7	81.3	155.8	164.1	213.5	245.4		

Figures may not total due to rounding.

Governmental Activities

Revenues for the Village's governmental activities total \$47.5 million, with property taxes accounting for \$27 million. Other revenues of \$20.5 million includes \$10.2 million gain on sale of mainly land. Charges for services includes Engineering Fees (\$959,000), building permits (\$634,000), rescue billings (\$538,000), municipal court fees (\$292,000), and franchisee fees (\$272,000).

Governmental activities expenses total \$24.5 million, \$7.8 million less than 2019 expenses. All expenses went down except Parks, increase of \$.2 million. Public Works decreased the most from \$8.1 million to \$3.5 million. Public Works Expenses decreased to just below 2018 expenses level.

Capital contributions decreased in 2020 from \$1.5 million to \$.2 million. In 2019 government transfer \$6.1 million of Prairie Highlands water, sewer and storm assets to the business type activity. In 2020, only \$.4 million was transferred to the business type activity. In both 2019 and 2020, these assets were funded by TID #2 Escrow.

Table A-3 presents the total cost of each of the Village's activities (\$24.5 million) as well as each activity's net cost (\$18.6 million). Activity's net cost is total cost minus fees generated by the activities and direct intergovernmental aid. The net cost shows the financial burden placed on Village taxpayers or indirect revenue sources by each of these activities.

Sources of general revenue to cover net cost of services plus add \$23.6 million to net position are:

- Village property taxes (\$ 27.4 million)
- State of Wisconsin shared revenue (\$3.3 million)
- Land sales (\$10.2 million)

Table A-3
Net Cost of Village of Pleasant Prairie Governmental Activities
(in millions of dollars)

	Total Cost of Services		Change			Net Cost of Services		Change	
	2019	2020	Dollar	%		2019	2020	Dollar	%
			2019-2020					2019-2020	
General government	3.5	3.6	0.1	2.9%		2.8	3.1	0.3	9.4%
Public safety	11.4	11.1	(0.3)	-2.5%		9.4	9.4	0.0	0.3%
Public works	8.1	3.5	(4.5)	-56.0%		4.6	1.1	(3.6)	-77.2%
Culture, education and recreation	0.6	0.8	0.2	28.5%		0.6	0.8	0.2	28.5%
Community development	6.7	4.0	(2.8)	-41.2%		5.1	2.8	(2.3)	-44.6%
Other	2.0	1.5	(0.5)	-25.0%		2.0	1.5	(0.5)	-25.0%
Grand Total	32.2	24.5	(7.8)	-24.1%		24.4	18.6	(5.8)	-24.0%

Figures may not total due to rounding.

Business-type Activities

Revenue from the Village's business-type activities decrease \$4 million to \$23.6 million. Charges for service accounting for 97% of business-type activity revenue. In 2020, the sewer utility and RecPlex revenue decreased by \$1.1 million and \$4.3 respectively. A sewer rate decrease was implemented in fall of 2019. RecPlex revenue decreased \$4.3 million because of a 2 ½ month shut down in spring 2020 due to the pandemic followed by a slow recovery. RecPlex offers a family-oriented recreation destination with five main activity areas: an aquatics center, fitness center, athletic field house, two ice rinks and a 50-meter competitive indoor swimming pool. Water utility increased \$1.2 million with a rate increase implemented in the fall of 2019.

Business-type expenses total \$24.1 million, down \$3.9 million from 2020. The RecPlex is the largest business type fund, accounting for 41% of all business-type expense activity. The sewer utility is a distant second at 22% of the business-type expenses. No property tax revenue was used to support business-type activities.

Table A-4
Change in Business Type Activity Net Position
(in millions of dollars)

	Water Utility		Sewer Utility		Clean Water		LakeView RecPlex		Waste Collection		Total		Change	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	Dollar	%
Revenues														
Program revenues														
Charge for services	5.4	6.7	5.9	5.0	1.7	1.7	11.7	7.4	1.8	2.0	26.5	22.8	-3.7	-14.0%
Intergovernmental	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	NA
General Revenues														
Investment Income	0.2	0.1	0.4	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.8	0.3	-0.4	-62.5%
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.4	0.0	0.0	0.3	0.4	0.1	33.3%
Total revenue	5.6	6.8	6.3	5.2	1.8	1.8	12.1	7.8	1.9	2.1	27.6	23.6	-4.0	-14.5%
Expenses	4.9	4.6	5.8	5.3	1.8	2.0	13.5	9.9	2.1	2.3	28.1	24.1	-3.9	-14.2%
Excess (deficiency) before contributions & transfers	0.7	2.2	0.5	-0.1	0.0	-0.2	-1.4	-2.1	-0.2	-0.2	(0.4)	(0.5)	-0.1	25.0%
Capital contribution	2.2	3.3	2.4	5.6	4.4	1.0	0.0	0.0	0.0	0.0	8.9	9.9	0.9	11.2%
Transfers	-1.0	-1.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	(0.8)	(0.9)	-0.1	12.5%
Internal service fund charge	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	0.0	NA
CHANGE IN NET POSITION	1.9	4.5	2.9	5.4	4.3	0.8	(1.3)	(2.0)	(0.2)	(0.2)	7.7	8.5	0.8	10.4%
ENDING NET POSITION	56.7	61.3	60.0	65.447	30.3	31.0	8.0	6.0	0.2	(0.0)	155.2	163.7	8.5	5.5%

Figures may not total due to rounding.

Overall the Village's business-type funds experienced an increase of \$8.5 million in net position during 2020. Net position increases in sewer (\$5.4 million), water (\$4.5 million), and clean water (\$.8 million) was offset by decrease in RecPlex (\$2 million) and waste collection (\$.2 million).

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As the Village completed the year, its governmental funds closed the year at a fund balance of \$41.2 million, up from \$33.1 million at the end of 2019. The increase is primarily in TID No. 2 debt service (\$10 million), general government capital project fund (\$5.5 million) offset by the biggest decrease in the TID #2 escrow capital project fund (\$4.6 million) and TID No. 5 and 6 capital project funds (\$3.8 million). TID #2 is nearing termination in 2022, so the escrow is being spent down and the debt is being paid off quickly. TID #5 is a new TID that is at its peak of development.

The 2020 general fund balance increased slightly by \$.4 million to \$7.65 million, which represents 43% of the expenditures for year-end December 31, 2020. The 2021 general fund budget uses \$429,135 fund balance reserves for one-time expenditures in 2021 unassigned general fund balance was \$6.9 million. The nonspendable balance \$291,939 is delinquent taxes and prepaid items.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgets are adopted at the department level of expenditures. Budget amendments were made through the year within each department between expenses or sometimes against the department's revenues. The 2020 general government operating net budget came in under budget by \$902,174.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village had investments of \$258.3 million at the end of 2020 in capital assets, a net increase of \$16.3 million. (See table A5). Additions of \$21.7 million plus \$4.7 million increase in work in progress exceeded depreciation of \$10.1 million, and insignificant disposals.

Table A-5
Village of Pleasant Prairie Capital Assets
(net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Change	
	2019	2020	2019	2020	2019	2020	2019-2020	Dollar Percent
Land / Right of Way	28.5	28.6	2.0	2.0	30.5	30.7	0.1	0%
Buildings and improvements	15.9	15.2	47.6	47.7	63.5	62.9	(0.6)	-1%
Equipment / Intangible Assets	7.5	7.4	3.8	3.7	11.2	11.1	(0.1)	-1%
Infrastructure	28.6	33.8	102.1	109.1	130.8	142.9	12.1	9%
Construction in progress	5.3	7.1	0.8	3.6	6.0	10.8	4.7	79%
Total	85.8	92.2	156.2	166.1	242.0	258.3	16.3	7%

In 2020 \$9.5 million was spent for government-type capital expenditures with Prairie Highlands Road, and Mainstreet ROW (\$5.8 million) and paving program (\$1.5 million) being the largest expenditures. The business-type activities additions totaled \$12.2 million, with the Sewer Utility (\$5.8 million) topping the list, followed by the Water Utility (\$4.8 million). The clean water and RecPlex spent a fraction of those amounts with \$1.2 million and \$342,000 respectively.

Listed below are major additions for 2020.

Project Description	Type	Fund	Source	Millions
Prairie Highlands Roads / Mainstreet ROW	Governmental	Governmental	TID	\$5.78
Stateline 94 Lift Station and mains	Business	Sewer	TID	\$5.17
Stateline 94 Mains	Business	Water	TID	\$2.38
Paving Program	Governmental	Governmental	Levy/Road Grant	\$1.48
Highway 50	Business	Water	Operating	\$1.35
				\$16.2

Long-term Debt

At year-end the Village had \$79.8 million in general obligation bonds, an decrease of \$11.8 million (See table A-6). Village borrowed \$1.6 million for General Government, \$2.5 million for Clean Water Utility and refinanced \$1.9 million for RecPlex. Paid \$17.9 million of principal in 2020, \$10.3 million was TID #2 debt.

Table A-6
Village of Pleasant Outstanding Debt
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Change Dollar %	
	2019	2020	2019	2020	2019	2020	2019	-2020
General obligation bonds (backed by the Village)	69.2	58.9	22.4	21.0	91.6	79.8	(11.8)	-12.8%
Total	69.2	58.9	22.4	21.0	91.6	79.8	(11.8)	-12.8%

Figures may not total due to rounding.

The Village has the power to incur indebtedness for Village purposes specified by statute in an aggregate amount, not to exceed 5 percent of the equalized value of taxable property in the Village. Our legal debt capacity is \$215 million, so the Village is at 37% of capacity at 2020 year-end. We have additional borrowing capacity of \$134.9 million. In 2021, scheduled principal payments are \$10.8 million with additional budgeted principal payments of \$16.3 million for callable debt as well as plans to borrow \$13.9 million.

The majority of the governmental activities' outstanding debt, \$49.9 million or 85%, is fully supported by TID's. With TID #2 having \$36.3 million. Based on a cash flow projection for TID No. 2, we expect TID #2 debt paid by tax incremental collections without any land sales by 2022. The general government has \$8.9 million of outstanding debt that will be paid by tax levy. The business-type activities' debt is supported by user fees from the RecPlex (\$18.4 million) and Clean Water Utility (\$2.5 million). General obligation bonds are issued for our business-type activities to obtain a lower interest rate.

The Village has been rated since 2001 with the following rating changes. Standard & Poor's jumped the Village two levels in 2008, from an A+ to AA. In 2010, all municipality ratings were re-evaluated by Moody's Investor Services and our rating increased to AA2 in 2010. Our ratings have not changed since 2010.

Year	Standard & Poor's	Moody's Investor Service
2001	A+	A3
2003	A+	A2
2005	A+	A1
2008	AA	A1
2010	AA	AA2

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Village’s strategic location between Milwaukee and Chicago is home to one of the largest and most successful corporate parks in Wisconsin. The Village’s two largest employers are Uline and Froedtert South. Uline employs 1,977 corporate office and warehouse employees in 7 locations throughout the Village and Froedtert South employs 1,184 at 3 locations.

The Village’s tax base, currently \$3.8 billion, up \$152 million from 2019. Our population has also grown at a steady rate to 22,456 (2020 census) versus 12,604 in 1993.

The 2021 general fund-operating budget was approved to use \$429,135 of Village’s surpluses for one-time expenditures per our fund balance policy because surplus levels were above 25%. Revenues were budgeted at \$17.7 million (2.3% increase) and expenditures of \$18.6 million (1.2% decrease). Total general government property tax contribution increased from \$12.6 to \$13.8 million.

For our business-type funds, we implemented rate changes for sewer, water and solid waste in 2019. Didn’t budget for rate changes in 2020 for any funds.

CONTACTING THE VILLAGE’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village’s finances and to demonstrate the Village’s accountability for the money it receives. If you have questions about this report or need additional information, please contact the Village of Pleasant Prairie, Finance Director, 9915 39th Avenue, Pleasant Prairie, WI 53158.

Village of Pleasant Prairie

Statement of Net Position
December 31, 2020

	Primary Government			Component
	Governmental	Business-		Unit - Community
	Activities	Type	Total	Development
		Activities		Authority
Assets				
Cash and investments	\$ 40,438,637	\$ 19,704,895	\$ 60,143,532	\$ -
Receivables, net:				
Taxes	31,409,080	750,736	32,159,816	-
Delinquent taxes	30,008	-	30,008	-
Accounts	673,089	1,484,919	2,158,008	-
Special assessments	256,077	1,001,808	1,257,885	-
Delinquent special assessments	230,464	-	230,464	-
Accrued interest	26,864	3,137	30,001	-
Internal balances	(306,099)	306,099	-	-
Prepaid items	261,931	-	261,931	-
Inventories	-	177,456	177,456	-
Land held for resale	14,500,819	-	14,500,819	232,716
Restricted assets:				
Cash and investments	8,783,961	1,305,564	10,089,525	-
Net pension asset	2,602,386	858,567	3,460,953	-
Capital assets:				
Land	13,253,742	1,782,637	15,036,379	-
Right of way	15,381,783	-	15,381,783	-
Construction in progress	7,132,423	3,623,273	10,755,696	-
Intangible assets, net of amortization	65,189	351,630	416,819	-
Other capital assets, net of depreciation	56,357,429	160,317,365	216,674,794	-
Total assets	191,097,783	191,668,086	382,765,869	232,716
Deferred Outflows of Resources				
Pension, related amounts	6,129,114	2,002,077	8,131,191	-
OPEB, related amounts	1,777,678	449,188	2,226,866	-
Total deferred inflows of resources	7,906,792	2,451,265	10,358,057	-
Liabilities				
Accounts payable and accrued liabilities	4,566,039	3,049,736	7,615,775	-
Unearned revenue	4,412,196	5,555	4,417,751	-
Noncurrent liabilities:				
Due within one year	9,522,504	2,165,000	11,687,504	-
Due in more than one year	56,794,787	21,570,464	78,365,251	-
Total liabilities	75,295,526	26,790,755	102,086,281	-
Deferred Inflows of Resources				
Unearned revenues	31,471,859	-	31,471,859	-
Pension, related amounts	7,803,245	2,602,793	10,406,038	-
OPEB, related amounts	3,153,646	622,491	3,776,137	-
Total deferred inflows of resources	42,428,750	3,225,284	45,654,034	-
Net Position				
Net investment in capital assets	54,495,328	144,038,098	192,316,260	-
Restricted:				
Debt service	979,077	-	979,077	-
Impact fees	2,719,143	-	2,719,143	-
Federally forfeited property recoveries	4,323	-	4,323	-
Equipment replacement	-	1,305,564	1,305,564	-
Pension	2,602,386	858,567	3,460,953	-
Unrestricted	20,480,042	17,901,083	44,598,291	232,716
Total net position	\$ 81,280,299	\$ 164,103,312	\$ 245,383,611	\$ 232,716

See notes to financial statements

Village of Pleasant Prairie

Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit - Community Development Authority
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 3,600,950	\$ 520,780	\$ 17,238	\$ -	\$ (3,062,932)	\$ -	\$ (3,062,932)	\$ -
Public safety	11,112,733	1,258,206	464,888	-	(9,389,639)	-	(9,389,639)	-
Public works	3,544,821	1,163,811	1,124,000	206,178	(1,050,832)	-	(1,050,832)	-
Culture, education and recreation	765,106	-	-	-	(765,106)	-	(765,106)	-
Community development	3,950,200	1,139,164	-	-	(2,811,036)	-	(2,811,036)	-
Interest and fiscal charges	1,528,622	-	-	-	(1,528,622)	-	(1,528,622)	-
Total governmental activities	24,502,432	4,081,961	1,606,126	206,178	(18,608,167)	-	(18,608,167)	-
Business-Type activities:								
Water utility	4,615,114	6,713,437	-	3,348,955	-	5,447,278	5,447,278	-
Sewer utility	5,342,045	5,043,719	-	5,554,645	-	5,256,319	5,256,319	-
Clean water utility	2,044,715	1,717,427	16,668	458,676	-	148,056	148,056	-
Lakeview Rec Plex	9,682,572	7,370,113	53,072	-	-	(2,259,387)	(2,259,387)	-
Waste collection	2,360,481	1,977,698	63,521	-	-	(319,262)	(319,262)	-
Total business-type activities	24,044,927	22,822,394	133,261	9,362,276	-	8,273,004	8,273,004	-
Total primary government	\$ 48,547,359	\$ 26,904,355	\$ 1,739,387	\$ 9,568,454	(18,608,167)	8,273,004	(10,335,163)	-
Component Unit								
Community Development Authority	\$ -	\$ -	\$ -	\$ -	-	-	-	-
General Revenues								
Taxes:								
Property taxes, levied for general purposes					10,917,902	-	10,917,902	-
Property taxes, levied for debt service					1,734,364	-	1,734,364	-
Property taxes, levied for TIF districts					14,382,873	-	14,382,873	-
Other taxes					332,619	-	332,619	-
Intergovernmental revenues not restricted to specific programs					3,332,261	-	3,332,261	-
Investment income					496,278	287,143	783,421	-
Gain on sale of assets					10,199,803	-	10,199,803	-
Miscellaneous					455,247	98,032	553,279	-
Total general revenues					41,851,347	385,175	42,236,522	-
Transfers					381,385	(381,385)	-	-
Change in net position					23,624,565	8,276,794	31,901,359	-
Net Position, Beginning					57,655,734	155,826,518	213,482,252	232,716
Net Position, Ending					\$ 81,280,299	\$ 164,103,312	\$ 245,383,611	\$ 232,716

See notes to financial statements

Village of Pleasant Prairie

Balance Sheet
Governmental Funds
December 31, 2020

	General	General Debt Service	TAD No. 2 Debt Service Fund	General Capital Projects
Assets				
Cash and investments, unrestricted	\$ 9,517,967	\$ 2,548,034	\$ 14,082,929	\$ 6,557,116
Receivables (net):				
Taxes	10,593,640	1,749,291	15,281,535	964,272
Delinquent taxes	30,008	-	-	-
Accounts	671,564	-	-	-
Special assessments	-	236,414	17,377	2,286
Delinquent special assessments	-	230,464	-	-
Accrued interest	26,864	-	-	-
Due from other funds	190,193	-	-	-
Land held for resale	-	-	-	3,787,164
Prepaid items	261,931	-	-	-
Cash and investments, restricted	-	-	-	2,719,143
Total assets	\$ 21,292,167	\$ 4,764,203	\$ 29,381,841	\$ 14,029,981
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 632,196	\$ 3,384	\$ -	\$ 1,757,969
Accrued liabilities	283,313	-	-	-
Unearned revenue	1,470,410	1,602,092	-	1,339,694
Due to other funds	-	-	-	-
Other liabilities	300,133	-	-	11,000
Total liabilities	2,686,052	1,605,476	-	3,108,663
Deferred inflows of resources:				
Unearned revenue	10,658,374	1,749,291	15,279,580	964,272
Unavailable revenue	297,007	236,414	19,332	-
Total deferred inflows of resources	10,955,381	1,985,705	15,298,912	964,272
Fund balances (deficit):				
Nonspendable	291,939	-	-	-
Restricted	-	1,173,022	14,082,929	4,148,646
Committed	-	-	-	-
Assigned	429,135	-	-	5,808,400
Unassigned (deficit)	6,929,660	-	-	-
Total fund balances	7,650,734	1,173,022	14,082,929	9,957,046
Total liabilities, deferred inflows of resources and fund balances	\$ 21,292,167	\$ 4,764,203	\$ 29,381,841	\$ 14,029,981

See notes to financial statements

TID No. 2 Escrow Capital Projects Fund	Nonmajor Governmental Funds	Total
\$ -	\$ 3,342,003	\$ 36,048,049
-	2,820,342	-
-	-	31,409,080
1,525	-	30,008
-	-	673,089
-	-	256,077
-	-	230,464
-	-	26,864
-	-	190,193
-	-	3,787,164
-	-	261,931
6,064,818	-	8,783,961
<u>\$ 6,066,343</u>	<u>\$ 6,162,345</u>	<u>\$ 81,696,880</u>
\$ 838,275	\$ 125,825	\$ 3,357,649
-	-	283,313
-	-	4,412,196
-	69,638	69,638
-	-	311,133
<u>838,275</u>	<u>195,463</u>	<u>8,433,929</u>
-	2,820,342	31,471,859
-	-	552,753
-	2,820,342	32,024,612
-	-	291,939
5,228,068	3,196,116	27,828,781
-	21,377	21,377
-	-	6,237,535
-	(70,953)	6,858,707
<u>5,228,068</u>	<u>3,146,540</u>	<u>41,238,339</u>
<u>\$ 6,066,343</u>	<u>\$ 6,162,345</u>	<u>\$ 81,696,880</u>

See notes to financial statements

Village of Pleasant Prairie

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

Net Change in Fund Balances, Total Governmental Funds \$ 41,238,339

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. See Note 2. 88,998,128

Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note 4. 552,753

Internal service fund is reported in the statement of net position in the governmental activities column. 6,964,747

Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds. See Note 2. (66,730,362)

Land held for resale in TID governmental funds are not financial resources according to the TID project plans and, therefore, are not reported in the funds. 10,713,655

The net pension asset does not relate to current financial resources and is not reported in the governmental funds. 2,547,396

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. 6,011,904

Deferred outflows of resources related to OPEBs do not relate to current financial resources and are not reported in the governmental funds. 1,744,366

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (7,658,274)

Deferred inflows of resources related to OPEBs do not relate to current financial resources and are not reported in the governmental funds. (3,102,353)

Net Position of Governmental Activities \$ 81,280,299

Village of Pleasant Prairie

Statement of Revenues, Expenditures and Changes in Fund Balances -

Governmental Funds

Year Ended December 31, 2020

	General	General Debt Service	TID No. 2 Debt Service Fund	General Capital Projects
Revenues				
Taxes	\$ 10,249,319	\$ 1,734,364	\$ 13,146,548	\$ 979,295
Intergovernmental	2,792,019	-	913,170	1,190,103
Regulation and compliance	1,289,143	-	-	-
Public charges for services	2,125,942	-	-	244,599
Intergovernmental charges for services	244,550	-	-	-
Special assessments	-	3,548	4,899	60,030
Investment income	97,090	33,496	138,327	54,890
Miscellaneous	315,481	-	-	-
Total revenues	17,113,544	1,771,408	14,202,944	2,528,917
Expenditures				
Current:				
General government	3,635,083	-	-	-
Public safety	9,727,468	-	-	-
Public works	2,472,280	-	-	-
Culture, recreation, and education	646,774	-	-	-
Community development	1,127,224	-	-	-
Capital outlay	-	-	-	3,982,918
Debt service:				
Principal retirement	-	1,525,000	10,325,000	-
Interest and fiscal charges	-	256,763	1,471,700	30,391
Total expenditures	17,608,829	1,781,763	11,796,700	4,013,309
Excess (deficiency) of revenues over (under) expenditures	(495,285)	(10,355)	2,406,244	(1,484,392)
Other Financing Sources (Uses)				
Debt issued	-	64,051	-	1,560,949
Premium on debt issued	-	-	-	64,051
Sale of property	-	-	7,595,668	5,388,196
Transfers in	895,895	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	895,895	64,051	7,595,668	7,013,196
Net change in fund balance	400,610	53,696	10,001,912	5,528,804
Fund Balances, Beginning	7,250,124	1,119,326	4,081,017	4,428,242
Fund Balances, Ending	\$ 7,650,734	\$ 1,173,022	\$ 14,082,929	\$ 9,957,046

See notes to financial statements

TID No. 2 Escrow Capital Projects Fund	Nonmajor Governmental Funds	Total
\$ -	\$ 1,274,396	\$ 27,383,922
-	-	4,895,292
-	-	1,289,143
-	-	2,370,541
-	4,303	248,853
-	-	68,477
87,223	52,579	463,605
-	137,688	453,169
<u>87,223</u>	<u>1,468,966</u>	<u>37,173,002</u>
-	-	3,635,083
-	12,465	9,739,933
-	-	2,472,280
-	-	646,774
33,338	1,820,964	2,981,526
4,660,298	2,381,550	11,024,766
-	105,000	11,955,000
-	427,339	2,186,193
<u>4,693,636</u>	<u>4,747,318</u>	<u>44,641,555</u>
<u>(4,606,413)</u>	<u>(3,278,352)</u>	<u>(7,468,553)</u>
-	-	1,625,000
-	-	64,051
-	-	12,983,864
-	129,506	1,025,401
-	(129,506)	(129,506)
<u>-</u>	<u>-</u>	<u>15,568,810</u>
(4,606,413)	(3,278,352)	8,100,257
<u>9,834,481</u>	<u>6,424,892</u>	<u>33,138,082</u>
<u>\$ 5,228,068</u>	<u>\$ 3,146,540</u>	<u>\$ 41,238,339</u>

See notes to financial statements

Village of Pleasant Prairie

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

Net Change in Fund Balances, Total Governmental Funds	\$	8,100,257
--------------------------------------------------------------	-----------	------------------

Amounts reported for governmental activities in the statement of net position 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.

11,024,766

Some items reported as operating expenses in the fund financial statements, are capitalized in the government-wide financial statements.

179,878

Depreciation is reported in the government-wide statements

(4,331,603)

Improvements transferred as assets to utility funds

(514,510)

Net book value of assets retired

(74,469)

Contributed capital assets are reported as revenues in the government-wide statements.

206,349

Land held for resale is reported as an expenditure in the TID fund financial statements when purchased and a revenue when sold. However, in the statement of net position TID land held for resale is reported as an asset until sold.

(2,697,783)

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.

(10,950)

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

Debt issued

(1,625,000)

Principal repaid

11,955,000

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.

Net pension liability/asset

5,274,493

Deferred outflows of resources related to pensions

(1,327,369)

Deferred inflows of resources related to pensions

(3,924,259)

Deferred outflows of resources related to OPEBs

174,129

Deferred inflows of resources related to OPEBs

(2,863,412)

Compensated absences

(35,254)

Accrued interest on debt

120,893

Other post-employment benefits

2,858,016

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 other assets 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.

Debt premium

472,627

Internal service fund is used by management to charge the costs of the fleet and insurance internal services to individual funds. The increase in net position of the internal service funds is reported with governmental activities.

662,766

Change in Net Position of Governmental Activities

\$ 23,624,565

See notes to financial statements

Village of Pleasant Prairie

Statement of Net Position

Proprietary Funds

December 31, 2020

	Business-Type Activities			
	Major			
	Water Utility	Sewer Utility	Clean Water Utility	Lakeview Rec Plex Fund
Assets				
Current assets:				
Cash and investments	\$ 6,760,044	\$ 8,699,500	\$ 4,194,576	\$ 50,775
Receivables:				
Taxes	61,745	91,201	45,984	500,000
Accounts	510,214	466,429	223,527	44,459
Accrued interest	-	3,137	-	-
Other	11,631	20,818	-	-
Current portion of special assessments	13,711	880	-	-
Inventories	60,206	2,368	-	114,882
Total current assets	7,417,551	9,284,333	4,464,087	710,116
Noncurrent assets:				
Restricted assets:				
Replacement account	-	1,305,564	-	-
Net pension asset	70,111	61,469	56,866	570,037
Other assets:				
Advances to other funds	-	1,200,000	-	-
Special assessments receivable	545,613	429,148	12,456	-
Capital assets:				
Land	546,218	1,236,419	-	-
Intangibles	135,340	85,550	45,600	85,140
Plant in service	73,041,471	85,588,963	41,546,188	46,336,763
Machinery and equipment	-	-	-	-
Accumulated depreciation/amortization	(20,325,776)	(33,261,610)	(14,891,565)	(17,875,753)
Construction work in progress	675,632	57,262	2,890,379	-
Total noncurrent assets	54,688,609	56,702,765	29,659,924	29,116,187
Total assets	62,106,160	65,987,098	34,124,011	29,826,303
Deferred Outflows of Resources				
Pension-related amounts	170,131	156,949	132,384	1,319,469
OPEB, related amounts	30,941	37,018	33,124	294,441
Total deferred outflows of resources	201,072	193,967	165,508	1,613,910

See notes to financial statements

Business-Type Activities		Governmental Activities
Nonmajor		
Waste Collection Fund	Total	Internal Service Funds
\$ -	\$ 19,704,895	\$ 4,390,588
51,806	750,736	-
207,841	1,452,470	-
-	3,137	-
-	32,449	-
-	14,591	-
-	177,456	-
<u>259,647</u>	<u>22,135,734</u>	<u>4,390,588</u>
-	1,305,564	-
100,084	858,567	54,990
-	1,200,000	-
-	987,217	-
-	1,782,637	-
-	351,630	16,699
1,091,545	247,604,930	-
-	-	10,149,591
(932,861)	(87,287,565)	(6,973,852)
-	3,623,273	-
<u>258,768</u>	<u>170,426,253</u>	<u>3,247,428</u>
<u>518,415</u>	<u>192,561,987</u>	<u>7,638,016</u>
223,144	2,002,077	117,210
<u>53,664</u>	<u>449,188</u>	<u>33,312</u>
<u>276,808</u>	<u>2,451,265</u>	<u>150,522</u>

See notes to financial statements

Village of Pleasant Prairie

Statement of Net Position

Proprietary Funds

December 31, 2020

	Business-Type Activities			
	Major			
	Water Utility	Sewer Utility	Clean Water Utility	Lakeview Rec Plex Fund
Liabilities				
Current liabilities:				
Accounts payable	\$ 583,272	\$ 311,560	\$ 248,012	\$ 145,070
Accrued liabilities	50,737	61,929	41,968	307,448
Due to municipality	-	-	-	-
Accrued interest	-	-	-	203,787
Other current liabilities	-	-	-	915,786
Deposits	-	-	11,972	-
Current portion of long-term debt	-	-	240,000	1,925,000
Total current liabilities	634,009	373,489	541,952	3,497,091
Noncurrent liabilities:				
Long-term debt	-	-	2,305,000	16,480,000
Advance from other funds	-	-	-	1,200,000
Other post-employment benefits	70,961	103,410	85,408	835,421
Unamortized debt premium	-	-	93,444	1,410,836
Unearned revenue	5,555	-	-	-
Customer advances for construction	17,142	25,900	-	-
Total noncurrent liabilities	93,658	129,310	2,483,852	19,926,257
Total liabilities	727,667	502,799	3,025,804	23,423,348
Deferred Inflows of Resources				
Pension-related amounts	243,050	181,778	196,187	1,700,022
OPEB, related amounts	62,216	49,582	54,295	361,252
Total deferred inflows of resources	305,266	231,360	250,482	2,061,274
Net Position				
Net investment in capital assets	54,072,885	53,706,584	27,369,631	8,730,314
Restricted for equipment replacement	-	1,305,564	-	-
Restricted for pension	70,111	61,469	56,866	570,037
Unrestricted (deficit)	7,131,303	10,373,289	3,586,736	(3,344,760)
Total net position	\$ 61,274,299	\$ 65,446,906	\$ 31,013,233	\$ 5,955,591
Amounts reported for business-type activities in the statement of net position are different because:				
Internal services fund net position allocated to the business-type activities				
Net position of business-type activities				

See notes to financial statements

Business-Type Activities		Governmental Activities
Nonmajor		
Waste		Internal
Collection		Service
Fund	Total	Funds
\$ 114,446	\$ 1,402,360	\$ 80,436
53,749	515,831	25,168
120,555	120,555	-
-	203,787	-
-	915,786	-
-	11,972	-
-	2,165,000	-
288,750	5,335,291	105,604
-	18,785,000	-
-	1,200,000	-
142,942	1,238,142	95,269
-	1,504,280	-
-	5,555	-
-	43,042	-
142,942	22,776,019	95,269
431,692	28,111,310	200,873
281,756	2,602,793	144,971
95,146	622,491	51,293
376,902	3,225,284	196,264
158,684	144,038,098	3,192,438
-	1,305,564	-
100,084	858,567	54,990
(272,139)	17,474,429	4,143,973
\$ (13,371)	\$ 163,676,658	\$ 7,391,401
	426,654	
	\$ 164,103,312	

See notes to financial statements

Village of Pleasant Prairie

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2020

	Business-Type Activities			
	Major			
	Water Utility	Sewer Utility	Clean Water Utility	Lakeview Rec Plex Fund
Operating Revenues	\$ 6,713,437	\$ 5,043,719	\$ 1,717,427	\$ 7,370,113
Operating Expenses				
Operation and maintenance	3,344,515	3,746,010	931,807	7,718,965
Depreciation/amortization	1,252,904	1,547,599	1,016,964	1,391,642
Total operating expenses	4,597,419	5,293,609	1,948,771	9,110,607
Operating income (loss)	2,116,018	(249,890)	(231,344)	(1,740,494)
Nonoperating Revenues (Expenses)				
Investment income	78,690	146,892	41,003	10,509
Intergovernmental grant	-	-	16,668	-
Interest expense	-	(24,469)	(1,558)	(732,550)
Gain (loss) on disposal of assets	-	-	-	(44,482)
Interest subsidy	-	-	-	53,072
Insurance recoveries	-	-	-	-
Amortization of premium	-	5,065	1,964	263,884
Debt issuance costs	-	-	(47,595)	(52,115)
Miscellaneous	-	-	-	98,032
Total nonoperating revenues (expenses)	78,690	127,488	10,482	(403,650)
Income (loss) before contributions and transfers	2,194,708	(122,402)	(220,862)	(2,144,144)
Contributions and Transfers				
Capital contributions	3,348,955	5,554,645	458,676	-
Capital contributions, governmental activities	-	-	514,510	-
Transfers in	-	-	-	119,370
Transfers, tax equivalent	(895,895)	-	-	-
Transfers out	(119,370)	-	-	-
Total contributions and transfers	2,333,690	5,554,645	973,186	119,370
Change in net position	4,528,398	5,432,243	752,324	(2,024,774)
Net Position, Beginning	56,745,901	60,014,663	30,260,909	7,980,365
Net Position (Deficit), Ending	\$ 61,274,299	\$ 65,446,906	\$ 31,013,233	\$ 5,955,591
Internal service fund change in net position allocated to the business-type activities				
Change in net position business-type activities				

See notes to financial statements

Business-Type Activities		Governmental Activities
Nonmajor		
Waste		Internal
Collection		Service
Fund	Total	Funds
<u>\$ 1,977,698</u>	<u>\$ 22,822,394</u>	<u>\$ 5,490,083</u>
2,235,556	17,976,853	4,564,032
<u>22,973</u>	<u>5,232,082</u>	<u>558,551</u>
<u>2,258,529</u>	<u>23,208,935</u>	<u>5,122,583</u>
<u>(280,831)</u>	<u>(386,541)</u>	<u>367,500</u>
10,049	287,143	32,673
63,521	80,189	-
-	(758,577)	-
-	(44,482)	-
-	53,072	-
-	-	58,457
-	270,913	-
-	(99,710)	-
<u>-</u>	<u>98,032</u>	<u>-</u>
<u>73,570</u>	<u>(113,420)</u>	<u>91,130</u>
<u>(207,261)</u>	<u>(499,961)</u>	<u>458,630</u>
-	9,362,276	-
-	514,510	-
-	119,370	-
-	(895,895)	-
<u>-</u>	<u>(119,370)</u>	<u>-</u>
<u>-</u>	<u>8,980,891</u>	<u>-</u>
(207,261)	8,480,930	458,630
<u>193,890</u>		<u>6,932,771</u>
<u>\$ (13,371)</u>		<u>\$ 7,391,401</u>
	<u>(204,136)</u>	
	<u>\$ 8,276,794</u>	

See notes to financial statements

Village of Pleasant Prairie

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2020

	Business-Type Activities			
	Major			
	Water Utility	Sewer Utility	Clean Water Utility	Lakeview Rec Plex Fund
Cash Flows From Operating Activities				
Received from customers	\$ 6,870,256	\$ 3,837,134	\$ 1,718,670	\$ 7,392,176
Paid to suppliers for goods and services	(2,782,925)	(3,058,797)	(257,387)	(3,446,683)
Paid to employees for services	(728,971)	(773,466)	(525,777)	(3,398,384)
Net cash flows from operating activities	3,358,360	4,871	935,506	547,109
Cash Flows From Noncapital Financing Activities				
Paid to municipality for tax equivalent	(895,895)	-	-	-
Transfers from (to) other funds	(122,848)	-	-	119,370
Net cash flows from noncapital financing activities	(1,018,743)	-	-	119,370
Cash Flows From Investing Activities				
Marketable securities purchased	-	(734,000)	-	-
Marketable securities sold	-	672,828	-	-
Investment income	78,854	148,155	41,003	25,752
Net cash flows from investing activities	78,854	86,983	41,003	25,752
Cash Flows From Capital and Related Financing Activities				
Debt retired	-	(2,175,000)	-	(3,740,000)
Interest paid	-	(48,938)	(49,153)	(764,134)
Debt issuance costs	-	-	95,408	(52,115)
Proceeds from debt issued	-	-	2,545,000	1,945,000
Capital contributions received	-	(4,669)	-	-
Acquisition and construction of capital assets	(1,990,625)	(129,818)	(2,569,037)	(390,896)
Cost of removal of capital assets	-	-	-	400
Special assessments received	19,301	7,752	-	-
Interest subsidy	-	-	-	53,072
Grant received	-	-	16,668	-
Net cash flows from capital and related financing activities	(1,971,324)	(2,350,673)	38,886	(2,948,673)
Net change in cash and cash equivalents	447,147	(2,258,819)	1,015,395	(2,256,442)
Cash and Cash Equivalents, Beginning	6,312,897	10,958,320	3,179,181	2,307,217
Cash and Cash Equivalents, Ending	\$ 6,760,044	\$ 8,699,501	\$ 4,194,576	\$ 50,775

See notes to financial statements

Business-Type Activities		Governmental Activities
Nonmajor		
Waste		Internal
Collection		Service
Fund	Total	Funds
\$ 2,132,274	\$ 21,950,510	\$ 5,550,508
(1,434,609)	(10,980,401)	(4,114,522)
(854,347)	(6,280,945)	(416,432)
(156,682)	4,689,164	1,019,554
-	(895,895)	-
-	(3,478)	-
-	(899,373)	-
-	(734,000)	-
-	672,828	-
10,049	303,813	32,673
10,049	242,641	32,673
-	(5,915,000)	-
-	(862,225)	-
-	43,293	-
-	4,490,000	-
-	(4,669)	-
120,555	(4,959,821)	(503,621)
-	400	-
-	27,053	-
-	53,072	-
-	16,668	-
120,555	(7,111,229)	(503,621)
(26,078)	(3,078,797)	548,606
26,078	22,783,693	3,841,982
\$ -	\$ 19,704,896	\$ 4,390,588

See notes to financial statements

Village of Pleasant Prairie

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2020

	Business-Type Activities			
	Major			
	Water Utility	Sewer Utility	Clean Water Utility	Lakeview Rec Plex Fund
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities				
Operating income (loss)	\$ 2,119,496	\$ (249,890)	\$ (231,344)	\$ (1,740,494)
Miscellaneous nonoperating revenue	-	-	-	98,032
Noncash items included in income (loss):				
Depreciation/amortization	1,252,904	1,547,599	1,016,964	1,391,642
Depreciation charged to other funds	(9,075)	(57,990)	-	-
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
Taxes receivable	-	-	-	(500,000)
Accounts receivable	(37,743)	(7,941)	(1,021)	117,680
Advances to/from other funds	-	(1,200,000)	-	1,200,000
Other accounts receivable	82,283	(5,521)	-	-
Prepaid items	99	21,815	-	-
Inventories	(11,615)	(1,066)	-	-
Accounts payable	(35,805)	(16,910)	141,111	-
Due from other funds	-	-	2,264	(31,062)
Other current and accrued liabilities	(9,084)	(12,009)	16,278	(58,072)
Due to other funds	-	-	-	81,323
Unearned revenues	51,952	-	-	-
OPEB-related amounts	(55,934)	(4,496)	(3,898)	-
Pension-related amounts	10,882	(8,720)	(4,848)	(11,940)
Net cash flows from operating activities	<u>\$ 3,358,360</u>	<u>\$ 4,871</u>	<u>\$ 935,506</u>	<u>\$ 547,109</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Cash and investments	\$ 6,760,044	\$ 8,699,500	\$ 4,194,576	\$ 50,775
Restricted cash and investments	-	1,305,564	-	-
Less noncash equivalents	<u>-</u>	<u>(1,305,563)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, ending	<u>\$ 6,760,044</u>	<u>\$ 8,699,501</u>	<u>\$ 4,194,576</u>	<u>\$ 50,775</u>
Noncash Capital and Related Financing Activities				
Capital costs special assessed to customers	<u>\$ 13,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital additions contributed to the utility by the municipality, customers and TID districts	<u>\$ 2,612,321</u>	<u>\$ 5,571,650</u>	<u>\$ 973,186</u>	<u>\$ -</u>
Interest subsidy receivable	<u>\$ 4,538</u>	<u>\$ (3,139)</u>	<u>\$ -</u>	<u>\$ 15,243</u>
Capital accounts payable	<u>\$ 151,175</u>	<u>\$ 34,282</u>	<u>\$ -</u>	<u>\$ 56,330</u>
Amortization of premium on debt	<u>\$ -</u>	<u>\$ 5,065</u>	<u>\$ 1,964</u>	<u>\$ 263,884</u>

See notes to financial statements

Business-Type Activities		Governmental Activities
Nonmajor		Internal
Waste		Service
Collection		Funds
Fund	Total	
\$ (280,831)	\$ (383,063)	\$ 367,500
63,521	161,553	58,457
22,973	5,232,082	558,551
-	(67,065)	-
-	(500,000)	-
-	70,975	-
-	-	-
1,774	78,536	1,968
-	21,914	-
-	(12,681)	-
22,400	110,796	44,118
2,894	(25,904)	-
7,981	(54,906)	(4,509)
-	81,323	-
-	51,952	-
(3,012)	(67,340)	(3,416)
5,618	(9,008)	(3,115)
<u>\$ (156,682)</u>	<u>\$ 4,689,164</u>	<u>\$ 1,019,554</u>
\$ -	\$ 19,704,895	\$ 4,390,588
-	1,305,564	-
-	(1,305,563)	-
<u>\$ -</u>	<u>\$ 19,704,896</u>	<u>\$ 4,390,588</u>
<u>\$ -</u>		<u>\$ -</u>
<u>\$ -</u>		<u>\$ -</u>
<u>\$ -</u>		<u>\$ -</u>
<u>\$ -</u>		<u>\$ -</u>

See notes to financial statements

Village of Pleasant Prairie

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2020

	Retired Employees Healthcare Plan Trust	Custodial Funds
Assets		
Cash and investments	\$ 1,052,654	\$ 17,835,162
Receivables:		
Taxes	-	30,073,470
Accounts	-	31,611
Total assets	1,052,654	47,940,243
Liabilities		
Accounts payable	-	99,702
Due to other taxing units	-	47,840,541
Total liabilities	-	47,940,243
Net Position		
Net position restricted for OPEB	1,052,654	-
Total net position	\$ 1,052,654	\$ -

See notes to financial statements

Village of Pleasant Prairie

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2020

	Retired Employees Healthcare Plan Trust	Custodial Funds
Additions		
Employer contributions	\$ 598,542	\$ -
Mobile home taxes collected for school district	-	114,373
Property taxes collected for county	-	14,778,425
Property taxes collected for technical college	-	2,438,562
Property taxes collected for school district	-	26,251,785
Investment income	53,384	-
	<hr/>	<hr/>
Total additions	651,926	43,583,145
	<hr/>	<hr/>
Deductions		
Service benefits	598,542	-
Mobile home taxes collected for school district	-	114,373
Property taxes collected for county	-	14,778,425
Property taxes collected for technical college	-	2,438,562
Property taxes collected for school district	-	26,251,785
	<hr/>	<hr/>
Total deletions	598,542	43,583,145
	<hr/>	<hr/>
Net increase in net position	53,384	-
	<hr/>	<hr/>
Net Position, Beginning	999,270	-
	<hr/>	<hr/>
Net Position, Ending	<u>\$ 1,052,654</u>	<u>\$ -</u>

See notes to financial statements

Village of Pleasant Prairie

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December 31, 2020

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Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

1. Summary of Significant Accounting Policies

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

Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and is able to impose its will on that organization; (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government; (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government, or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or had the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and its component unit have substantively the same governing body and a financial benefit or burden relationship exists; (2) the primary government and the component unit have substantially the same governing body and management of the primary government has operational responsibility for the component unit; (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens; or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Unit

Community Development Authority

The government-wide financial statements include the Community Development Authority (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the Village board. Wisconsin Statutes provide for circumstances whereby the Village can impose its will on the CDA, and also create a potential financial benefit to or burden on the Village. See Note 4. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the year ended December 31, 2020. Separately issued financial statements for the CDA are not prepared.

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. Likewise the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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 expenditure/expenses.

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

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

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

The Village reports the following major governmental funds:

General Fund

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

General Debt Service Fund

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

Tax Incremental District (TID) No. 2 Debt Service Fund

Tax Incremental District (TID) No. 2 Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs.

General Capital Projects

General Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of equipment and/or major capital facilities.

Tax Incremental District (TID) No. 2 Escrow Capital Projects Fund

Tax Incremental District (TID) No. 2 Escrow Capital Projects Fund is used to account for and report financial resources that are restricted to expenditures outlined in the TID project plan and 2017 Taxable G.O. Notes Construction Fund Uses.

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
Clean Water Utility - accounts for operations of the storm sewer system
Lakeview Rec Plex Fund - accounts for operations of the recreational complex

The Village reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

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

Police Canine Unit
Federally Forfeited Property

Village of Pleasant Prairie

Notes to Financial Statements
December 31, 2020

Debt Service Fund

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

Tax Incremental District (TID) No. 5

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of equipment and/or major capital facilities.

Tax Incremental District (TID) No. 2
Tax Incremental District (TID) No. 4
Tax Incremental District (TID) No. 5
Tax Incremental District (TID) No. 6
Tax Incremental District (TID) No. 7
Tax Incremental District (TID) No. 8

Enterprise Fund

Enterprise Fund is used to report any activity for which a fee is charged to external uses for goods or services.

Waste Collection Fund

In addition, the Village reports the following fund types:

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Village, or to other governmental units, on a cost reimbursement basis.

Fleet
Insurance

Other employee benefit trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of other postemployment benefit plans.

Retired Employees Healthcare Plan Trust

Custodial Funds

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

Tax Collection Fund
Mobile Home Fees

Measurement Focus, Basis of Accounting, and Financial Statement Presentation**Government-Wide Financial Statements**

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Certain revenues are to be considered available, such as intergovernmental grants, when collected within 180 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. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general debt service fund. At December 31, 2020, there were \$4,541,071 of unrecorded deferred assessments which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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

All Financial Statements

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

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

Deposits and Investments

For purposes of the statement of cash flows, the 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 state statutes. Available investments are limited to:

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

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

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

The Village has adopted an investment policy. That policy follows the state statute for allowable investments. Deposits and investments held by the Village have the following risks: custodial credit risk, credit risk, concentration of credit risk, and interest rate risk.

No policy exists for the following risk:

Concentration of credit risk

Custodial Credit Risk

The Village's investment policy states that collateralization will be required on two types of investments: certificates of deposit and repurchase agreements. The collateralization level will be 110 percent of market value of principal and accrued interest.

Credit Risk

The policy also states that credit risk will be mitigated by limiting investments to the safest types of securities and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Interest Rate Risk

The policy also states that interest rate risk may be mitigated by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs outlined in Note 4. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and the carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 4. for further information.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

Receivables

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

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	April 30, 2021
Third installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

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

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

Inventories and Prepaid Items

Governmental fund inventory items except for land held for resale in non-TID funds are charged to expenditure accounts when purchased. Land held for resale is a type of inventory that is valued at the lower of cost or market. Land held for resale reported in the governmental activities also includes any land held for resale in the TID funds. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. Of the proprietary funds, the Rec Plex inventory is for resale. Inventories are valued at lower of cost or market, and charged to construction, and/or operation and maintenance expense when used.

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

Restricted Assets

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

Village of Pleasant Prairie

Notes to Financial Statements
December 31, 2020

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are generally defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$50,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation/amortization.

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:

	<u>Years</u>
Land improvements	30
Buildings	30
Intangible assets	2 - 50
Machinery and equipment	2 - 15
Infrastructure	20 - 30
Utility systems	3 - 100

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 as in the government-wide statements.

Deferred Outflows of Resources

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

Compensated Absences

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.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

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, or are payable with expendable available 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, 2020 are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations/Conduit Debt

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

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

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

The Village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$9,938,902, made up of two issues.

Deferred Inflows of Resources

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

Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

- c. Unrestricted net position - All other net position that does not meet the definition 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	\$ 54,495,328	\$ 144,038,098	\$ (6,217,166)	\$ 192,316,260
Unrestricted	20,480,042	17,901,083	6,217,166	44,598,291

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:

- 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.
- 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.
- 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. 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 that originally created the commitment.
- Assigned* - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- 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.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

The Village has a minimum fund balance policy. That policy is to maintain an unassigned fund balance in the general fund between 25-30 percent of budgeted general fund expenditures. The unassigned fund balance in the general fund at year-end was \$6,929,660 or 37 percent of budgeted general fund expenditures.

See Note 4. for further information.

Basis for Existing Rates

Water Utility

The water utility was authorized current rates by the Public Service Commission (PSC) effective October 4, 2019 and they are designed to provide a 5.30 percent return on rate base.

Sewer Utility

Current sewer rates were approved by the Village board to be effective October 1, 2019 for the Pleasant Prairie and Lake Michigan Sewer Districts.

Clean Water Utility

Current clean water rates were approved by the Village board on November 6, 2017, effective January 1, 2018.

Lakeview Rec Plex Fund

Membership rates effective during the year 2020 were approved by Ordinance No. 19-23 on August 1, 2019.

Pension

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Village OPEB Plan and additions to/deductions from the Village OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Village OPEB Plan. For this purpose, the Village OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of the reconciliation explains that "Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds."

The details of this reconciliation include the following items:

Capital assets per statement of net position:

Land	\$ 13,253,742
Right of way	15,381,783
Construction in progress	7,132,423
Intangible assets, net of amortization	65,189
Other capital assets, net of depreciation	56,357,429
	<u>92,190,566</u>
Subtotal	

Less internal service capital assets, net of depreciation	<u>(3,192,438)</u>
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Net adjustment for capital assets	<u>\$ 88,998,128</u>
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Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term are reported in the statement of net position.

Bonds and notes payable	\$ 58,880,000
Compensated absences	847,504
Accrued interest	508,340
Unamortized debt premium	1,738,755
Other post-employment benefits	<u>4,755,763</u>
Combined adjustment for long-term liabilities	<u>\$ 66,730,362</u>

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

3. Stewardship, Compliance and Accountability

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

A budget has been adopted for all funds except for TID No. 8 Capital Projects fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures Over Appropriations

Fund	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Sources Over Budget
TID No. 2 Capital Projects	\$ 16,150	\$ 55,339	\$ 39,189
TID No. 5 Capital Projects	2,601,425	2,625,429	23,998
TID No. 6 Capital Projects	1,493,155	1,636,332	143,177
Police Canine Unit - special revenue	1,000	12,465	11,465
TID No. 5 Debt Service fund	364,265	493,770	129,505

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

Deficit Balances

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

As of December 31, 2020, the following individual funds held a deficit balance:

Fund	Amount	Reason
TID No. 7 Capital Projects	\$ 44,218	Excess of expenditures over revenues
TID No. 8 Capital Projects	26,735	Excess of expenditures over revenues
Waste Collection	13,371	Increase in operational costs over user charges

TID deficits are anticipated to be funded with future incremental taxes levied over the life of the district which is 27 years for 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 (10-27 years) and may be extended in some case. The Waste Collection deficit is anticipated to be funded by future user charges.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

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 TIDs), 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.

4. Detailed Notes on All Funds

Deposits and Investments

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

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

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risk</u>
Deposits	\$ 38,192,653	\$ 38,521,281	Custodial credit
US agencies (implicitly guaranteed)	189,595	189,595	Credit, custodial credit, concentration of credit, interest rate
Certificate of deposit (negotiable)	10,297,243	10,297,243	Credit, custodial credit, concentration of credit, interest rate
Mutual funds, bonds	846,496	846,496	Credit, interest rate
LGIP	39,580,161	39,580,161	Credit
Petty cash	14,725	-	N/A
Total cash and investments	<u>\$ 89,120,873</u>	<u>\$ 89,434,776</u>	
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 60,143,532		
Restricted cash and investments	10,089,525		
Per statement of fiduciary net position, fiduciary funds:			
Retired employees healthcare plan trust	1,052,654		
Custodial funds	<u>17,835,162</u>		
Total deposits and investments	<u>\$ 89,120,873</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (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 deposits.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

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

The Village maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities in the amount of \$36,998,363 to secure the Village's deposits.

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

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

- Quoted market prices for identical assets
- Quoted market prices for similar assets in active markets

Investment Type	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Certificates of deposit (negotiable)	\$ -	\$ 10,297,243	\$ -	\$ 10,297,243
Mutual funds, bond funds	-	846,496	-	846,496
U.S. agencies, implicitly guaranteed	-	189,595	-	189,595
Total	\$ -	\$ 11,333,334	\$ -	\$ 11,333,334

Custodial Credit Risk

Deposits

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

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

Investments

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

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

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

Credit Risk

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

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

Investment Type	Standard & Poor's	Moody's Investor Service
U.S. agencies, implicitly guaranteed	AA+	Aaa
Mutual funds, bonds	A+	A1

The Village also had investments in the following external pool which is not rated:

Local Government Investment Pool (LGIP)

Interest Rate Risk

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

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

Investment Type	Fair Value	Maturity (in Years)		
		Less Than 1 Year	2 - 5	6 - 10 Years
Certificates of deposits (negotiable)	\$ 10,297,243	\$ 437,953	\$ 7,970,738	\$ 1,888,552
Mutual funds, bonds	846,496	566,370	-	280,126
U.S. agencies, implicitly guaranteed	189,595	-	-	189,595
Total	<u>\$ 11,333,334</u>	<u>\$ 1,004,323</u>	<u>\$ 7,970,738</u>	<u>\$ 2,358,273</u>

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

Receivables

All receivable balances are expected to be collected within one year with the exception of \$30,008 in delinquent taxes, \$253,791 in special assessments, and \$230,464 in delinquent special assessments.

Receivables of the General fund and Lakeview Rec Plex are reported net of allowances in the amounts of \$136,860 and \$38,729, respectively.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

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:

	Unavailable	Unearned
Property taxes receivable for subsequent year	\$ -	\$ 31,396,856
Rescue accounts receivable	215,398	-
Assessing contracts receivable	-	230,535
Developer fees	-	1,187,664
Special assessments not yet due	255,746	1,602,092
Street light replacement	-	45,284
Transportation improvement fees receivable	-	1,038,537
Miscellaneous	81,609	383,087
	<u>552,753</u>	<u>35,884,055</u>
Total unavailable/unearned revenue for governmental funds	\$ 552,753	\$ 35,884,055
Unearned revenue included in liabilities		\$ 4,412,196
Unearned revenue included in deferred inflows		31,471,859
		<u>\$ 35,884,055</u>
Total unearned revenue for governmental funds		\$ 35,884,055

Restricted Assets

Equipment Replacement Account

As a condition of receiving state and federal funds for sewer utility treatment facility construction, the sewer utility established an account for replacement of mechanical equipment during the life of the facility.

TID Escrow Account

Prior to the end of the TID expenditure period for TID No. 2, the Village issued debt and placed all debt proceeds in an escrow account to pay for the remaining scheduled capital projects as they are completed.

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.

Net Pension Asset

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

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

Following is a list of restricted cash and investments at December 31, 2020:

	Restricted Cash and Cash Investments
Sewer equipment replacement account	\$ 1,305,564
TID No. 2 escrow account	6,064,818
Impact fee account	2,719,143
Total restricted cash and investments	<u>\$ 10,089,525</u>

Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 13,253,742	\$ -	\$ -	\$ 13,253,742
Right of way	15,267,489	114,294	-	15,381,783
Construction in progress, general	4,287,205	2,487,991	(3,662,769)	3,112,427
Construction in progress, TID water and sewer	966,840	3,053,156	-	4,019,996
Total capital assets not being depreciated	<u>33,775,276</u>	<u>5,655,441</u>	<u>(3,662,769)</u>	<u>35,767,948</u>
Capital assets being depreciated/amortized:				
Land improvements	6,370,341	-	-	6,370,341
Buildings	17,939,882	66,864	(27,989)	17,978,757
Intangible assets, computer software	829,401	-	-	829,401
Intangible assets, fleet internal services	16,699	-	-	16,699
Machinery and equipment	10,140,322	1,086,121	(913,498)	10,312,945
Machinery and equipment, fleet internal services	9,656,257	493,334	-	10,149,591
Roads	59,349,607	7,750,826	-	67,100,433
Street lighting	3,304,252	-	-	3,304,252
Traffic signals	290,544	-	-	290,544
Railroad spur	1,295,421	-	-	1,295,421
Total capital assets being depreciated/amortized	<u>109,192,726</u>	<u>9,397,145</u>	<u>(941,487)</u>	<u>117,648,384</u>

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
Less accumulated depreciation/amortization for:				
Land improvements	\$ (1,879,816)	\$ (194,920)	\$ -	\$ (2,074,736)
Buildings	(6,524,086)	(592,036)	24,257	(7,091,865)
Intangible assets, computer software	(701,417)	(63,391)	-	(764,808)
Intangible assets, fleet internal services	(13,717)	(2,386)	-	(16,103)
Machinery and equipment	(6,065,152)	(908,581)	842,761	(6,130,972)
Machinery and equipment, fleet internal services	(6,401,584)	(556,165)	-	(6,957,749)
Roads	(33,268,459)	(2,348,015)	-	(35,616,474)
Street lighting	(1,202,763)	(162,109)	-	(1,364,872)
Traffic signals	(205,345)	(19,370)	-	(224,715)
Railroad spur	(940,291)	(43,181)	-	(983,472)
Total accumulated depreciation/amortization	<u>(57,202,630)</u>	<u>(4,890,154)</u>	<u>867,018</u>	<u>(61,225,766)</u>
Net capital assets	<u>\$ 85,765,372</u>			<u>\$ 92,190,566</u>

Depreciation / amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 244,888
Public safety	1,015,781
Public works, which includes the depreciation of roads, street lighting, traffic signals, and railroad spurs	2,961,168
Culture, education and recreation	109,197
Community development	569
Subtotal	<u>4,331,603</u>
Capital assets held by internal service fund charged to the various functions based on their usage of the assets	<u>558,551</u>
Total governmental activities depreciation / amortization expenses	<u>\$ 4,890,154</u>

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Water				
Capital assets not being depreciated/amortized:				
Land and land rights	\$ 546,218	\$ -	\$ -	\$ 546,218
Intangible assets	135,340	-	-	135,340
Construction in progress	22,627	653,005	-	675,632
Total capital assets not being depreciated/ amortized	704,185	653,005	-	1,357,190
Capital assets being depreciated/amortized:				
Source of supply	195,690	-	-	195,690
Pumping	3,844,617	-	-	3,844,617
Transmission and distribution	63,176,892	4,797,003	(152,312)	67,821,583
General assets	1,179,581	-	-	1,179,581
Total capital assets being depreciated/ amortized	68,396,780	4,797,003	(152,312)	73,041,471
Total capital assets	69,100,965	5,450,008	(152,312)	74,398,661
Less accumulated depreciation/amortization	(19,234,259)	(1,310,894)	219,377	(20,325,776)
Net water plant	<u>\$ 49,866,706</u>			<u>\$ 54,072,885</u>

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated/amortized:				
Land and land rights	\$ 1,236,419	\$ -	\$ -	\$ 1,236,419
Intangible assets	85,550	-	-	85,550
Construction in progress	163,983	25,726	(132,447)	57,262
Total capital assets not being depreciated/ amortized	1,485,952	25,726	(132,447)	1,379,231
Capital assets being depreciated/amortized:				
Collection systems	71,747,630	5,750,173	(18,302)	77,479,501
Collection system pumping	5,973,019	53,501	-	6,026,520
Treatment and disposal	228,042	-	-	228,042
General assets	1,854,900	-	-	1,854,900
Total capital assets being depreciated/ amortized	79,803,591	5,803,674	(18,302)	85,588,963
Total capital assets	81,289,543	5,829,400	(150,749)	86,968,194
Less accumulated depreciation/amortization	(31,800,357)	(1,489,609)	28,354	(33,261,610)
Net sewer plant	<u>\$ 49,489,186</u>			<u>\$ 53,706,584</u>
Clean Water				
Capital assets not being depreciated/amortized:				
Construction in progress	\$ 575,725	\$ 2,314,654	\$ -	\$ 2,890,379
Capital assets being depreciated/amortized:				
Equipment	19,552	-	-	19,552
Intangible assets	45,600	-	-	45,600
Land improvements	580,469	23,193	-	603,662
Storm sewers	39,718,598	1,204,376	-	40,922,974
Total capital assets being depreciated/ amortized	40,364,219	1,227,569	-	41,591,788
Total capital assets	40,939,944	3,542,223	-	44,482,167
Less accumulated depreciation/amortization	(13,874,601)	(1,016,964)	-	(14,891,565)
Net clean water capital assets	<u>\$ 27,065,343</u>			<u>\$ 29,590,602</u>

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
Lakeview Rec Plex				
Capital assets not being depreciated/amortized	\$ 6,975	\$ 2,325	\$ (9,300)	\$ -
Capital assets being depreciated/amortized:				
Building	42,208,246	211,915	(88,963)	42,331,198
Equipment	1,892,231	129,625	(12,419)	2,009,437
Intangible assets	255,602	-	(170,462)	85,140
Land improvements	1,996,128	-	-	1,996,128
Total capital assets being depreciated/amortized	46,352,207	341,540	(271,844)	46,421,903
Total capital assets	46,359,182	343,865	(281,144)	46,421,903
Less accumulated depreciation/amortization for:				
Building	(13,411,022)	(1,228,484)	56,073	(14,583,433)
Equipment	(1,706,515)	(71,036)	-	(1,777,551)
Intangible assets	(240,676)	(2,355)	170,462	(72,569)
Land improvements	(1,353,262)	(88,938)	-	(1,442,200)
Total accumulated depreciation/amortization	(16,711,475)	(1,390,813)	226,535	(17,875,753)
Net Lakeview Rec Plex capital assets	<u>\$ 29,647,707</u>			<u>\$ 28,546,150</u>
Waste Collection				
Capital assets being depreciated/amortized:				
Land improvements	\$ 100,343	\$ -	\$ -	\$ 100,343
Buildings	200,769	-	-	200,769
Equipment	790,433	-	-	790,433
Total capital assets being depreciated/amortized	1,091,545	-	-	1,091,545
Total capital assets	1,091,545	-	-	1,091,545
Less accumulated depreciation/amortization for:				
Land improvements	(10,311)	(3,345)	-	(13,656)
Buildings	(142,212)	(10,038)	-	(152,250)
Equipment	(757,365)	(9,590)	-	(766,955)
Total accumulated depreciation/amortization	(909,888)	(22,973)	-	(932,861)
Net waste collection capital assets	<u>\$ 181,657</u>			<u>\$ 158,684</u>

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

Depreciation/amortization expense was charged to functions as follows:

Business-Type Activities

Water	\$ 1,252,904
Sewer	1,547,599
Clean water	1,016,964
Lakeview Rec Plex	1,391,642
Waste collection	<u>22,973</u>

Total business-type activities depreciation/ amortization expense	<u>\$ 5,232,082</u>
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Depreciation/amortization expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, and costs associated with the disposal of assets.

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	TID No. 7	\$ 44,218	\$ -
General	TID No. 8 Capital Projects	25,420	-
General	Waste Collection	<u>120,555</u>	-
Subtotal, fund financial statements		190,193	
Less fund eliminations		<u>(69,638)</u>	
Less interfund receivable created with internal service fund elimination		<u>(426,654)</u>	
Total, government-wide statement of net position		<u>\$ (306,099)</u>	
Receivable Fund	Payable Fund	Amount	
Business-Type activities, internal service allocations	Governmental activities, internal service allocations	<u>\$ 306,099</u>	
Total internal balances, government-wide statement of net position		<u>\$ 306,099</u>	

All amounts are due within one year.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

Advances

The sewer utility is advancing funds to the Lakeview Rec Plex fund. The amount advanced is determined by the decrease in operations and loss of revenues from the COVID-19 pandemic. In 2020, \$1,200,000 was advanced to the Lakeview Rec Plex fund, with interest being charged at variable rates based on average monthly interest earnings. A repayment schedule has not been established for this advance.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Sewer Utility	Lakeview Rec Plex	\$ 1,200,000	\$ 1,200,000
Total, fund financial statements		1,200,000	
Less fund eliminations		(1,200,000)	
Total, interfund advances		\$ -	

Transfers

The following is a schedule of interfund transfers:

Fund Transferred From	Fund Transferred To	Amount	Principal Purpose
General	Water Utility	\$ 895,895	Payment in lieu of taxes
			Increment transfer to cover
			TID No. 5 Administrative
TID No. 5 Debt Service	TID No. 5 Capital Projects	129,506	Expenses
Lakeview Rec Plex	Water Utility	119,370	Tower lease payments
Total, fund financial statements		1,144,771	
Less fund eliminations		(248,876)	
Less transfer to business-type activities for capital assets funded by the governmental activities		(514,510)	
Total transfers. government-wide statement of activities		\$ 381,385	
Fund Transferred From	Fund Transferred To	Amount	
Governmental activities	Business-Type activities	\$ 895,895	
Business-Type activities	Governmental activities	(514,510)	
Total government-wide statement of activities		\$ 381,385	

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

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

Long-Term Obligations

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 69,210,000	\$ 1,625,000	\$ 11,955,000	\$ 58,880,000	\$ 8,675,000
Premium	2,211,382	64,051	536,678	1,738,755	-
Subtotal	71,421,382	1,689,051	12,491,678	60,618,755	8,675,000
Other liabilities:					
Vested compensated absences	812,250	847,504	812,250	847,504	847,504
Other postemployment benefits:					
General	7,613,779	-	2,858,016	4,755,763	-
Internal service	139,533	-	44,264	95,269	-
Total other liabilities	8,565,562	847,504	3,714,530	5,698,536	847,504
Total governmental activities long-term liabilities	<u>\$ 79,986,944</u>	<u>\$ 2,536,555</u>	<u>\$ 16,206,208</u>	<u>\$ 66,317,291</u>	<u>\$ 9,522,504</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 22,375,000	\$ 4,490,000	\$ 5,915,000	\$ 20,950,000	\$ 2,165,000
Premium	1,679,785	95,408	270,913	1,504,280	-
Subtotal	24,054,785	4,585,408	6,185,913	22,454,280	2,165,000
Other liabilities:					
Customer advances	45,403	-	2,361	43,042	-
Other postemployment benefits	1,706,703	-	468,561	1,238,142	-
Total other liabilities	1,752,106	-	470,922	1,281,184	-
Total business-type activities long-term liabilities	<u>\$ 25,806,891</u>	<u>\$ 4,585,408</u>	<u>\$ 6,656,835</u>	<u>\$ 23,735,464</u>	<u>\$ 2,165,000</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5 percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2020 was \$214,688,880. Total general obligation debt outstanding at year-end was \$79,830,000.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

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 general obligation debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
Governmental Activities					
General obligation debt:					
Promissory notes	11/03/14	05/01/24	2.00 - 4.00%	\$ 6,865,000	\$ 3,965,000
Promissory notes	08/20/14	09/01/23	4.50 - 5.00%	20,970,000	14,970,000
Promissory notes	11/01/16	11/01/26	2.00 - 3.00%	3,245,000	2,795,000
Promissory notes	07/13/17	09/01/23	1.90 - 2.00%	21,335,000	21,335,000
Promissory notes	11/20/18	11/01/22	3.00%	1,380,000	580,000
Promissory notes	04/18/19	04/01/25	3.00%	3,660,000	3,660,000
Promissory notes	04/18/19	04/01/24	2.60 - 2.75%	7,900,000	7,900,000
Promissory notes	04/18/19	04/01/29	3.00%	2,155,000	2,050,000
Promissory notes	10/21/20	04/01/30	1.00 - 2.00%	1,625,000	1,625,000
Total governmental activities, general obligation debt					<u>\$ 58,880,000</u>

Business-Type Activities

General obligation debt:					
Refunding notes	06/07/11	09/01/21	3.00 - 4.00%	\$ 7,095,000	\$ 825,000
Refunding notes	02/01/12	12/01/23	2.00 - 3.00%	2,605,000	805,000
Refunding notes	02/21/13	05/01/24	3.00 - 3.25%	7,305,000	3,855,000
Refunding notes	08/24/17	08/01/28	3.00 - 5.00%	7,700,000	7,700,000
Promissory notes	04/18/19	04/01/29	2.60 - 2.75%	3,275,000	3,275,000
Promissory notes	10/21/20	04/01/30	1.00 - 2.00%	4,490,000	4,490,000
Total business-type activities, general obligation debt					<u>\$ 20,950,000</u>

Debt service requirements to maturity are as follows:

	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
Years ending December 31:				
2021	\$ 8,675,000	\$ 1,729,567	\$ 2,165,000	\$ 672,454
2022	17,060,000	1,337,830	2,275,000	606,605
2023	22,640,000	768,905	2,025,000	543,380
2024	4,695,000	230,480	2,140,000	484,580
2025	2,475,000	140,605	1,600,000	430,880
2026 - 2030	3,335,000	181,735	10,745,000	931,060
Total	<u>\$ 58,880,000</u>	<u>\$ 4,389,122</u>	<u>\$ 20,950,000</u>	<u>\$ 3,668,959</u>

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

Other Debt Information

Estimated payments of compensated absences and other post-employment benefits are not included in the debt service requirement schedules. The compensated absences and other post-employment benefit liabilities attributable to governmental activities will be liquidated primarily by the general fund.

On October 21, 2020, the Village issued \$1,945,000 in GO promissory notes with an average coupon rate of 1.2 percent to refund \$1,890,000 of outstanding Taxable GO qualified energy conservation bonds related to the Lakeview Rec Plex with an average coupon rate of 4.7 percent. The net proceeds were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding were \$2,385,473 from 2021 through 2027. The cash flow requirements on the 2020 refunding notes are \$2,165,433 from 2021 through 2030. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) that was not material to these statements.

Net Position/Fund Balances

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

Governmental Activities

Net investment in capital assets:

Land	\$ 13,253,742
Right a way	15,381,783
Construction in progress	7,132,423
Intangible assets, net of amortization	65,189
Other capital assets, net of accumulated depreciation	56,357,429
Less unamortized debt premium	(1,738,755)
Less related capital long-term debt outstanding (net of unspent proceeds of debt)	<u>(35,956,483)</u>
Total net investment in capital assets	<u>\$ 54,495,328</u>

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

Governmental Funds

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

	General Fund	General Debt Service	TID No. 2 Debt Service Fund	General Capital Projects	TID #2 Escrow Fund	Nonmajor Governmental Funds	Total
Fund Balances							
Nonspendable:							
Delinquent taxes/specials	\$ 30,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,008
Prepaid items	261,931	-	-	-	-	-	261,931
Subtotal	291,939	-	-	-	-	-	291,939
Restricted for:							
Debt service	-	1,173,022	14,082,929	-	-	25,867	15,281,818
TID purposes	-	-	-	-	5,228,068	3,165,926	8,393,994
Capital projects	-	-	-	1,429,503	-	-	1,429,503
Impact fees	-	-	-	2,719,143	-	-	2,719,143
Federally forfeited property	-	-	-	-	-	4,323	4,323
Subtotal	-	1,173,022	14,082,929	4,148,646	5,228,068	3,196,116	27,828,781
Committed to:							
Police canine unit	-	-	-	-	-	21,377	21,377
Assigned to:							
Capital projects	-	-	-	5,808,400	-	-	5,808,400
2020 budget	429,135	-	-	-	-	-	429,135
Subtotal	429,135	-	-	5,808,400	-	-	6,237,535
Unassigned (deficit)	6,929,660	-	-	-	-	(70,953)	6,858,707
Total fund balances (deficit)	\$ 7,650,734	\$ 1,173,022	\$ 14,082,929	\$ 9,957,046	\$ 5,228,068	\$ 3,146,540	\$ 41,238,339

Business-Type Activities

Net investment in capital assets:

Land	\$ 1,782,637
Construction in progress	3,623,273
Intangible assets, net of amortization	279,061
Other capital assets, net of accumulated depreciation	160,389,934
Less long-term capital debt outstanding (net of unspent proceeds of debt)	(20,532,527)
Less unamortized debt premium	(1,504,280)

Total net investment in capital assets \$ 144,038,098

Component Unit

This report contains the Community Development Authority (CDA), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

Deposits and Investments

At December 31, 2020, the CDA held no cash or investments.

Land Held for Resale

The CDA had a balance of \$232,716 in land held for resale as of December 31, 2020. This balance is reported at the lower of cost or market.

5. Other Information

Employees' Retirement System

General Information About the Pension Plan

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours teachers and school district education support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report, which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

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 December 31, 2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable services.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and makes contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2010	(1.3)%	22.0%
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

Village of Pleasant Prairie

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December 31, 2020

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting 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 \$1,154,477 in contributions from the Village.

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

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

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

At December 31, 2020, the Village reported an asset of \$(3,460,953) for its proportionate share of the net pension (asset)/liability. The net pension (asset)/liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension (asset)/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, 2019, the Village's proportion was 0.10733448 percent, which was an increase of 0.00302086 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$1,153,370.

At December 31, 2020, 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	\$ 6,569,681	\$ 3,287,685
Changes in assumption	269,700	-
Net differences between projected and actual earnings on pension plan investments	-	7,075,420
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,227	42,933
Employer contributions subsequent to the measurement date	1,268,583	-
Total	\$ 8,131,191	\$ 10,406,038

Village of Pleasant Prairie

Notes to Financial Statements

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\$1,268,583 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
Years ending December 31:	
2021	\$ (1,063,183)
2022	(787,347)
2023	122,809
2024	(1,815,709)
Thereafter	-

Actuarial Assumptions

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

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

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

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

Village of Pleasant Prairie

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Long-Term Expected Return on Plan Assets

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

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49%	8.1%	5.1%
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent

Assets Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Village of Pleasant Prairie

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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)	\$ 8,912,574	\$ (3,460,953)	\$ (12,711,588)

Pension Plan Fiduciary Net Position

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

At December 31, 2020, the Village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

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

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental fund types 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's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

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

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

Village of Pleasant Prairie

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The Village has two encumbrances outstanding at year end in the TID No. 2 Escrow Capital Projects Fund totaling \$4,517,738. The Village also has one encumbrance outstanding at year end in the Clean Water fund for \$910,324. All of the Village's encumbrances are expected to be honored upon performance by the vendor.

In 2009, the Village issued a municipal revenue obligation as part of a development agreement, which was authorized through the TID project plan. The original amount of the obligation was \$452,062 and is payable to the developer solely from tax increments collected from a specific portion of the development in TID No. 4. Payments are scheduled through the year 2027, and carry an interest rate not to exceed 9.75 percent. The obligation does not constitute a charge upon any funds of the Village. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the Village. Since the amount of future payments is contingent on the collection of future TID increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment and accrued interest outstanding at year-end was \$985,482.

In 2019, the Village issued a municipal revenue obligation as part of a development agreement, which was authorized through the TID No. 5 project plan. The original amount of the obligation was \$2,518,401 and is payable to the developer solely from tax increments collected from a specific portion of the development in TID No. 5. Payments are scheduled through the year 2038, and carry an interest rate not to exceed 8.50 percent. The obligation does not constitute a charge upon any funds of the Village. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the Village. Since the amount of future payments is contingent on the collection of future TID increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment and accrued interest outstanding at year-end was \$2,742,865.

In 2019, the Village also issued a municipal revenue obligation as part of a development agreement, which was authorized through the TID No. 7 project plan. The original amount of the obligation was \$1,481,432 and is payable to the developer solely from tax increments collected from a specific portion of the development in TID No. 7. Payments are scheduled through the year 2038, and carry an interest rate not to exceed 7.00 percent. The obligation does not constitute a charge upon any funds of the Village. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the Village. Since the amount of future payments is contingent on the collection of future TID increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment and accrued interest outstanding at year-end was \$9,987,676.

Water Supply and Wastewater Treatment

The utilities have a long-term agreement with Kenosha Water Utility for all water supply and all wastewater treatment.

Other Postemployment Benefits (OPEB)

Plan Description - OPEB Trust

Plan Administration

The Village Retirement System (VRS) administers the Village Retirement Benefits Plan (VRBP), a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time general and public safety employees of the Village.

Management of the VRBP is vested in the VRS Board of Trustees (VRS Board), which consists of two members, who are appointed by the Village Board.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

Plan Membership

At December 31, 2020, VRBP membership consisted of the following:

Inactive plan members and spouses currently receiving benefit payments	30
Active plan members	<u>57</u>
	<u>87</u>

The Village does not pay any portion of the premiums for fire and rescue employees hired after August 17, 2009, nonrepresented employees hired after July 1, 2010, and police employees hired after January 1, 2011.

Benefits Provided

VRBP provides healthcare benefits for eligible retirees and their dependents for a period of 5 years for nonrepresented retirees or 10 years for police and fire retirees, unless eligible for Medicare. Benefits are provided through a third-party insurer, and the full cost of benefits less required contributions is covered by the plan. Article XII of the Declaration of Trust grants the authority to establish and amend the benefit terms to the VRS Board.

Contributions

Article VII of the Declaration of Trust grants the authority to establish and amend the contribution requirements of the Village and plan members to the VRS Board. The Board establishes rates based on annual Village Wellness Program participation and wellness level achievements. For the year ended December 31, 2020, the Village's average contribution rate was 11.1 percent of covered-employee payroll. Plan members are required to contribute either 5 percent or 25 percent of annual premiums.

Investments

Investment Policy

VRBP does not currently have a policy to address the allocation of invested assets.

Concentrations

The investments of the trust are concentrated in deposits (20 percent) and mutual bond funds (80 percent).

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 5.34 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Village of Pleasant Prairie

Notes to Financial Statements

December 31, 2020

Net OPEB Liability

The components of the net OPEB liability of the Village at December 31, 2020, were as follows:

Total OPEB liability	\$ 5,326,900
Less plan fiduciary net position	<u>(1,052,654)</u>
Village's net OPEB liability	<u>\$ 4,274,246</u>

Plan fiduciary net position as a percentage of the total OPEB liability	19.76%
-------------------------------------------------------------------------	--------

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00% inflation plus 0.4%-4.8% merit
Investment rate of return	3.00%
Healthcare cost trend rates	-5.0% initially increasing to 5.8% in 2021 and then decreasing annually to an ultimate rate of 3.7%

Mortality rates were based on the Wisconsin 2018 Mortality Table (multiplied by 50 percent for males and females) as the base table and project future improvements with 2018 generational improvement scale (multiplied by 60 percent).

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period 2015 - 2017 performed by the actuary for the Wisconsin Retirement System.

The long-term expected rate of return on OPEB 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 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. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of December 31, 2020 (see the discussion of VRBP's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. cash	-0.47%
U.S. short bonds	0.43%
U.S. inflation indexed bonds	-0.14%

Village of Pleasant Prairie

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Discount Rate

The discount rate used to measure the total OPEB liability was 3.00 percent. The projection of cash flows used to determine the discount rate assumed that the Village contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position will be available to make all projected future benefit payments of current plan members. Therefore, the discount was used based on the long-term expected rate of return on OPEB plan investments to determine the total OPEB liability.

The Village's net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

	Changes in the Net OPEB Liability		
	Total OPEB Liability (a)	Change in Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2020	\$ 9,395,647	\$ 999,270	\$ 8,396,377
Changes for the year:			
Service cost	273,321	-	273,321
Interest	374,906	-	374,906
Differences between expected and actual experience	(2,219,389)	-	(2,219,389)
Changes of assumptions or other inputs	(1,899,043)		(1,899,043)
Benefit payments	(598,542)	(598,542)	-
Net investment income	-	53,384	(53,384)
Employer contributions	-	598,542	(598,542)
Net changes	(4,068,747)	53,384	(4,122,131)
Balances at December 31, 2020	<u>\$ 5,326,900</u>	<u>\$ 1,052,654</u>	<u>\$ 4,274,246</u>

Changes of assumptions and other inputs reflect a change in general requirements of the plan, economic/ demographic gains or losses, and actuarial assumptions and inputs.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current discount rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB liability	\$ 4,579,244	\$ 4,274,246	\$ 3,983,526

Village of Pleasant Prairie

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Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Village, as well as what the Village's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (-6.0 percent increasing to 2.7 percent) or 1-percentage-point higher (-4.0 percent increasing to 4.7 percent) than the current healthcare cost trend rates (-5.0 percent increasing to 3.7 percent):

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability	\$ 3,883,085	\$ 4,274,246	\$ 4,714,524

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available is included above. The OPEB Trust does not issue separate financial statements.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Village recognized OPEB expense of \$270,879. At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 1,152,471	\$ 1,863,718
Changes in actuarial assumptions	305,845	1,594,709
Net differences between projected and actual investment earnings on pension plan investment	-	2,854
Total	<u>\$ 1,458,316</u>	<u>\$ 3,461,281</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>Deferred Outflows/ Inflows of Resources (Net)</u>
Years ending December 31:	
2021	\$ (337,337)
2022	(337,379)
2023	(343,905)
2024	(342,177)
2025	(483,725)
Thereafter	(158,442)

Local Retiree Life Insurance Fund (LRLIF)**Plan Description**

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

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

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

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Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the plan year are as listed below:

Life Insurance Member Contribution Rates for the Plan Year	
Attained Age	Basic
Under 30	\$0.05
30-34	0.06
34-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$7,705 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2020, the Village reported a liability of \$1,814,928 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was .42622000 percent, which was an increase of .01401100 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized OPEB expense of \$132,411.

At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 81,307
Net differences between projected and actual earnings on OPEB plan investments	34,236	-
Changes in assumptions	669,535	199,628
Changes in proportion and differences between employer contributions and proportionate share of contributions	55,664	33,921
Employer contributions subsequent to the measurement date	9,115	-
Total	\$ 768,550	\$ 314,856

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\$9,115 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
Years ending December 31	
2021	\$ 76,002
2022	76,002
2023	72,311
2024	68,509
2025	54,953
Thereafter	96,802

Actuarial Assumptions

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

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December 31, 2020

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns as of December 31, 2019

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Credit Bonds	Barclays Credit	45%	2.12%
U.S. Long Credit Bonds	Barclays Long Credit	5	2.90
U.S. Mortgages	Barclays MBS	50	1.53
Inflation			2.20
Long Term Expected Rate of Return			4.25

Single Discount Rate

A single discount rate of 2.87 percent was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 4.22 percent for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10 percent as of December 31, 2018 to 2.74 percent as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to the age of 65.

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 2.87 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
Village's proportionate share of the net OPEB liability	\$ 2,506,111	\$ 1,814,928	\$ 1,289,072

OPEB Plan Fiduciary Net Position

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

Subsequent Events

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The Village's estimated award is \$2.079 million, which will be used to combat the negative effects of the public health emergency in the local economy. The Village will receive 50% of the funds in June 2021, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

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

REQUIRED SUPPLEMENTARY INFORMATION

Village of Pleasant Prairie

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

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues and Other Financing Sources				
Taxes				
General property tax for local purposes	\$ 9,938,602	\$ 9,938,602	\$ 9,938,607	\$ 5
Taxes, penalties and interest	45,000	45,000	62,513	17,513
Mobile home taxes	125,000	125,000	152,154	27,154
Hotel/motel room tax	70,000	70,000	49,119	(20,881)
Other taxes	49,853	49,853	46,926	(2,927)
Total taxes	10,228,455	10,228,455	10,249,319	20,864
Intergovernmental				
Shared taxes from state	225,055	225,055	225,055	-
Fire insurance tax from state	147,810	147,810	150,653	2,843
Law enforcement grants	12,000	12,000	13,904	1,904
State aid, other grants	2,051,372	2,319,017	2,346,676	27,659
Ambulance service grant	4,241	4,241	4,668	427
Exempt computer aid	44,598	44,598	44,598	-
State payment for municipal service	3,558	3,558	6,465	2,907
Total intergovernmental	2,488,634	2,756,279	2,792,019	35,740
Regulation and Compliance				
Liquor and malt beverage licenses	15,600	15,600	25,949	10,349
Cigarette licenses	1,100	1,100	1,000	(100)
Bartender licenses	8,000	8,000	6,045	(1,955)
Other miscellaneous licenses	2,595	2,595	3,635	1,040
Fire department permits	123,536	123,536	90,567	(32,969)
Dog licenses	9,000	9,000	7,248	(1,752)
Residential building permits	314,100	314,100	188,782	(125,318)
Commercial building permits	480,250	480,250	296,488	(183,762)
Application and zoning fees	370,800	370,800	242,213	(128,587)
Miscellaneous permits and fees	115,172	115,172	126,742	11,570
Court penalties and costs	338,000	338,000	292,082	(45,918)
Parking tickets	25,000	25,000	8,392	(16,608)
Total regulation and compliance	1,803,153	1,803,153	1,289,143	(514,010)
Public Charges for Services				
Prequalification fees	3,000	3,000	3,270	270
Administrative fees	5,000	5,000	15,334	10,334
Publication fees	700	700	604	(96)
Police department fees	106,500	106,500	72,982	(33,518)
Fire department fees	73,591	73,591	52,798	(20,793)
Rescue squad fees	563,000	563,000	537,656	(25,344)
Highway department fees	715,000	715,000	718,110	3,110
Engineering department fees	230,000	230,000	255,570	25,570
Street lighting	145,000	145,000	141,840	(3,160)
Special assessment letters	10,000	10,000	15,799	5,799
Weed control	8,000	8,000	5,509	(2,491)
Franchise fees	244,509	244,509	271,565	27,056
Other	23,500	23,500	34,905	11,405
Total public charges for services	2,127,800	2,127,800	2,125,942	(1,858)
Intergovernmental Charges for Services				
Assessing contracts	236,950	236,950	244,550	7,600
Investment Income				
Investment income	156,000	156,000	97,090	(58,910)

See notes to required supplementary information

Village of Pleasant Prairie

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

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Miscellaneous				
Miscellaneous	\$ 43,100	\$ 43,100	\$ 44,868	\$ 1,768
Tower leases	167,224	167,224	174,668	7,444
Village hall rent from utility	91,745	91,745	95,945	4,200
Total miscellaneous	302,069	302,069	315,481	13,412
Other Financing Sources				
Transfers in	977,455	977,455	895,895	(81,560)
Total revenues and other financing sources	18,320,516	18,588,161	18,009,439	(578,722)
Expenditures and Other Financing Uses				
General Government				
Village board	96,001	96,001	91,681	4,320
Information technology	1,031,625	1,050,593	992,301	58,292
Administration, finance and human resources	1,509,384	1,619,996	1,470,608	149,388
Assessing	631,395	631,395	581,702	49,693
Municipal buildings	481,816	498,098	498,791	(693)
Contingency	90,369	-	-	-
Total general government	3,840,590	3,896,083	3,635,083	261,000
Public Safety				
Police	4,899,550	5,029,900	4,729,044	300,856
Fire and rescue	4,518,439	4,600,034	4,072,216	527,818
Engineering department	381,567	381,567	364,619	16,948
Public safety communications	633,514	633,514	561,589	71,925
Total public safety	10,433,070	10,645,015	9,727,468	917,547
Public Works				
Public works	2,382,279	2,382,486	2,187,138	195,348
Street lighting	299,699	299,699	285,142	14,557
Total public works	2,681,978	2,682,185	2,472,280	209,905
Culture, Recreation and Education				
Historical society	24,372	24,372	24,437	(65)
Parks	689,790	689,790	622,337	67,453
Total culture, recreation and education	714,162	714,162	646,774	67,388
Community Development				
Community development	641,639	641,639	620,422	21,217
Inspection	510,641	510,641	506,802	3,839
Total community development	1,152,280	1,152,280	1,127,224	25,056
Total expenditures and other financing uses	18,822,080	19,089,725	17,608,829	1,480,896
Net change in fund balance	(501,564)	(501,564)	400,610	902,174
Fund Balance, Beginning	7,250,124	7,250,124	7,250,124	-
Fund Balance, Ending	\$ 6,748,560	\$ 6,748,560	\$ 7,650,734	\$ 902,174

See notes to required supplementary information

Village of Pleasant Prairie

Schedule of Proportionate Share of the Net Pension (Asset) / Liability -

Wisconsin Retirement System

Year Ended December 31, 2020

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset) / Liability	Proportionate Share of the Net Pension Liability (Asset) / Liability	Covered Payroll	Proportionate Share of the Net Pension (Asset) / Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/20	0.10733448%	\$ (3,460,953)	\$ 14,618,868	23.67%	102.96%
12/31/19	0.10431362%	3,711,151	13,692,594	27.10%	96.45%
12/31/18	0.10011588%	(2,972,559)	13,042,279	-22.79%	102.93%
12/31/17	0.09609345%	792,039	12,742,390	6.22%	99.12%
12/31/16	0.09311995%	1,513,181	11,800,266	12.82%	98.20%
12/31/15	0.09137800%	(2,244,494)	11,218,417	-20.01%	102.74%

Village of Pleasant Prairie

Schedule of Employer Contributions - Wisconsin Retirement System

Year Ended December 31, 2020

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/20	\$ 1,268,583	\$ 1,268,583	\$ -	\$ 15,055,975	8.43%
12/31/19	1,152,841	1,152,841	-	14,618,869	7.89%
12/31/18	1,106,311	1,106,311	-	13,692,593	8.08%
12/31/17	1,058,738	1,058,738	-	13,042,279	8.12%
12/31/16	972,450	972,450	-	12,744,682	7.63%
12/31/15	917,337	917,337	-	11,800,265	7.77%

Village of Pleasant Prairie

Schedule of Proportionate Share of the Net Life Insurance OPEB Liability

Local Retiree Life Insurance Fund

Year Ended December 31, 2020

Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/20	0.42622000%	\$ 1,814,928	\$ 12,623,000	14.38%	37.58%
12/31/19	0.41220900%	1,063,638	11,662,000	9.12%	48.69%
12/31/18	0.42948800%	1,292,149	18,061,199	7.15%	44.81%

See notes to required supplementary information

Village of Pleasant Prairie

Schedule of Changes in the Net OPEB Liability - Health Insurance Last 10 Fiscal Years*

	2017	2018	2019	2020
Total OPEB Liability				
Service cost	\$ 174,030	\$ 188,623	\$ 262,809	\$ 273,321
Interest on the total OPEB liability	189,938	195,200	369,355	374,906
Changes of benefit terms	-	1,830,026	-	-
Differences between expected and actual experience	-	1,912,341	-	(2,219,389)
Changes of assumptions or other inputs	-	507,502	-	(1,899,043)
Employer contributions	(197,000)	(298,000)	(411,129)	(598,542)
Net change in the total OPEB liability	166,968	4,335,692	221,035	(4,068,747)
Total OPEB Liability, Beginning	4,671,952	4,838,920	9,174,612	9,395,647
Total OPEB Liability, Ending (a)	<u>\$ 4,838,920</u>	<u>\$ 9,174,612</u>	<u>\$ 9,395,647</u>	<u>\$ 5,326,900</u>
Fiduciary Net Position				
Employer contributions	\$ 197,000	\$ 298,000	\$ 411,129	\$ 598,542
Net investment income	16,273	5,253	46,732	53,384
Benefit payments	(197,000)	(298,000)	(411,129)	(598,542)
Net change in plan fiduciary net position	16,273	5,253	46,732	53,384
Total Fiduciary Net Position, Beginning	931,012	947,285	952,538	999,270
Total Fiduciary, Ending (b)	<u>\$ 947,285</u>	<u>\$ 952,538</u>	<u>\$ 999,270</u>	<u>\$ 1,052,654</u>
Net OPEB liability, ending = (a) - (b)	\$ 3,891,635	\$ 8,222,074	\$ 8,396,377	\$ 4,274,246
Covered payroll	5,931,076	5,230,280	4,628,999	4,417,723
Net OPEB liability as a percent of covered payroll	65.6%	157.2%	181.4%	96.8%

Notes to the Schedule:

Changes in assumptions: The medical trend rates were changed to reflect anticipated experience, and the expected medical costs are now calculated using simplified assumptions under the Alternative Measurement Method. The demographic assumptions have also been updated based upon the most recent WRS experience study. The discount rate has been updated, and the participation and marriage rates were updated based on plan experience. The overall impact of these new assumptions is a decrease in the benefit obligation.

*Note: this schedule is to show information for 10 years. However, accounting standards allow the presentation of as many years are available until 10 years are presented.

Village of Pleasant Prairie**Schedule of Investment Returns - Other Postemployment Benefits**

Health Insurance

Last 10 Fiscal Years*

	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	1.75%	0.55%	4.91%	5.34%

*Note: this schedule is to show information for 10 years. However, accounting standards allow the presentation of as many years as are available until 10 years are presented.

Village of Pleasant Prairie
Schedule of Changes in Employer's Total OPEB Liability and Related Ratios
Health Insurance
Last 10 Fiscal Years*

	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 188,623	\$ 262,809	\$ 273,321
Interest	195,200	369,355	374,906
Changes of benefit terms	1,830,026	-	-
Differences between expected and actual experience	1,912,341	-	(2,219,389)
Changes of assumptions	507,502	-	(1,899,043)
Benefit payments	(298,000)	(411,129)	(598,542)
Net change in total OPEB liability	4,335,692	221,035	(4,068,747)
Total OPEB Liability, Beginning	4,838,920	9,174,612	9,395,647
Total OPEB Liability, Ending	\$ 9,174,612	\$ 9,395,647	\$ 5,326,900
Covered, employee payroll	\$ 5,230,280	\$ 4,628,999	\$ 4,417,723
Total OPEB liability as a percentage of covered-employee payroll	175.41%	202.97%	120.58%

Notes to Schedule:

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

Benefit changes: Police benefits were changed from a period of 5 years to 10 years. Police eligibility age was also reduced from age 55 to age 50.

Changes in assumptions: The medical trend rates were changed to reflect anticipated experience. The assumption for the percentage of future retirees achieving certain status levels has also changed.

*Note: this schedule is to show information for 10 years. However, accounting standards allow the presentation of as many years as are available until 10 years are presented.

Village of Pleasant Prairie

Notes to Required Supplementary Information
December 31, 2020

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

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

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

Wisconsin Retirement System

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

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

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

Changes in assumptions. No significant change in assumptions were noted from the prior year.

Local Retiree Life Insurance Fund

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

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

Changes in benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes in assumptions. Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section above for additional details.

SUPPLEMENTARY INFORMATION

Village of Pleasant Prairie

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	Special Revenue Funds		Debt Service Fund	Capital Project Fund
	Police Canine Unit	Federally Forfeited Property	TID No. 5	TID No. 2
Assets				
Cash and investments	\$ 21,377	\$ 4,323	\$ 25,867	\$ 240,258
Taxes receivable	-	-	2,167,555	-
Total assets	<u>\$ 21,377</u>	<u>\$ 4,323</u>	<u>\$ 2,193,422</u>	<u>\$ 240,258</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 20,715
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,715</u>
Deferred inflows of resources:				
Unearned revenue	<u>-</u>	<u>-</u>	<u>2,167,555</u>	<u>-</u>
Fund balances (deficit):				
Restricted	-	4,323	25,867	219,543
Committed	21,377	-	-	-
Unrestricted (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>21,377</u>	<u>4,323</u>	<u>25,867</u>	<u>219,543</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,377</u>	<u>\$ 4,323</u>	<u>\$ 2,193,422</u>	<u>\$ 240,258</u>

Capital Project Funds					Total Nonmajor Funds
TID No. 4	TID No. 5	TID No. 6	TID No. 7	TID No. 8	
\$ -	\$ 3,009,939	\$ 40,239	\$ -	\$ -	\$ 3,342,003
52,588	-	260,563	339,636	-	2,820,342
<u>\$ 52,588</u>	<u>\$ 3,009,939</u>	<u>\$ 300,802</u>	<u>\$ 339,636</u>	<u>\$ -</u>	<u>\$ 6,162,345</u>
\$ -	\$ 103,795	\$ -	\$ -	\$ 1,315	\$ 125,825
-	-	-	44,218	25,420	69,638
-	103,795	-	44,218	26,735	195,463
52,588	-	260,563	339,636	-	2,820,342
-	2,906,144	40,239	-	-	3,196,116
-	-	-	-	-	21,377
-	-	-	(44,218)	(26,735)	(70,953)
-	2,906,144	40,239	(44,218)	(26,735)	3,146,540
<u>\$ 52,588</u>	<u>\$ 3,009,939</u>	<u>\$ 300,802</u>	<u>\$ 339,636</u>	<u>\$ -</u>	<u>\$ 6,162,345</u>

Village of Pleasant Prairie

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended December 31, 2020

	Special Revenue Funds		Debt Service Fund	Capital Project Fund
	Police Canine Unit	Federally Forfeited Property	TID No. 5	TID No. 2
Revenues				
Taxes	\$ -	\$ -	\$ 1,059,643	\$ 16,164
Intergovernmental	-	4,303	-	-
Investment income (loss)	104	20	(708)	2,454
Miscellaneous	28,019	-	-	-
Total revenues	28,123	4,323	1,058,935	18,618
Expenditures				
Current:				
Public safety	12,465	-	-	-
Community development	-	-	-	55,339
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	364,264	-
Total expenditures	12,465	-	364,264	55,339
Excess (deficiency) of revenues over (under) expenditures	15,658	4,323	694,671	(36,721)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(129,506)	-
Total other financing sources	-	-	(129,506)	-
Net change in fund balance	15,658	4,323	565,165	(36,721)
Fund Balance (Deficit), Beginning	5,719	-	(539,298)	256,264
Fund Balance (Deficit), Ending	<u>\$ 21,377</u>	<u>\$ 4,323</u>	<u>\$ 25,867</u>	<u>\$ 219,543</u>

Capital Project Funds					Total Nonmajor Funds
TID No. 4	TID No. 5	TID No. 6	TID No. 7	TID No. 8	
\$ 23,519	\$ -	\$ 174,343	\$ 727	\$ -	\$ 1,274,396
-	-	-	-	-	4,303
-	39,121	11,972	(384)	-	52,579
-	109,669	-	-	-	137,688
23,519	148,790	186,315	343	-	1,468,966
-	-	-	-	-	12,465
23,519	1,706,028	6,102	3,241	26,735	1,820,964
-	919,395	1,462,155	-	-	2,381,550
-	-	105,000	-	-	105,000
-	-	63,075	-	-	427,339
23,519	2,625,423	1,636,332	3,241	26,735	4,747,318
-	(2,476,633)	(1,450,017)	(2,898)	(26,735)	(3,278,352)
-	129,506	-	-	-	129,506
-	-	-	-	-	(129,506)
-	129,506	-	-	-	-
-	(2,347,127)	(1,450,017)	(2,898)	(26,735)	(3,278,352)
-	5,253,271	1,490,256	(41,320)	-	6,424,892
\$ -	\$ 2,906,144	\$ 40,239	\$ (44,218)	\$ (26,735)	\$ 3,146,540

Village of Pleasant Prairie

Statement of Cash Flows -

Component Unit

Year Ended December 31, 2020

	Community Development Authority
Cash Flows From Operating Activities	<u>\$ -</u>
Cash Flows From Capital and Related Financing Activities	<u>-</u>
Net change in cash and cash equivalents	-
Cash and Cash Equivalents, Beginning	<u>-</u>
Cash and Cash Equivalents, Ending	<u><u>\$ -</u></u>
Noncash Capital and Related Financing Activities	
None.	<u><u>\$ -</u></u>

Village of Pleasant Prairie

Combining Statement of Fiduciary Net Position

Custodial Funds

December 31, 2020

	Tax Collection Fund	Mobile Home Fees	Total Custodial Funds
Assets			
Cash and investments	\$ 17,776,418	\$ 58,744	\$ 17,835,162
Receivables:			
Taxes	30,073,470	-	30,073,470
Accounts	-	31,611	31,611
Total assets	<u>47,849,888</u>	<u>90,355</u>	<u>47,940,243</u>
Liabilities			
Accounts payable	9,347	90,355	99,702
Due to other taxing units	<u>47,840,541</u>	<u>-</u>	<u>47,840,541</u>
Total liabilities	<u>47,849,888</u>	<u>90,355</u>	<u>47,940,243</u>
Net Position			
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Village of Pleasant Prairie

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

December 31, 2020

	Tax Collection Fund	Mobile Home Fees	Total Custodial Funds
Additions			
Mobile home taxes collected for school district	\$ -	\$ 114,373	\$ 114,373
Property taxes collected for county	14,778,425	-	14,778,425
Property taxes collected for technical college	2,438,562	-	2,438,562
Property taxes collected for school district	26,251,785	-	26,251,785
Total additions	43,468,772	114,373	43,583,145
Deductions			
Mobile home taxes distributed to school district	-	114,373	114,373
Property taxes distributed to county	14,778,425	-	14,778,425
Property taxes distributed to technical college	2,438,562	-	2,438,562
Property taxes distributed to school district	26,251,785	-	26,251,785
Total deductions	43,468,772	114,373	43,583,145
Change in net position	-	-	-
Net Position, Beginning	-	-	-
Net Position, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Village of Pleasant Prairie

Combining Statement of Net Position

Internal Service Funds

December 31, 2020

	<u>Fleet</u>	<u>Insurance</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 686,113	\$ 3,704,475	\$ 4,390,588
Total current assets	<u>686,113</u>	<u>3,704,475</u>	<u>4,390,588</u>
Noncurrent assets:			
Restricted assets			
Net pension asset	54,990	-	54,990
Capital assets:			
Intangibles	16,699	-	16,699
Machinery and equipment	10,149,591	-	10,149,591
Accumulated depreciation	(6,957,749)	-	(6,957,749)
Accumulated amortization	(16,103)	-	(16,103)
Total noncurrent assets	<u>3,247,428</u>	<u>-</u>	<u>3,247,428</u>
Total assets	<u>3,933,541</u>	<u>3,704,475</u>	<u>7,638,016</u>
Deferred Outflows of Resources			
Pension, related amounts	117,210	-	117,210
OPEB, related amounts	33,312	-	33,312
Total deferred outflows of resources	<u>150,522</u>	<u>-</u>	<u>150,522</u>
Liabilities			
Current liabilities:			
Accounts payable	76,069	4,367	80,436
Accrued liabilities	25,168	-	25,168
Total current liabilities	<u>101,237</u>	<u>4,367</u>	<u>105,604</u>
Noncurrent liabilities:			
Other postemployment benefits	95,269	-	95,269
Total noncurrent liabilities	<u>95,269</u>	<u>-</u>	<u>95,269</u>
Total liabilities	<u>196,506</u>	<u>4,367</u>	<u>200,873</u>
Deferred Inflows of Resources			
Pension, related amounts	144,971	-	144,971
OPEB, related amounts	51,293	-	51,293
Total deferred inflows of resources	<u>196,264</u>	<u>-</u>	<u>196,264</u>
Net Position			
Net investment in capital assets	3,192,438	-	3,192,438
Restricted for pension	54,990	-	54,990
Unrestricted	443,865	3,700,108	4,143,973
Total net position	<u>\$ 3,691,293</u>	<u>\$ 3,700,108</u>	<u>\$ 7,391,401</u>

Village of Pleasant Prairie

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year Ended December 31, 2020

	Fleet	Insurance	Total
Operating Revenues	<u>\$ 1,434,319</u>	<u>\$ 4,055,764</u>	<u>\$ 5,490,083</u>
Operating Expenses			
Operation and maintenance	1,169,279	3,394,753	4,564,032
Depreciation/amortization	<u>558,551</u>	<u>-</u>	<u>558,551</u>
Total operating expenses	<u>1,727,830</u>	<u>3,394,753</u>	<u>5,122,583</u>
Operating income (loss)	<u>(293,511)</u>	<u>661,011</u>	<u>367,500</u>
Nonoperating Revenues			
Investment income	6,717	25,956	32,673
Insurance recoveries	58,457	-	58,457
Total nonoperating revenues	<u>65,174</u>	<u>25,956</u>	<u>91,130</u>
Change in net position	(228,337)	686,967	458,630
Net Position, Beginning	<u>3,919,630</u>	<u>3,013,141</u>	<u>6,932,771</u>
Net Position, Ending	<u><u>\$ 3,691,293</u></u>	<u><u>\$ 3,700,108</u></u>	<u><u>\$ 7,391,401</u></u>

Village of Pleasant Prairie

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2020

	<u>Fleet</u>	<u>Insurance</u>	<u>Total</u>
Cash Flows From Operating Activities			
Received from customers	\$ 1,494,744	\$ 4,055,764	\$ 5,550,508
Paid to suppliers for goods and services	(719,769)	(3,394,753)	(4,114,522)
Paid to employees for services	(416,432)	-	(416,432)
	<u>358,543</u>	<u>661,011</u>	<u>1,019,554</u>
Cash Flows From Investing Activities			
Investment income	6,717	25,956	32,673
	<u>6,717</u>	<u>25,956</u>	<u>32,673</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(493,334)	(10,287)	(503,621)
	<u>(493,334)</u>	<u>(10,287)</u>	<u>(503,621)</u>
Net change in cash and cash equivalents	(128,074)	676,680	548,606
Cash and Cash Equivalents, Beginning	<u>814,187</u>	<u>3,027,795</u>	<u>3,841,982</u>
Cash and Cash Equivalents, Ending	<u>\$ 686,113</u>	<u>\$ 3,704,475</u>	<u>\$ 4,390,588</u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities			
Operating income (loss)	\$ (293,511)	\$ 661,011	\$ 367,500
Miscellaneous non-operating revenue	58,457	-	58,457
Noncash items included in income:			
Depreciation/amortization	558,551	-	558,551
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Other accounts receivable	1,968	-	1,968
Accounts payable	44,118	-	44,118
Other current and accrued liabilities	(4,509)	-	(4,509)
OPEB related deferrals and liabilities	(3,416)	-	(3,416)
Pension, related amounts	(3,115)	-	(3,115)
	<u>\$ 358,543</u>	<u>\$ 661,011</u>	<u>\$ 1,019,554</u>
Noncash Capital and Related Financing Activities			
None			