

VILLAGE OF PLEASANT PRAIRIE

Pleasant Prairie, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

VILLAGE OF PLEASANT PRAIRIE

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Pleasant Prairie
Pleasant Prairie, Wisconsin

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, 2019, 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, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the Village of Pleasant Prairie adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective January 1, 2019 . Our opinions are not modified with respect to this matter.

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.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
July 9, 2020

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, 2019. 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 \$10.6 million to \$213.5 million. Events that had major impacts on the Village's 2019 financials were:

- The Village's debt decreased by \$15.1 million, ending the year with \$91.6 million in general obligation bonds outstanding. The Village borrowed \$13.7 million for TID #5 and #6 projects and \$3.3 million for RecPlex building improvements. Paid \$32.1 million of principal in 2019, mostly TID #2 debt.
- Governmental activities *current and other assets decrease* of \$12.4 million mainly due to reduction in cash in TID related funds. TID #2 debt service fund cash down \$12.7 million and TID #2 escrow funds down \$8.9 million, offset by increase in TID #5 capital projects due to borrowing.
- The Village's had \$20.9 million in land held for sale at the end for 2019, majority in Prairie Highland Corporate Park.
- The \$10.9 million of TID #2 escrow balance was not spent at the end of 2019. The escrow is restricted for development of Prairie Highland Corporate Park spending 2020 and 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of four parts:

- *Management's discussion and analysis*
- *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 non-major governmental funds. The non-major 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 non-financial 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 \$10.6 million to \$213.5 million. The majority of the net position, \$155.8 million, belongs to business-type activities of the Village, primarily the sewer (\$60 million) and water utilities (\$56.7 million).

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

	Governmental		Business-type		Total		Total Change	
	Activities		Activities		Total		Dollars	%
	2018	2019	2018	2019	2018	2019	2018-2019	
Current and other assets	101.5	85.1	23.7	27.7	125.2	112.9	(12.4)	-9.8%
Capital assets	84.8	85.8	152.5	156.3	237.2	242.0	4.8	2.0%
Total assets	186.3	170.9	176.2	184.0	362.5	354.9	(7.6)	-2.1%
Deferred outflows of resources	6.0	9.2	1.8	2.9	7.8	12.0	4.3	26.8%
Long-term debt outstanding	96.6	82.8	25.1	26.7	121.7	109.5	(12.2)	-10.0%
Other liabilities	9.9	8.4	3.2	2.9	13.1	11.3	(1.8)	-13.7%
Total liabilities	106.5	91.2	28.2	29.6	134.7	120.8	(13.9)	-10.3%
Deferred inflows of resources	31.1	31.2	1.5	1.4	32.6	32.6	0.1	0.0%
Net Position								
Net investment in								
capital assets	46.8	51.3	129.4	132.2	159.1	174.2	15.2	9.5%
Restricted	4.2	2.5	2.0	1.3	6.2	3.7	(2.4)	-40.3%
Unrestricted (deficit)	3.7	3.9	16.8	22.4	37.7	35.6	(2.1)	-5.6%
Total net position - end of year	54.7	57.7	148.2	155.8	202.9	213.5	10.6	5.2%

Figures may not total due to rounding.

Governmental activities *current and other assets decrease* of \$16.4 million due to the following:

- \$ 1.5 million - Reduction in land purchased and being held for resale
- \$12.7 million - Reduction in cash and investments
- \$ 2.2 million - Net pension asset is now a net pension liability of \$2.8 million

Additions of \$7.5 million of capital assets outpaced disposals and depreciation (\$6.4 million) accounting for a \$1.1 million increase in the Village's governmental activities *Capital Assets*. *Deferred outflow of resources* is pension and OPEB related with an increase of \$3.2 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 decreased by \$1.5 million mainly because of a decrease in accounts payable in TID #2 escrow capital project fund, large contractor's payments due at the end of 2018 were paid in 2019. *Deferred inflows of resources* is mainly property tax (\$27 million) and pension (\$4.1 million), with property tax increasing \$.5 million offset by decrease of \$.3 million for pension. The *net position* of the Village's governmental activities increased \$3 million to \$57.7 million.

The *net position* of the Village's business-type activities increased by \$7.6 million to \$155.8 million. Accounting for the majority of the increase is the sewer utility (\$2.9 million), the clean water utility (\$4.3 million) and the water utility (\$1.9 million) offset by a decrease in the RecPlex of \$1.3 million and Waste Collection of \$.2 million. All business-type activities are self-supporting entities. Net position of one entity is not permanently used by other entities.

STATEMENT OF ACTIVITIES

The Village's 2019 revenues total \$67.2 million and expenses total \$60.1 million resulting in an increase in net position of \$7.1 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				Dollar	%
	2018	2019	2018	2019	2018	2019	2018-2019	
Revenues								
Program revenues								
Charges for services	5.2	5.2	27.5	26.5	32.7	31.7	-1.0	-3.1%
Operating grants and contributions	1.0	1.3	0.1	0.1	1.2	1.4	0.2	16.7%
General revenues								
Property taxes	24.1	26.5	0.0	0.0	24.1	26.5	2.5	10.0%
Other taxes	0.3	0.3	0.0	0.0	0.3	0.3	0.0	0.0%
Intergovernmental (not restricted)	2.5	3.2	0.0	0.0	2.5	3.2	0.8	28.0%
Investment income	1.0	1.6	0.4	0.7	1.4	2.3	0.9	0.0%
Others	8.7	1.8	0.9	0.0	9.6	1.8	-7.8	-81.3%
Total revenues	42.7	39.9	29.0	27.3	71.7	67.2	-4.5	-6.3%
Expenses								
General government	4.1	3.6	0.0	0.0	4.1	3.6	-0.5	-12.2%
Public safety	11.0	11.4	0.0	0.0	11.0	11.4	0.4	3.6%
Public works	3.9	8.1	0.0	0.0	3.9	8.1	4.2	107.7%
Parks	1.0	0.6	0.0	0.0	1.0	0.6	-0.5	-40.0%
Community development	8.9	6.7	0.0	0.0	8.9	6.7	-2.2	-24.7%
Interest and fiscal charges	1.8	2.0	0.0	0.0	1.8	2.0	0.2	11.1%
Water	0.0	0.0	4.5	4.9	4.5	4.9	0.5	8.9%
Sewer	0.0	0.0	5.6	5.8	5.6	5.8	0.1	3.6%
Clean Water	0.0	0.0	2.3	1.9	2.3	1.9	-0.5	-17.4%
LakeView RecPlex	0.0	0.0	12.1	13.2	12.1	13.2	1.1	9.1%
Waste collection	0.0	0.0	2.0	2.1	2.0	2.1	0.1	5.0%
Total expenses	30.8	32.3	26.6	27.8	57.4	60.1	2.8	4.7%
Increase (deficiency) before contributions & transfers	11.9	7.6	2.4	-0.5	14.4	7.1	-7.2	-50.7%
Capital contributions	0.4	1.5	3.1	2.0	3.5	3.5	0.0	0.0%
Transfers	0.4	-6.1	-0.4	6.1	0.0	0.0	0.0	0.0%
CHANGE IN NET POSITION	12.6	3.0	5.2	7.6	17.9	10.6		
ENDING NET POSITION	54.7	57.7	148.2	155.8	202.9	213.6		

Figures may not total due to rounding.

Governmental Activities

Revenues for the Village's governmental activities total \$39.9 million, with property taxes accounting for \$26.5 million. Charges for services includes Engineering Fees (\$912,000), building permits (\$1,090,000), rescue billings (\$573,000), municipal court fees (\$367,000), and franchisee fees (\$299,000).

Governmental activities expenses total \$32.3 million, \$1.5 million more than 2018 expenses. Increasing was Public safety (\$.4 million) and Public Works (\$4.2 million) offset by decrease in general government (\$.5 million), parks (\$.4 million) and community development (\$2.2 million).

Capital contributions increased in 2019 from \$.4 million to \$1.5 million. Government transferred \$6.1 million of Prairie Highlands water, sewer and storm assets to the business type activity. These assets were funded by TID #2 Escrow.

Table A-3 presents the total cost of each of the Village's activities (\$32.4 million) as well as each activity's net cost (\$24.5 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. The net cost of services increased slightly from 2018 to 2019.

Sources of general revenue to cover net cost of services are:

- Village property taxes (\$26.5 million)
- State of Wisconsin shared revenue (\$3.2 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	
	2018	2019	Dollar	%		2018	2019	Dollar	%
General government	4.1	3.5	(0.6)	-14.2%		3.0	2.8	(0.1)	-4.3%
Public safety	11.0	11.4	0.4	3.9%		8.9	9.4	0.5	6.2%
Public works	3.9	8.1	4.2	109.0%		1.9	4.6	2.7	142.1%
Culture, education and recreation	1.0	0.6	(0.5)	-43.1%		1.0	0.6	(0.5)	-43.1%
Community development	8.9	6.7	(2.2)	-24.6%		7.6	5.1	(2.5)	-33.2%
Other	1.8	2.0	0.2	8.2%		1.8	2.0	0.2	8.2%
Grand Total	30.8	32.4	1.6	5.2%		24.2	24.5	0.3	1.2%

Figures may not total due to rounding.

Business-type Activities

Revenue from the Village's business-type activities decrease \$1.7 million to \$27.3 million. Charges for service accounting for 97% of business-type activity revenue. In 2019, the sewer utility and RecPlex revenue decreased by \$.8 million and \$1.1 respectively. A sewer rate decrease was implemented in fall of 2019. RecPlex membership revenue decreased \$.5 million due to new competition in the area. 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 and clean water revenue stayed the same. A rate increase was implemented in the fall of 2019 for the waste collection fund, their revenue increased by \$.2 million in 2019

Business-type expenses total \$27.8 million, up \$1.3 million from 2019. The RecPlex is the largest business type fund, accounting for 47% of all business-type expense activity. The sewer utility is a distant second at 21% 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	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	Dollar	%
Revenues														
Program revenues														
Charge for services	5.5	5.4	6.9	5.9	1.7	1.7	11.8	11.7	1.6	1.8	27.5	26.5	-1.0	-3.6%
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	0.1	0.2	0.2	0.4	0.1	0.1	0.1	0.1	0.0	0.0	0.5	0.7	0.2	40.0%
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.9	0.0	-0.9	NA
Total revenue	5.6	5.6	7.1	6.3	1.7	1.8	12.9	11.8	1.7	1.9	29.0	27.3	-1.7	-5.9%
Expenses	4.5	4.9	5.6	5.8	2.3	1.8	12.1	13.2	2.0	2.1	26.5	27.8	1.3	4.9%
Excess (deficiency) before contributions & transfers	1.1	0.7	1.4	0.5	-0.6	-0.1	0.8	-1.4	-0.3	-0.2	2.5	(0.5)	-3.0	-120.0%
Capital contribution	1.1	2.2	1.8	2.4	0.8	4.4	0.0	0.0	0.0	0.0	3.7	8.9	5.3	140.5%
Transfers	-1.0	-1.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	(0.9)	(0.8)	0.0	-11.1%
Internal service fund charge	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	0.1	0.0%
CHANGE IN NET POSITION	1.2	1.9	3.2	2.9	0.2	4.3	0.9	-1.3	-0.3	-0.2	5.2	7.6	2.4	46.2%
ENDING NET POSITION	54.8	56.7	57.1	60.0	25.9	30.2	9.3	8.0	0.4	0.21	147.4	155.1	7.7	5.2%
		(0.00)		(0.00)		0.03		(0.00)		(0.02)				

Figures may not total due to rounding.

Overall the Village's business-type funds experienced an increase of \$7.6 million in net position during 2019. Net position increases in clean water (\$4.3 million), sewer (\$2.9 million), and water (\$1.9 million) was offset by decreases in RecPlex (\$1.3 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 \$33.1 million, down from \$44.8 million at the end of 2019. The decrease is primarily in TID No. 2 escrow capital project fund (\$7.1 million) and TID No. 2 debt service fund (\$12.7 million) offset by an the biggest increase in the TID #5 capital project fund (\$5.6 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 2019 general fund balance decreased slightly by \$.3 million to \$7.3 million, which represents 42% of the general fund expenditures for year-end December 31, 2019. The 2020 general fund budget uses \$501,562 fund balance reserves for one time expenditures in 2020 unassigned general fund balance was \$6.4 million. The non-spendable balance \$325,933 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 2019 general government operating net budget came in under budget by \$1,062,225.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village had investments of \$242 million at the end of 2019 in capital assets, a net increase of \$4.8 million. (See table A5). Additions of \$17.5 million offset by work in progress \$1.6 million, depreciation of \$9.6 million, and disposals of \$1.5 million causing this increase in capital assets.

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

	Governmental Activities		Business-type Activities		Total		Total Change	
	2018	2019	2018	2019	2018	2019	2018-2019	Dollar Percent
Land / Right of Way	28.5	28.5	2.0	2.0	30.5	30.5	0.0	0%
Buildings and improvements	16.1	15.9	47.6	47.6	63.7	63.5	(0.3)	0%
Equipment / Intangible Assets	7.6	7.5	3.7	3.8	11.3	11.2	(0.1)	-1%
Infrastructure	27.7	28.6	96.3	102.1	124.0	130.8	6.7	5%
Construction in progress	4.9	5.3	2.8	0.8	7.7	6.0	(1.6)	-21%
Total	84.8	85.8	152.5	156.2	237.2	242.0	4.8	2%

Figures may not total due to rounding.

In 2019, \$5.5 million was spent for government-type capital expenditures with Paving Program (\$1.8 million) and Settlement of Bain Station (\$1.5 million) being the largest expenditures. The business-type activities additions totaled \$12 million, with the Clean Water Utility (\$4.6 million) topping the list. The sewer, water, and RecPlex each spending between \$2.0 and 2.9 million each.

Listed below are major additions for 2019.

Project Description	Type	Fund	Source	Millions
Paving Program	Governmental	Governmental	Levy/Road Grant	\$1.81
Pool Pak Units	Business	RecPlex	Borrowed	\$1.11
Prairie Highlands	Business	Sewer	TID	\$1.41
Prairie Highlands	Business	Water	TID	\$1.72
Prairie Highlands	Business	Clean Water	TID	\$3.65
Roof Envelope	Business	RecPlex	Settlement	\$1.30
Settlement of Bain station	Governmental	Governmental	Contribution	\$1.50
			Total	\$12.5

Long-term Debt

At year-end the Village had \$91.6 million in general obligation bonds, an decrease of \$15.2 million (See table A-6). Borrowed \$17 million in the general fund, principal payments of \$32.1 million, mostly TID #2 debt.

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

	Governmental Activities		Business-type Activities		Total		Total Change Dollar %	
	2018	2019	2018	2019	2018	2019	2018	2019
General obligation bonds (backed by the Village)	85.5	69.2	21.2	22.4	106.7	91.6	(15.2)	-14.2%
Total	85.5	69.2	21.2	22.4	106.7	91.6	(15.2)	-14.2%

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 \$195 million, so the Village is at 47% of capacity at 2019 year-end. We have additional borrowing capacity of \$103.4 million. In 2020, scheduled principal payments are \$11.7 million with additional budgeted principal payments of \$4.3 million for callable debt as well as plans to borrow \$.9 million.

The majority of the governmental activities' outstanding debt, \$60.3 million or 65%, is fully supported by TID's. With TID #2 having \$46.6 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 Village's Sewer Utility (\$2.2 million) and RecPlex (\$20.2 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 Premium Outlets. Uline employs 1,709 corporate office and warehouse employees and Premium Outlets employs approximately 1,330 in all their various shops located in the center.

The Village's tax base, currently \$3.7 billion, up \$93 million from 2018. Our population has also grown at a steady rate to 21,599 (2019 Estimate) versus 12,604 in 1993.

The 2020 general fund-operating budget was approved to use \$501,562 of Village's surpluses for one time expenditures per our fund balance policy because surplus level were above 25%. Revenues were budgeted at \$17.3 million (5% increase) and expenditures of \$18.8 million (4.7% increase). Total general government property tax contribution increased from \$12.3 to \$12.6 million.

For our business-type funds, we implemented rate changes for sewer, water and solid waste in 2019. Didn't budgeted for a rate changes in 2020 for these funds or clean water and RecPlex in 2020.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the Village of Pleasant Prairie. The Village's evaluation of the effects of these events is ongoing.

Some of the Village's general government revenues are down, including Municipal Court, Permits, and hotel taxes, but we have enough reserves to cover. As for our business-type funds, all our fine except for RecPlex. RecPlex was shut down middle of March, 2020 when the State of Wisconsin declared a health emergency. The RecPlex has reopened May 26, 2020 under CDC guidance with limited programing. We are revising the RecPlex 2020 budget to manage what we know at this time.

The extent of the impact of COVID-19 on the Village of Pleasant Prairie's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT

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 As of December 31, 2019

	Primary Government			Component
	Governmental	Business-	Totals	Unit - Community
	Activities	type		Development
		Activities		Authority
ASSETS				
Cash and investments	\$ 22,972,657	\$ 22,757,684	\$ 45,730,341	\$ -
Receivables (net)				
Taxes	27,089,395	278,016	27,367,411	-
Delinquent taxes	40,290	-	40,290	-
Accounts	651,094	1,638,101	2,289,195	-
Special assessments	286,836	1,009,956	1,296,792	-
Delinquent special assessments	182,187	-	182,187	-
Accrued interest	51,237	4,358	55,595	-
Internal balances	(630,790)	630,790	-	-
Prepaid items	285,643	-	285,643	-
Inventories	-	133,713	133,713	-
Land held for resale	20,875,769	-	20,875,769	232,716
Restricted assets				
Cash and investments	13,323,759	1,270,400	14,594,159	-
Capital assets				
Land	13,253,742	1,782,637	15,036,379	-
Right of way	15,267,489	-	15,267,489	-
Construction in progress	5,254,045	769,310	6,023,355	-
Intangible assets, net of amortization	130,966	281,416	412,382	-
Other capital assets, net of depreciation	51,859,130	153,417,236	205,276,366	-
Total Assets	170,893,449	183,973,617	354,867,066	232,716
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related amounts	7,572,616	2,516,097	10,088,713	-
OPEB-related amounts	1,598,462	352,877	1,951,339	-
Total Deferred Inflows of Resources	9,171,078	2,868,974	12,040,052	-
LIABILITIES				
Accounts payable and accrued liabilities	3,853,546	2,886,943	6,740,489	-
Unearned revenue	4,561,442	9,780	4,571,222	-
Noncurrent liabilities				
Due within one year	8,442,250	4,025,000	12,467,250	-
Due in more than one year	71,544,694	21,781,891	93,326,585	-
Net pension liability	2,788,827	922,324	3,711,151	-
Total Liabilities	91,190,759	29,625,938	120,816,697	-
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	27,092,221	-	27,092,221	-
Pension-related amounts	3,881,514	1,309,413	5,190,927	-
OPEB-related amounts	244,299	80,722	325,021	-
Total Deferred Inflows of Resources	31,218,034	1,390,135	32,608,169	-
NET POSITION				
Net investment in capital assets	51,333,582	132,195,814	174,162,037	-
Restricted				
Impact fees	2,463,209	-	2,463,209	-
Equipment replacement	-	1,270,400	1,270,400	-
Unrestricted	3,858,943	22,360,304	35,586,606	232,716
TOTAL NET POSITION	\$ 57,655,734	\$ 155,826,518	\$ 213,482,252	\$ 232,716

See accompanying notes to financial statements.

VILLAGE OF PLEASANT PRAIRIE

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Unit - Community Development Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Totals	
Primary Government								
Governmental Activities								
General government	\$ 3,521,833	\$ 688,033	\$ 2,592	\$ -	\$ (2,831,208)	\$ -	\$ (2,831,208)	\$ -
Public safety	11,445,662	1,758,015	279,850	-	(9,407,797)	-	(9,407,797)	-
Public works	8,141,886	1,071,612	977,391	1,505,426	(4,587,457)	-	(4,587,457)	-
Culture, education and recreation	595,242	-	-	-	(595,242)	-	(595,242)	-
Community development	6,717,096	1,646,360	-	-	(5,070,736)	-	(5,070,736)	-
Interest and fiscal charges	1,975,593	-	-	-	(1,975,593)	-	(1,975,593)	-
Total Governmental Activities	32,397,312	5,164,020	1,259,833	1,505,426	(24,468,033)	-	(24,468,033)	-
Business-type Activities								
Water Utility	4,907,762	5,417,083	-	464,327	-	973,648	973,648	-
Sewer Utility	5,754,095	5,902,754	-	860,312	-	1,008,971	1,008,971	-
Clean Water Utility	1,850,940	1,711,076	-	705,182	-	565,318	565,318	-
Lakeview Rec Plex	13,219,995	11,712,376	61,429	-	-	(1,446,190)	(1,446,190)	-
Waste Collection	2,098,127	1,779,044	55,917	-	-	(263,166)	(263,166)	-
Total Business-type Activities	27,830,919	26,522,333	117,346	2,029,821	-	838,581	838,581	-
Total Primary Government	\$ 60,228,231	\$ 31,686,353	\$ 1,377,179	\$ 3,535,247	(24,468,033)	838,581	(23,629,452)	-
Component Unit								
Community Development Authority	\$ -	\$ -	\$ -	\$ -	-	-	-	-
General Revenues								
Taxes								
Property taxes, levied for general purposes					10,544,343	-	10,544,343	-
Property taxes, levied for debt service					1,761,865	-	1,761,865	-
Property taxes, levied for TIF districts					14,237,042	-	14,237,042	-
Other taxes					312,082	-	312,082	-
Intergovernmental revenues not restricted to specific programs					3,223,863	-	3,223,863	-
Investment income					1,560,822	692,390	2,253,212	-
Miscellaneous					1,848,926	-	1,848,926	-
Total General Revenues					33,488,943	692,390	34,181,333	-
Transfers					(6,077,059)	6,077,059	-	-
Change in Net Position					2,943,851	7,608,030	10,551,881	-
NET POSITION - Beginning of Year					54,711,883	148,218,488	202,930,371	232,716
NET POSITION - END OF YEAR					\$ 57,655,734	\$ 155,826,518	\$ 213,482,252	\$ 232,716

See accompanying notes to financial statements.

VILLAGE OF PLEASANT PRAIRIE

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	General	General Debt Service	TID No. 2 Debt Service Fund
ASSETS			
Cash and investments - unrestricted	\$ 5,268,674	\$ 2,542,782	\$ 4,081,016
Receivables (net)			
Taxes	9,990,181	1,734,364	13,149,230
Delinquent taxes	40,290	-	-
Accounts	649,126	-	-
Special assessments	-	257,539	21,721
Delinquent special assessments	-	182,187	-
Accrued interest	51,237	-	-
Due from other funds	4,269,944	-	-
Land held for resale	-	-	-
Prepaid items	285,643	-	-
Cash and investments - restricted	-	-	-
TOTAL ASSETS	\$ 20,555,095	\$ 4,716,872	\$ 17,251,967
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 432,234	\$ 21,128	\$ -
Accrued liabilities	685,004	-	-
Unearned revenue	1,607,211	1,602,092	-
Due to other funds	-	-	-
Other liabilities	285,494	-	-
Total Liabilities	3,009,943	1,623,220	-
Deferred Inflows of Resources			
Unearned revenue	9,995,689	1,734,364	13,146,548
Unavailable revenue	299,339	239,962	24,402
Total Deferred Inflows of Resources	10,295,028	1,974,326	13,170,950
Fund Balances (Deficit)			
Nonspendable	325,933	-	-
Restricted	-	1,119,326	4,081,017
Committed	-	-	-
Assigned	501,562	-	-
Unassigned (deficit)	6,422,629	-	-
Total Fund Balances	7,250,124	1,119,326	4,081,017
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 20,555,095	\$ 4,716,872	\$ 17,251,967

General Capital Projects	TID No. 2 Escrow Capital Projects Fund	TID No. 5 Capital Projects Fund	Nonmajor Governmental Funds	Totals
\$ -	\$ -	\$ 5,464,164	\$ 1,774,039	\$ 19,130,675
979,295	-	-	1,236,325	27,089,395
-	-	-	-	40,290
-	-	-	-	649,126
7,576	-	-	-	286,836
-	-	-	-	182,187
-	-	-	-	51,237
-	-	-	-	4,269,944
7,464,331	-	-	-	7,464,331
-	-	-	-	285,643
<u>2,463,209</u>	<u>10,860,550</u>	<u>-</u>	<u>-</u>	<u>13,323,759</u>
<u>\$ 10,914,411</u>	<u>\$ 10,860,550</u>	<u>\$ 5,464,164</u>	<u>\$ 3,010,364</u>	<u>\$ 72,773,423</u>

\$ 454,409	\$ 1,026,069	\$ 210,893	\$ 21,800	\$ 2,166,533
-	-	-	-	685,004
1,352,139	-	-	-	4,561,442
3,689,326	-	-	580,618	4,269,944
<u>11,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,494</u>
<u>5,506,874</u>	<u>1,026,069</u>	<u>210,893</u>	<u>602,418</u>	<u>11,979,417</u>

979,295	-	-	1,236,325	27,092,221
-	-	-	-	563,703
<u>979,295</u>	<u>-</u>	<u>-</u>	<u>1,236,325</u>	<u>27,655,924</u>

-	-	-	-	325,933
3,248,879	9,834,481	5,253,271	1,746,520	25,283,494
-	-	-	5,719	5,719
1,179,363	-	-	-	1,680,925
<u>-</u>	<u>-</u>	<u>-</u>	<u>(580,618)</u>	<u>5,842,011</u>
<u>4,428,242</u>	<u>9,834,481</u>	<u>5,253,271</u>	<u>1,171,621</u>	<u>33,138,082</u>

<u>\$ 10,914,411</u>	<u>\$ 10,860,550</u>	<u>\$ 5,464,164</u>	<u>\$ 3,010,364</u>	<u>\$ 72,773,423</u>
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See accompanying 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 For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ 33,138,082
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 II.A.	82,507,717
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 IV. B.	563,703
Internal service fund is reported in the statement of net position in the governmental activities column.	6,301,981
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 II.A.	(80,476,644)
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.	13,411,438
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(2,727,097)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	7,339,273
Deferred outflows of resources related to OPEBs do not relate to current financial resources and are not reported in the governmental funds.	1,570,237
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(3,734,015)
Deferred inflows of resources related to OPEBs do not relate to current financial resources and are not reported in the governmental funds.	<u>(238,941)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 57,655,734</u>

See accompanying notes to financial statements.

VILLAGE OF PLEASANT PRAIRIE

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

	General	General Debt Service	TID No. 2 Debt Service Fund	General Capital Projects
REVENUES				
Taxes	\$ 9,389,140	\$ 1,761,865	\$ 14,233,902	\$ 1,467,455
Intergovernmental	2,566,356	-	638,255	1,255,490
Regulation and compliance	2,049,790	-	-	-
Public charges for services	2,177,728	-	-	573,802
Intergovernmental charges for services	280,690	-	-	-
Special assessments	-	1,755	16,726	-
Investment income (loss)	244,140	115,605	515,584	(66,857)
Miscellaneous	324,814	-	-	-
Total Revenues	<u>17,032,658</u>	<u>1,879,225</u>	<u>15,404,467</u>	<u>3,229,890</u>
EXPENDITURES				
Current				
General government	3,280,101	-	-	-
Public safety	9,642,160	-	-	-
Public works	2,717,586	-	-	-
Culture, recreation, and education	587,956	-	-	-
Community development	1,076,861	-	-	-
Capital outlay	-	-	-	3,120,782
Debt service				
Principal retirement	-	1,500,000	28,540,000	-
Interest and fiscal charges	-	299,328	2,159,067	-
Total Expenditures	<u>17,304,664</u>	<u>1,799,328</u>	<u>30,699,067</u>	<u>3,120,782</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(272,006)</u>	<u>79,897</u>	<u>(15,294,600)</u>	<u>109,108</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Sale of property	-	-	2,600,646	117,933
Transfers in	831,911	-	-	850,000
Transfers out	(850,000)	-	-	-
Total Other Financing Sources	<u>(18,089)</u>	<u>-</u>	<u>2,600,646</u>	<u>967,933</u>
Net Change in Fund Balance	(290,095)	79,897	(12,693,954)	1,077,041
FUND BALANCES (DEFICIT) - Beginning of Year	<u>7,540,219</u>	<u>1,039,429</u>	<u>16,774,971</u>	<u>3,351,201</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,250,124</u>	<u>\$ 1,119,326</u>	<u>\$ 4,081,017</u>	<u>\$ 4,428,242</u>

See accompanying notes to financial statements.

TID No. 2 Escrow Capital Projects Fund	TID No. 5 Capital Projects Fund	Nonmajor Governmental Funds	Totals
\$ -	\$ -	\$ 316,580	\$ 27,168,942
-	-	83	4,460,184
-	-	-	2,049,790
-	-	-	2,751,530
-	-	-	280,690
-	-	-	18,481
454,248	114,936	42,975	1,420,631
-	-	25,561	350,375
<u>454,248</u>	<u>114,936</u>	<u>385,199</u>	<u>38,500,623</u>
-	-	-	3,280,101
-	-	30,896	9,673,056
-	-	-	2,717,586
-	-	-	587,956
25,724	2,852,538	120,661	4,075,784
7,562,850	4,069,489	232,035	14,985,156
-	-	-	30,040,000
-	190,281	209,239	2,857,915
<u>7,588,574</u>	<u>7,112,308</u>	<u>592,831</u>	<u>68,217,554</u>
<u>(7,134,326)</u>	<u>(6,997,372)</u>	<u>(207,632)</u>	<u>(29,716,931)</u>
-	11,380,015	2,334,985	13,715,000
-	174,755	90,506	265,261
-	500,000	-	3,218,579
-	575,231	-	2,257,142
-	-	(575,231)	(1,425,231)
-	<u>12,630,001</u>	<u>1,850,260</u>	<u>18,030,751</u>
(7,134,326)	5,632,629	1,642,628	(11,686,180)
<u>16,968,807</u>	<u>(379,358)</u>	<u>(471,007)</u>	<u>44,824,262</u>
\$ 9,834,481	\$ 5,253,271	\$ 1,171,621	\$ 33,138,082

See accompanying 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 For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ (11,686,180)
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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	14,985,156
Some items reported as capital outlay were not capitalized	(3,199,500)
Depreciation is reported in the government-wide statements	(4,060,809)
Improvements transferred as assets to utility funds	(6,908,970)
Net book value of assets retired	(18,085)

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.	(1,543,303)
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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.	(363,509)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(13,715,000)
Principal repaid	30,040,000

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	(4,916,697)
Deferred outflows of resources related to pensions	1,033,923
Deferred inflows of resources related to pensions	2,896,648
Deferred outflows of resources related to OPEBs	(267,218)
Deferred inflows of resources related to OPEBs	(225,452)
Compensated absences	(213,297)
Accrued interest on debt	123,041
Other post-employment benefits	33,088

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	494,020

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.	455,995
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 2,943,851
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See accompanying notes to financial statements.

VILLAGE OF PLEASANT PRAIRIE

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

	Business-type Activities						Governmental Activities
	Major				Nonmajor	Totals	Internal Service Funds
	Water Utility	Sewer Utility	Clean Water Utility	Lakeview Rec Plex Fund	Waste Collection Fund		
ASSETS							
Current Assets							
Cash and investments	\$ 6,312,897	\$ 10,932,311	\$ 3,179,181	\$ 2,307,217	\$ 26,078	\$ 22,757,684	\$ 3,841,982
Receivables							
Taxes	62,008	113,060	48,248	-	54,700	278,016	-
Accounts	472,471	458,488	210,534	162,139	209,615	1,513,247	-
Accrued interest	-	4,358	-	-	-	4,358	-
Other	93,914	15,297	-	15,243	-	124,454	1,968
Current portion of special assessments	13,317	880	-	-	-	14,197	-
Inventories	48,591	1,302	-	83,820	-	133,713	-
Total Current Assets	<u>7,003,198</u>	<u>11,525,696</u>	<u>3,437,963</u>	<u>2,568,419</u>	<u>290,393</u>	<u>24,825,669</u>	<u>3,843,950</u>
Noncurrent Assets							
Restricted assets							
Replacement account	-	1,270,400	-	-	-	1,270,400	-
Other assets							
Special assessments receivable	548,712	434,591	12,456	-	-	995,759	-
Escrow Funds	-	-	-	400	-	400	-
Capital assets							
Land	546,218	1,236,419	-	-	-	1,782,637	-
Intangibles	135,340	85,550	45,600	255,602	-	522,092	16,699
Plant in service	68,396,780	79,803,591	40,318,619	46,096,605	1,091,545	235,707,140	-
Machinery and equipment	-	-	-	-	-	-	9,656,257
Accumulated depreciation	(19,234,259)	(31,800,357)	(13,874,601)	(16,470,799)	(909,888)	(82,289,904)	(6,401,584)
Accumulated amortization	-	-	-	(240,676)	-	(240,676)	(13,717)
Construction work in progress	22,627	163,983	575,725	6,975	-	769,310	-
Total Noncurrent Assets	<u>50,415,418</u>	<u>51,194,177</u>	<u>27,077,799</u>	<u>29,648,107</u>	<u>181,657</u>	<u>158,517,158</u>	<u>3,257,655</u>
Total Assets	<u>57,418,616</u>	<u>62,719,873</u>	<u>30,515,762</u>	<u>32,216,526</u>	<u>472,050</u>	<u>183,342,827</u>	<u>7,101,605</u>
DEFERRED OUTFLOWS OF RESOURCES							
Pension-related amounts	163,313	214,530	124,669	1,720,081	293,504	2,516,097	233,343
OPEB-related amounts	24,230	30,513	27,933	225,525	44,676	352,877	28,225
Total Deferred Outflows of Resources	<u>187,543</u>	<u>245,043</u>	<u>152,602</u>	<u>1,945,606</u>	<u>338,180</u>	<u>2,868,974</u>	<u>261,568</u>

	Business-type Activities						Governmental Activities
	Major				Nonmajor	Totals	Internal Service Funds
	Water Utility	Sewer Utility	Clean Water Utility	Lakeview Rec Plex Fund	Waste Collection Fund		
LIABILITIES							
Current Liabilities							
Accounts payable	\$ 492,052	\$ 305,928	\$ 106,901	\$ 283,048	\$ 92,046	\$ 1,279,975	\$ 46,605
Accrued liabilities	59,821	73,938	25,690	438,712	45,768	643,929	29,677
Accrued interest	-	24,469	-	235,371	-	259,840	-
Other current liabilities	-	-	-	702,353	-	702,353	-
Deposits	-	-	-	846	-	846	-
Current portion of long-term debt	-	2,175,000	-	1,850,000	-	4,025,000	-
Total Current Liabilities	<u>551,873</u>	<u>2,579,335</u>	<u>132,591</u>	<u>3,510,330</u>	<u>137,814</u>	<u>6,911,943</u>	<u>76,282</u>
Noncurrent Liabilities							
Long-term debt	-	-	-	18,350,000	-	18,350,000	-
Net pension liability	63,619	74,738	65,172	618,028	100,767	922,324	61,730
Other post-employment benefits	120,566	144,453	132,689	1,085,642	223,353	1,706,703	139,533
Unamortized debt premium	-	5,065	-	1,674,720	-	1,679,785	-
Unearned revenue	9,780	-	-	-	-	9,780	-
Customer advances for construction	17,143	28,260	-	-	-	45,403	-
Total Noncurrent Liabilities	<u>211,108</u>	<u>252,516</u>	<u>197,861</u>	<u>21,728,390</u>	<u>324,120</u>	<u>22,713,995</u>	<u>201,263</u>
Total Liabilities	<u>762,981</u>	<u>2,831,851</u>	<u>330,452</u>	<u>25,238,720</u>	<u>461,934</u>	<u>29,625,938</u>	<u>277,545</u>
DEFERRED INFLOWS OF RESOURCES							
Pension-related amounts	91,620	111,872	71,282	888,992	145,647	1,309,413	147,499
OPEB-related amounts	5,657	6,530	5,721	54,055	8,759	80,722	5,358
Total Deferred Inflows of Resources	<u>97,277</u>	<u>118,402</u>	<u>77,003</u>	<u>943,047</u>	<u>154,406</u>	<u>1,390,135</u>	<u>152,857</u>
NET POSITION							
Net investment in capital assets	49,866,706	47,309,121	27,065,343	7,772,987	181,657	132,195,814	3,257,655
Restricted for equipment replacement	-	1,270,400	-	-	-	1,270,400	-
Unrestricted	<u>6,879,195</u>	<u>11,435,142</u>	<u>3,195,566</u>	<u>207,378</u>	<u>12,233</u>	<u>21,729,514</u>	<u>3,675,116</u>
TOTAL NET POSITION	<u>\$ 56,745,901</u>	<u>\$ 60,014,663</u>	<u>\$ 30,260,909</u>	<u>\$ 7,980,365</u>	<u>\$ 193,890</u>	<u>155,195,728</u>	<u>\$ 6,932,771</u>
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						<u>630,790</u>	
NET POSITION OF BUSINESS-TYPE ACTIVITIES						<u>\$ 155,826,518</u>	

See accompanying notes to financial statements.

VILLAGE OF PLEASANT PRAIRIE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2019

	Business-type Activities						Governmental Activities
	Major				Nonmajor		
	Water Utility	Sewer Utility	Clean Water Utility	Lakeview Rec Plex Fund	Waste Collection Fund	Totals	Internal Service Funds
OPERATING REVENUES	\$ 5,417,083	\$ 5,902,754	\$ 1,711,076	\$ 11,712,376	\$ 1,779,044	\$ 26,522,333	\$ 5,656,693
OPERATING EXPENSES							
Operation and maintenance	3,703,753	4,152,029	929,224	10,024,700	2,050,843	20,860,549	4,798,703
Depreciation/amortization	1,198,180	1,512,758	908,567	1,289,738	24,148	4,933,391	565,249
Total Operating Expenses	4,901,933	5,664,787	1,837,791	11,314,438	2,074,991	25,793,940	5,363,952
Operating Income (Loss)	515,150	237,967	(126,715)	397,938	(295,947)	728,393	292,741
NONOPERATING REVENUES (EXPENSES)							
Investment income	187,700	354,735	88,747	41,564	19,644	692,390	91,835
Intergovernmental grant	-	-	-	-	55,917	55,917	-
Interest expense	-	(102,549)	-	(769,590)	-	(872,139)	-
Gain (loss) on disposal of assets	-	-	-	(1,337,382)	-	(1,337,382)	18,968
Interest subsidy	-	-	-	61,429	-	61,429	-
Premium	-	20,385	-	259,187	-	279,572	-
Debt issuance costs	-	-	-	(54,579)	-	(54,579)	-
Total Nonoperating Revenues (Expenses)	187,700	272,571	88,747	(1,799,371)	75,561	(1,174,792)	110,803
Income (Loss) Before Contributions and Transfers	702,850	510,538	(37,968)	(1,401,433)	(220,386)	(446,399)	403,544
CONTRIBUTIONS AND TRANSFERS							
Capital contributions	464,327	860,312	705,182	-	-	2,029,821	-
Capital contributions - governmental activities	1,728,357	1,528,514	3,652,099	-	-	6,908,970	-
Transfers in	-	-	-	119,370	-	119,370	-
Transfers - tax equivalent	(831,911)	-	-	-	-	(831,911)	-
Transfers out	(119,370)	-	-	-	-	(119,370)	-
Total Contributions and Transfers	1,241,403	2,388,826	4,357,281	119,370	-	8,106,880	-
CHANGE IN NET POSITION	1,944,253	2,899,364	4,319,313	(1,282,063)	(220,386)	7,660,481	403,544
NET POSITION – Beginning of Year	54,801,648	57,115,299	25,941,596	9,262,428	414,276		6,529,227
NET POSITION – END OF YEAR	\$ 56,745,901	\$ 60,014,663	\$ 30,260,909	\$ 7,980,365	\$ 193,890		\$ 6,932,771
Internal service fund change in net position allocated to the business-type activities						(52,451)	
CHANGE IN NET POSITION BUSINESS-TYPE ACTIVITIES						\$ 7,608,030	

See accompanying notes to financial statements.

VILLAGE OF PLEASANT PRAIRIE

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

	Business-type Activities						Governmental Activities
	Major				Nonmajor		Internal Service Funds
	Water Utility	Sewer Utility	Clean Water Utility	Lakeview Rec Plex Fund	Waste Collection Fund	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES							
Received from customers	\$ 5,309,330	\$ 5,998,087	\$ 1,695,498	\$ 11,728,865	\$ 1,793,462	\$ 26,525,242	\$ 5,654,725
Paid to suppliers for goods and services	(2,725,160)	(3,342,432)	(353,938)	(4,732,021)	(1,153,069)	(12,306,620)	(4,375,925)
Paid to employees for services	(765,207)	(822,548)	(487,810)	(4,954,930)	(800,657)	(7,831,152)	(403,320)
Net Cash Flows From Operating Activities	<u>1,818,963</u>	<u>1,833,107</u>	<u>853,750</u>	<u>2,041,914</u>	<u>(160,264)</u>	<u>6,387,470</u>	<u>875,480</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Paid to municipality for tax equivalent	(831,911)	-	-	-	-	(831,911)	-
Transfers from (to) other funds	(119,370)	-	-	119,370	-	-	-
Net Cash Flows From Noncapital Financing Activities	<u>(951,281)</u>	<u>-</u>	<u>-</u>	<u>119,370</u>	<u>-</u>	<u>(831,911)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Marketable securities purchased	-	(654,000)	-	-	-	(654,000)	-
Marketable securities sold	-	587,901	-	-	-	587,901	-
Investment income	<u>188,864</u>	<u>356,446</u>	<u>88,747</u>	<u>41,564</u>	<u>19,644</u>	<u>695,265</u>	<u>91,835</u>
Net Cash Flows From Investing Activities	<u>188,864</u>	<u>290,347</u>	<u>88,747</u>	<u>41,564</u>	<u>19,644</u>	<u>629,166</u>	<u>91,835</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Debt retired	-	(300,000)	-	(1,800,000)	-	(2,100,000)	-
Interest paid	-	(104,374)	-	(760,232)	-	(864,606)	-
Debt issuance costs	-	-	-	(54,579)	-	(54,579)	-
Proceeds from debt issued	-	-	-	3,275,000	-	3,275,000	-
Debt premium	-	-	-	135,364	-	135,364	-
Capital contributions received	-	98,742	-	77,900	-	176,642	-
Acquisition and construction of capital assets	(363,307)	(356,624)	(364,012)	(1,309,934)	(26,250)	(2,420,127)	(714,354)
Special assessments received	48,760	315,241	5,764	-	-	369,765	-
Interest subsidy	-	-	-	61,429	-	61,429	-
Net Cash Flows From Capital and Related Financing Activities	<u>(314,547)</u>	<u>(347,015)</u>	<u>(358,248)</u>	<u>(375,052)</u>	<u>(26,250)</u>	<u>(1,421,112)</u>	<u>(714,354)</u>
Net Change in Cash and Cash Equivalents	741,999	1,776,439	584,249	1,827,796	(166,870)	4,763,613	252,961
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>5,570,898</u>	<u>9,181,881</u>	<u>2,594,932</u>	<u>479,421</u>	<u>192,948</u>	<u>18,020,080</u>	<u>3,589,021</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,312,897</u>	<u>\$ 10,958,320</u>	<u>\$ 3,179,181</u>	<u>\$ 2,307,217</u>	<u>\$ 26,078</u>	<u>\$ 22,783,693</u>	<u>\$ 3,841,982</u>

See accompanying notes to financial statements.

	Business-type Activities						Governmental Activities
	Major				Nonmajor		Internal Service Funds
	Water Utility	Sewer Utility	Clean Water Utility	Lakeview Rec Plex Fund	Waste Collection Fund	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES							
Operating income (loss)	\$ 515,150	\$ 237,967	\$ (126,715)	\$ 397,938	\$ (295,947)	\$ 728,393	\$ 292,741
Miscellaneous non-operating revenue	-	-	-	-	55,917	55,917	-
Noncash items included in income (loss)							
Depreciation/amortization	1,198,180	1,512,758	908,567	1,289,738	24,148	4,933,391	565,247
Depreciation charged to other funds	56,240	(56,240)	-	-	-	-	-
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources							
Accounts receivable	(79,447)	152,204	(16,126)	(25,454)	-	31,177	-
Other accounts receivable	(85,974)	(3,924)	-	-	(48,821)	(138,719)	(1,968)
Inventories	(2,157)	163	-	(284)	-	(2,278)	-
Accounts payable	161,405	(72,456)	48,767	3,069	50,711	191,496	(12,482)
Due from other funds	(8,524)	(2,869)	548	-	(995)	(11,840)	-
Other current and accrued liabilities	33,150	27,361	4,870	92,150	9,603	167,134	6,071
OPEB-related amounts	(380)	7,949	7,014	69,145	19,011	102,739	13,499
Pension-related amounts	31,320	30,194	26,825	215,612	26,109	330,060	12,372
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,818,963</u>	<u>\$ 1,833,107</u>	<u>\$ 853,750</u>	<u>\$ 2,041,914</u>	<u>\$ (160,264)</u>	<u>\$ 6,387,470</u>	<u>\$ 875,480</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION							
Cash and investments	\$ 6,312,897	\$ 10,932,311	\$ 3,179,181	\$ 2,307,217	\$ 26,078	\$ 22,757,684	\$ 3,841,982
Restricted cash and investments	-	1,270,400	-	-	-	1,270,400	-
Less: Noncash equivalents	-	(1,244,391)	-	-	-	(1,244,391)	-
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,312,897</u>	<u>\$ 10,958,320</u>	<u>\$ 3,179,181</u>	<u>\$ 2,307,217</u>	<u>\$ 26,078</u>	<u>\$ 22,783,693</u>	<u>\$ 3,841,982</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital costs special assessed to customers	\$ 28,430	\$ 308,701	\$ -	\$ -	\$ -		\$ -
Capital additions contributed to the utility by the municipality, customers, and TID districts	\$ 2,192,684	\$ 1,740,074	\$ 4,357,281	\$ -	\$ -		\$ -
Deferred special assessments	\$ 23,560	\$ 164,729	\$ -	\$ -	\$ -		\$ -
Special assessments adjustments	\$ 4,056	\$ (7,413)	\$ -	\$ -	\$ -		\$ -
Interest subsidy receivable	\$ -	\$ -	\$ -	\$ 15,243	\$ -		\$ -
Capital accounts payable	\$ 24,150	\$ 11,740	\$ -	\$ 56,330	\$ -		\$ -
Amortization of premium on debt	\$ -	\$ 20,385	\$ -	\$ 259,187	\$ -		\$ -

See accompanying notes to financial statements.

VILLAGE OF PLEASANT PRAIRIE

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

	Retired Employees Healthcare Plan Trust	Custodial Funds
ASSETS		
Cash and investments	\$ 999,270	\$ 21,633,045
Receivables		
Taxes	-	22,915,034
Accounts	-	31,507
Total Assets	<u>999,270</u>	<u>44,579,586</u>
LIABILITIES		
Accounts payable	-	149,134
Due to other taxing units	-	44,430,452
Total Liabilities	<u>-</u>	<u>44,579,586</u>
NET POSITION		
Net position restricted for OPEB	<u>999,270</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 999,270</u>	<u>\$ -</u>

See accompanying notes to financial statements.

VILLAGE OF PLEASANT PRAIRIE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended December 31, 2019

	Retired Employees Healthcare Plan Trust	Custodial Funds
ADDITIONS		
Employer contributions	\$ 411,129	\$ -
Mobile home taxes collected for school district	46,732	110,522
Property taxes collected for county	-	14,381,969
Property taxes collected for technical college	-	2,283,773
Property taxes collected for school district	-	26,689,759
Total Additions	<u>457,861</u>	<u>43,466,023</u>
DEDUCTIONS		
Service benefits	411,129	-
Mobile home taxes collected for school district	-	110,522
Property taxes collected for county	-	14,381,969
Property taxes collected for technical college	-	2,283,773
Property taxes collected for school district	-	26,689,759
Total Deletions	<u>411,129</u>	<u>43,466,023</u>
Net Increase in Net Position	46,732	-
NET POSITION - Beginning	<u>952,538</u>	<u>-</u>
NET POSITION - ENDING	<u>\$ 999,270</u>	<u>\$ -</u>

See accompanying notes to financial statements.

VILLAGE OF PLEASANT PRAIRIE

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VILLAGE OF PLEASANT PRAIRIE

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of 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).

A. REPORTING ENTITY

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The 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 IV. H. 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, 2019. Separately issued financial statements for the CDA are not prepared.

VILLAGE OF PLEASANT PRAIRIE

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, the GASB issued statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

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% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

VILLAGE OF PLEASANT PRAIRIE

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

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

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

Fund Financial Statements (cont.)

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

The village reports the following major governmental funds:

- General – 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 – 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 – 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 – 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 – 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.
- Tax Incremental District (TID) No. 5 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The village reports the following major enterprise funds:

- Water Utility – accounts for operations of the water system
- Sewer Utility – accounts for operations of the sewer system
- 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 Fund – 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

VILLAGE OF PLEASANT PRAIRIE

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

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

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

***Fund Financial Statements* (cont.)**

The village reports the following nonmajor governmental and enterprise funds: (cont.)

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

Tax Incremental District (TID) No. 5

Capital Projects Funds – 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. 6

Tax Incremental District (TID) No. 7

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

Waste Collection Fund

In addition, the village reports the following fund types:

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 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

VILLAGE OF PLEASANT PRAIRIE

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

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

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

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 utility 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, 2019, there were \$4,544,260 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.

VILLAGE OF PLEASANT PRAIRIE

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

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

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

Fund Financial Statements (cont.)

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

Proprietary and fiduciary 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 rec plex 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.

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

1. Deposits and Investments

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

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

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

VILLAGE OF PLEASANT PRAIRIE

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

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

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

1. Deposits and Investments (cont.)

- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

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

The village has adopted an investment policy. That policy follows the state statute for allowable investments. 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% 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 IV.A. 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.

VILLAGE OF PLEASANT PRAIRIE

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

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

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

1. Deposits and Investments (cont.)

Interest Rate Risk (cont.)

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

See Note IV.A. for further information.

2. Receivables

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

Property tax calendar – 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	April 30, 2020
Third installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale – 2019 delinquent real estate taxes	October 2022

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, 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."

VILLAGE OF PLEASANT PRAIRIE

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

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

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

3. 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.

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are 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, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation/amortization.

VILLAGE OF PLEASANT PRAIRIE

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

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

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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:

Land Improvements	30 Years
Buildings	30 Years
Intangible Assets	2-50 Years
Machinery and Equipment	2-15 Years
Infrastructure	20-30 Years
Utility Systems	3-100 Years

Fund Financial Statements

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

6. Deferred Outflows of Resources

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

7. 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.

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, 2019 are determined on the basis of current salary rates and include salary related payments.

VILLAGE OF PLEASANT PRAIRIE

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

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

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

8. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, 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 \$10,296,045, made up of two issues.

9. Deferred Inflows of Resources

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

10. Equity Classifications

Government-Wide Statements

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

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

VILLAGE OF PLEASANT PRAIRIE

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

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

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

10. Equity Classifications (cont.)

Government-Wide Statements (cont.)

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	\$ 51,333,582	\$ 132,195,814	\$ (9,367,359)	\$ 174,162,037
Unrestricted	3,858,943	22,360,304	9,367,359	35,586,606

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.

VILLAGE OF PLEASANT PRAIRIE

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

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

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

10. Equity Classifications (cont.)

Government-Wide Statements (cont.)

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

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

The village has a minimum fund balance policy. That policy is to maintain an unassigned fund balance in the general fund between 25-30% of budgeted general fund expenditures. The unassigned fund balance in the general fund at year-end was \$6,422,629 or 35% of budgeted general fund expenditures.

See Note IV.G. for further information.

11. 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% return on rate base.

Sewer Utility

Current sewer rates were approved by the village board to be effective October 4, 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 2019 were approved by Ordinance No. 19-23 on August 1, 2019.

VILLAGE OF PLEASANT PRAIRIE

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

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

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

12. 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.

13. 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.

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.

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

***A. 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.”

VILLAGE OF PLEASANT PRAIRIE

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

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION (cont.)

The details of this reconciliation include the following items:

Capital assets per statement of net position	
Land	\$ 13,253,742
Right of way	15,267,489
Construction in progress	5,254,045
Intangible assets, net of amortization	130,966
Other capital assets, net of depreciation	51,859,130
Sub-total	85,765,372
Less: Internal service capital assets, net of depreciation	(3,257,655)
Net Adjustment for Capital Assets	<u>\$ 82,507,717</u>

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	\$ 69,210,000
Compensated absences	812,250
Accrued interest	629,233
Unamortized debt premium	2,211,382
Other post-employment benefits	7,613,778
Combined Adjustment for Long-Term Liabilities	<u>\$ 80,476,643</u>

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

A budget has been adopted for all funds except for TID No. 5 debt service fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

B. 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	\$ 7,650	\$ 89,777	\$ 82,127
Police Canine Unit – special revenue	1,500	30,896	29,396
TID No. 7 Capital Projects	8,000	23,505	15,505

VILLAGE OF PLEASANT PRAIRIE

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

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. EXCESS EXPENDITURES OVER APPROPRIATIONS (cont.)

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.

C. DEFICIT BALANCES

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

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

Fund	Amount	Reason
TID No. 5 Debt Service	\$ 539,298	Excess expenditures over revenues
TID No. 7 Capital Projects	41,320	Excess expenditures over revenues

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.

D. 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.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. 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.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

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

	Carrying Value	Statement Balance	Associated Risks
Deposits	\$ 14,642,438	\$ 12,203,239	Custodial credit
U.S. agencies (implicitly guaranteed)	3,439,064	3,439,064	Credit, custodial credit, concentration of credit, interest rate
Certificate of deposit (negotiable)	8,567,814	8,567,814	Credit, custodial credit, concentration of credit, interest rate
Corporate bonds	2,000,330	2,000,330	Credit, custodial credit, concentration of credit, interest rate
Mutual funds – bonds	793,631	793,631	Credit, interest rate
U.S. Treasuries	5,988,507	5,988,507	Custodial credit, interest rate
LGIP	47,508,105	47,508,105	Credit
Petty cash	16,926	-	N/A
	<u>\$ 82,956,815</u>	<u>\$ 80,500,690</u>	
Total Cash and Investments	<u>\$ 82,956,815</u>	<u>\$ 80,500,690</u>	

Reconciliation to financial statements:

Per statement of net position	
Unrestricted cash and investments	\$ 45,730,341
Restricted cash and investments	14,594,159
Per statement of net position –	
Fiduciary Funds	
Retired employees healthcare plan trust	999,270
Custodial Funds	<u>21,633,045</u>
Total Deposits and Investments	<u>\$ 82,956,815</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 As of and for the Year Ended December 31, 2019

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2019, the banks had pledged various government securities in the amount of \$20,213,199 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, 2019			
	Level 1	Level 2	Level 3	Total
Certificates of deposit (negotiable)	\$ -	\$ 8,567,814	\$ -	\$ 8,567,814
Corporate bonds	-	2,000,330	-	2,000,330
Mutual funds – bond funds	793,631	-	-	793,631
U.S. agencies – implicitly guaranteed	-	3,439,064	-	3,439,064
U.S. treasuries	5,988,507	-	-	5,988,507
Totals	<u>\$ 6,782,138</u>	<u>\$ 14,007,208</u>	<u>\$ -</u>	<u>\$ 20,789,346</u>

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 has \$896,241 of investments exposed to custodial credit risk as follows:

Uninsured/uncollateralized	<u>\$ 896,241</u>
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VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2019, 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
Corporate bonds	AAA, AA-	Aaa, Aa2

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, 2019, the village's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	2 – 5	6 – 10
Certificates of deposits (negotiable)	\$ 8,567,814	\$ 2,348,267	\$ 6,219,547	\$ -
Corporate bonds	2,000,330	2,000,330	-	-
Mutual funds - bonds	793,631	-	541,578	252,053
U.S. agencies – implicitly guaranteed	3,439,064	1,892,824	374,374	1,171,866
U.S. treasuries	5,988,507	5,988,507	-	-
Totals	<u>\$ 20,789,346</u>	<u>\$ 12,229,928</u>	<u>\$ 7,135,499</u>	<u>\$ 1,423,919</u>

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

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

All receivable balances are expected to be collected within one year with the exception of \$40,290 in delinquent taxes, \$279,260 in special assessments, and \$182,187 in delinquent special assessments.

Receivables of the General fund and Lakeview Rec Plex are reported net of allowances in the amounts of \$98,459 and \$35,563, respectively.

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ -	\$ 27,035,140
Rescue accounts receivable	255,493	-
Assessing contracts receivable	-	238,130
Developer fees	-	1,319,534
Special assessments not yet due	264,364	1,602,092
Street light replacement	-	42,620
Transportation improvement fees receivable	-	1,050,982
Miscellaneous	<u>43,846</u>	<u>365,165</u>
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 563,703</u>	<u>\$ 31,653,663</u>
Unearned revenue included in liabilities		\$ 4,561,442
Unearned revenue included in deferred inflows		<u>27,092,221</u>
Total Unearned Revenue for Governmental Activities		<u>\$ 31,653,663</u>

C. 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.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS (cont.)

Impact Fee Account

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

Following is a list of restricted cash and investments at December 31, 2019:

	Restricted Cash and Investments
Sewer equipment replacement account	\$ 1,270,400
TID No. 2 escrow account	10,860,550
Impact fee account	<u>2,463,209</u>
Total Restricted Cash and Investments	<u>\$ 14,594,159</u>

D. CAPITAL ASSETS

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

Governmental Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated/ amortized				
Land	\$ 13,221,024	\$ 32,718	\$ -	\$ 13,253,742
Right of way	15,267,489	-	-	15,267,489
Construction in progress – general	1,909,629	6,189,159	(3,811,583)	4,287,205
Construction in progress – TID water and sewer	<u>2,970,027</u>	<u>421,701</u>	<u>(2,424,888)</u>	<u>966,840</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>33,368,169</u>	<u>6,643,578</u>	<u>(6,236,471)</u>	<u>33,775,276</u>
Capital assets being depreciated/ amortized				
Land improvements	6,269,508	100,833	-	6,370,341
Buildings	17,584,561	463,826	(108,505)	17,939,882
Intangible assets – computer software	918,341	14,452	(103,392)	829,401
Intangible assets – fleet internal services	16,699	-	-	16,699
Machinery and equipment	10,287,758	581,204	(728,640)	10,140,322
Machinery and equipment – fleet internal services	8,993,608	903,103	(240,454)	9,656,257
Roads	56,040,343	3,309,264	-	59,349,607
Street lighting	3,304,252	-	-	3,304,252
Traffic signals	290,544	-	-	290,544
Railroad spur	<u>1,295,421</u>	<u>-</u>	<u>-</u>	<u>1,295,421</u>
Total Capital Assets Being Depreciated/Amortized	<u>105,001,035</u>	<u>5,372,682</u>	<u>(1,180,991)</u>	<u>109,192,726</u>

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Governmental Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation/ amortization				
Land improvements	\$ (1,689,315)	\$ (190,501)	\$ -	\$ (1,879,816)
Buildings	(6,039,489)	(575,017)	90,420	(6,524,086)
Intangible assets – computer software	(738,326)	(66,483)	103,392	(701,417)
Intangible assets – fleet internal services	(11,332)	(2,385)	-	(13,717)
Machinery and equipment	(5,981,953)	(811,839)	728,640	(6,065,152)
Machinery and equipment – fleet internal services	(5,924,050)	(562,862)	85,328	(6,401,584)
Roads	(31,076,149)	(2,192,310)	-	(33,268,459)
Street lighting	(1,040,654)	(162,109)	-	(1,202,763)
Traffic signals	(185,975)	(19,370)	-	(205,345)
Railroad spur	(897,111)	(43,180)	-	(940,291)
Total Accumulated Depreciation/Amortization	<u>(53,584,354)</u>	<u>(4,626,056)</u>	<u>1,007,780</u>	<u>(57,202,630)</u>
Net Capital Assets	<u>\$ 84,784,850</u>			<u>\$ 85,765,372</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 244,780
Public safety	916,924
Public works, which includes the depreciation of roads, street lighting, traffic signals, and railroad spurs	2,793,566
Culture, education and recreation	104,778
Community development	759
Sub-total	<u>4,060,807</u>
Capital assets held by internal service fund charged to the various functions based on their usage of the assets	<u>565,249</u>
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 4,626,056</u>

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated/ amortized				
Land and land rights	\$ 546,218	\$ -	\$ -	\$ 546,218
Intangible assets	135,340	-	-	135,340
Construction in progress	79,641	22,627	(79,641)	22,627
Total Capital Assets Not Being Depreciated/Amortized	761,199	22,627	(79,641)	704,185
Capital assets being depreciated/ amortized				
Source of supply	195,690	-	-	195,690
Pumping	3,844,617	-	-	3,844,617
Transmission and distribution	60,691,440	2,536,033	(50,581)	63,176,892
General assets	1,132,072	47,509	-	1,179,581
Total Capital Assets Being Depreciated/Amortized	65,863,819	2,583,542	(50,581)	68,396,780
Total Capital Assets	66,625,018	2,606,169	(130,222)	69,100,965
Less: Accumulated depreciation/amortization	(18,030,418)	(1,254,422)	50,581	(19,234,259)
Net Water Plant	<u>\$ 48,594,600</u>			<u>\$ 49,866,706</u>

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
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	74,522	132,241	(42,780)	163,983
Total Capital Assets Not Being Depreciated/Amortized	<u>1,396,491</u>	<u>132,241</u>	<u>(42,780)</u>	<u>1,485,952</u>
Capital assets being depreciated/ amortized				
Collection systems	69,841,383	1,906,247	-	71,747,630
Collection system pumping	5,948,424	46,113	(21,518)	5,973,019
Treatment and disposal	228,042	-	-	228,042
General assets	1,807,391	47,509	-	1,854,900
Total Capital Assets Being Depreciated/Amortized	<u>77,825,240</u>	<u>1,999,869</u>	<u>(21,518)</u>	<u>79,803,591</u>
Total Capital Assets	<u>79,221,731</u>	<u>2,132,110</u>	<u>(64,298)</u>	<u>81,289,543</u>
Less: Accumulated depreciation/amortization	<u>(30,365,357)</u>	<u>(1,456,518)</u>	<u>21,518</u>	<u>(31,800,357)</u>
Net Sewer Plant	<u>\$ 48,856,374</u>			<u>\$ 49,489,186</u>

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Clean Water</u>				
Capital assets not being depreciated/amortized				
Construction in progress	\$ 457,169	\$ 118,556	\$ -	\$ 575,725
Capital assets being depreciated/amortized				
Equipment	19,552	-	-	19,552
Intangible assets	45,600	-	-	45,600
Land improvements	580,469	-	-	580,469
Storm sewers	35,115,861	4,602,737	-	39,718,598
Total Capital Assets				
Being Depreciated/Amortized	35,761,482	4,602,737	-	40,364,219
Total Capital Assets	36,218,651	4,721,293	-	40,939,944
Less: Accumulated depreciation/amortization	(12,966,034)	(908,567)	-	(13,874,601)
Net Clean Water Capital Assets	\$ 23,252,617			\$ 27,065,343

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Lakeview Rec Plex</u>				
Capital assets not being depreciated/amortized				
Construction in progress	\$ 2,175,397	\$ 6,975	\$ (2,175,397)	\$ 6,975
Capital assets being depreciated/ amortized				
Building	41,317,397	2,836,268	(1,945,419)	42,208,246
Equipment	1,882,231	10,000	-	1,892,231
Intangible assets	239,102	16,500	-	255,602
Land improvements	1,996,128	-	-	1,996,128
Total Capital Assets				
Being Depreciated/Amortized	45,434,858	2,862,768	(1,945,419)	46,352,207
Total Capital Assets	47,610,255	2,869,743	(4,120,816)	46,359,182
Less: Accumulated depreciation/amortization				
Building	(12,912,182)	(1,106,877)	608,037	(13,411,022)
Equipment	(1,634,850)	(71,665)	-	(1,706,515)
Intangible assets	(227,258)	(13,418)	-	(240,676)
Land improvements	(1,255,483)	(97,779)	-	(1,353,262)
Total Accumulated Depreciation/Amortization	(16,029,773)	(1,289,739)	608,037	(16,711,475)
Net Lakeview Rec Plex Capital Assets	<u>\$ 31,580,482</u>			<u>\$ 29,647,707</u>

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Waste Collection</u>				
Capital assets being depreciated/ amortized				
Land improvements	\$ 100,343	\$ -	\$ -	\$ 100,343
Buildings	200,769	-	-	200,769
Equipment	764,183	26,250	-	790,433
Total Capital Assets				
Being Depreciated/Amortized	1,065,295	26,250	-	1,091,545
Total Capital Assets	1,065,295	26,250	-	1,091,545
Less: Accumulated depreciation/amortization				
Land improvements	(6,966)	(3,345)	-	(10,311)
Buildings	(132,174)	(10,038)	-	(142,212)
Equipment	(746,600)	(10,765)	-	(757,365)
Total Accumulated Depreciation/Amortization	(885,740)	(24,148)	-	(909,888)
Net Waste Collection Capital Assets	\$ 179,555			\$ 181,657
Business-type Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 152,463,628			\$ 156,250,599

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

Depreciation/amortization expense was charged to functions as follows:

Business-type Activities

Water	\$ 1,198,180
Sewer	1,512,758
Clean Water	908,567
Lakeview Rec Plex	1,289,738
Waste Collection	<u>24,148</u>
 Total Business-type Activities	
Depreciation/Amortization Expense	<u><u>\$ 4,933,391</u></u>

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.

E. INTERFUND RECEIVABLES/PAYABLES 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	General Capital Projects	\$ 3,689,326	\$ -
General	TID No. 5 Debt Service	539,298	-
General	TID No. 7	<u>41,320</u>	-
Subtotal – Fund Financial Statements		4,269,944	
Less: Fund eliminations		(4,269,944)	
Less: Interfund receivable created with internal service fund elimination		<u>(630,790)</u>	
Total – Government-Wide Statement of Net Position		<u><u>\$ (630,790)</u></u>	

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

Interfund Receivables/Payables (cont.)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Business-type Activities – internal service allocations	Governmental Activities – internal service allocations	\$ 630,790
Total Internal Balances - Government-wide Statement of Net Position		<u>\$ 630,790</u>

All amounts are due within one year.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Water Utility	\$ 831,911	Payment in lieu of taxes
General Capital Projects	General Fund	850,000	Transfer of reserves
TID No. 5 Debt Service	TID No. 5 Capital Projects	575,231	Create separate fund
Lakeview Rec Plex	Water Utility	119,370	for debt for TID No.5
			Tower lease payments
Total – Fund Financial Statements		2,376,512	
Less: Fund eliminations		(1,544,601)	
Less: Transfer to business-type activities for capital assets funded by the governmental activities		<u>(6,908,970)</u>	
Total Transfers – Government-Wide Statement of Activities		<u>\$ (6,077,059)</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental Activities	Business-type Activities	\$ 831,911	
Business-type Activities	Governmental Activities	<u>(6,908,970)</u>	
Total Government-wide Statement of Activities		<u>\$ (6,077,059)</u>	

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

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 85,535,000	\$ 13,715,000	\$ 30,040,000	\$ 69,210,000	\$ 7,630,000
Premium	2,705,402	265,261	759,281	2,211,382	-
Sub-totals	<u>88,240,402</u>	<u>13,980,261</u>	<u>30,799,281</u>	<u>71,421,382</u>	<u>7,630,000</u>
Other Liabilities					
Vested compensated absences	598,953	812,250	598,953	812,250	812,250
Other post-employment benefits					
General	7,646,866	-	33,087	7,613,779	-
Internal service	136,014	3,519	-	139,533	-
Total Other Liabilities	<u>8,381,833</u>	<u>815,769</u>	<u>632,040</u>	<u>8,565,562</u>	<u>812,250</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 96,622,235</u>	<u>\$ 14,796,030</u>	<u>\$ 31,431,321</u>	<u>\$ 79,986,944</u>	<u>\$ 8,442,250</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 21,200,000	\$ 3,275,000	\$ 2,100,000	\$ 22,375,000	\$ 4,025,000
Premium	1,823,994	135,363	279,572	1,679,785	-
Sub-totals	<u>23,023,994</u>	<u>3,410,363</u>	<u>2,379,572</u>	<u>24,054,785</u>	<u>4,025,000</u>
Other Liabilities					
Customer advances	296,501	-	251,098	45,403	-
Other post-employment benefits	1,731,343	-	24,640	1,706,703	-
Total Other Liabilities	<u>2,027,844</u>	<u>-</u>	<u>275,738</u>	<u>1,752,106</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 25,051,838</u>	<u>\$ 3,410,363</u>	<u>\$ 2,655,310</u>	<u>\$ 25,806,891</u>	<u>\$ 4,025,000</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2019 was \$195,016,975. Total general obligation debt outstanding at year-end was \$91,585,000.

In addition to the liabilities above, information on the net pension liability/(asset) is provided in Note V.A.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

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

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/19
Promissory notes	04/27/10	04/01/20	3.00 – 4.50%	\$ 2,025,000	\$ 225,000
Promissory notes	11/03/14	05/01/24	2.00 – 4.00%	6,865,000	4,765,000
Promissory notes	08/20/14	09/01/23	4.50 – 5.00%	20,970,000	20,970,000
Promissory notes	11/01/16	11/01/26	2.00 – 3.00%	3,245,000	2,895,000
Promissory notes	07/13/17	09/01/23	1.90 – 2.00%	21,335,000	21,335,000
Promissory notes	07/13/17	09/01/21	2.00%	4,325,000	4,325,000
Promissory notes	11/20/18	09/01/21	3.00%	1,380,000	980,000
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	2,155,000
Total Governmental Activities – General Obligation Debt					<u>\$ 69,210,000</u>
Business-type Activities General Obligation Debt					
Promissory notes	04/27/10	04/01/20	3.00 – 4.50%	\$ 2,375,000	\$ 2,175,000
Promissory notes	09/21/10	04/01/27	4.55 – 4.85%*	1,890,000	1,890,000
Refunding notes	06/07/11	09/01/21	3.00 – 4.00%	7,095,000	1,625,000
Refunding notes	02/01/12	12/01/23	2.00 – 3.00%	2,605,000	1,055,000
Refunding notes	02/21/13	05/01/24	3.00 – 3.25%	7,305,000	4,655,000
Refunding bonds	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
Total Business-type Activities General Obligation Debt					<u>\$ 22,375,000</u>

* The interest on this debt is being subsidized by the federal government.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 7,630,000	\$ 2,109,688	\$ 4,025,000	\$ 803,434
2021	12,855,000	1,790,100	1,925,000	698,246
2022	17,060,000	1,311,700	2,030,000	633,390
2023	22,465,000	744,525	1,780,000	575,065
2024	4,515,000	209,650	1,890,000	521,215
2025 – 2029	4,685,000	271,125	10,725,000	1,301,738
Totals	<u>\$ 69,210,000</u>	<u>\$ 6,436,788</u>	<u>\$ 22,375,000</u>	<u>\$ 4,533,088</u>

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.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES

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

Governmental Activities

Net investment in capital assets

Land	\$ 13,253,742
Right of way	15,267,489
Construction in progress	5,254,045
Intangible assets, net of amortization	130,966
Other capital assets, net of accumulated depreciation	51,859,130
Less: unamortized debt premium	(2,211,382)
Less: related capital long-term debt outstanding (net of unspent proceeds of debt)	(32,220,408)

Total Net Investment in Capital Assets \$ 51,333,582

Governmental Funds

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

	General Fund	General Debt Service	TID No. 2 Debt Service Fund	General Capital Projects	TID #2 Escrow Fund	TID No. 5 Capital Projects Fund	Nonmajor Governmental Funds	Totals
Fund Balances								
Nonspendable:								
Delinquent taxes/								
Specials	\$ 40,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,290
Prepaid items	285,643	-	-	-	-	-	-	285,643
Sub-total	325,933	-	-	-	-	-	-	325,933
Restricted for:								
Debt service	-	1,119,326	4,081,017	-	-	-	-	5,200,343
TID purposes	-	-	-	-	9,834,481	5,253,271	1,746,520	16,834,272
Capital projects	-	-	-	785,670	-	-	-	785,670
Impact fees	-	-	-	2,463,209	-	-	-	2,463,209
Sub-total	-	1,119,326	4,081,017	3,248,879	9,834,481	5,253,271	1,746,520	25,283,494
Committed to:								
Police canine unit	-	-	-	-	-	-	5,719	5,719
Assigned to:								
Capital projects	-	-	-	1,179,363	-	-	-	1,179,363
2019 budget	501,562	-	-	-	-	-	-	501,562
Sub-total	501,562	-	-	1,179,363	-	-	-	1,680,925
Unassigned (deficit)	6,422,629	-	-	-	-	-	(580,618)	5,842,011
Total Fund Balances (Deficit)	\$ 7,250,124	\$ 1,119,326	\$ 4,081,017	\$ 4,428,242	\$ 9,834,481	\$ 5,253,271	\$ 1,171,621	\$ 33,138,082

VILLAGE OF PLEASANT PRAIRIE

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 1,782,637
Construction in progress	769,310
Intangible assets, net of amortization	281,416
Other capital assets, net of accumulated depreciation	153,417,236
Less: Long-term capital debt outstanding	(22,375,000)
Less: Unamortized debt premium	<u>(1,679,785)</u>
Total Net Investment in Capital Assets	<u>\$ 132,195,814</u>

H. 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.

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

At December 31, 2019, the CDA held no cash or investments.

c. Land Held for Resale

The CDA had a balance of \$232,716 in land held for resale as of December 31, 2019. This balance is reported at the lower of cost or market.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION

A. 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 (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 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.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

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 \$1,103,549 in contributions from the village.

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

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

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

At December 31, 2019, the village reported a liability of \$3,711,151 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension liability was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the village's proportion was 0.10431362%, which was an increase of 0.00419774% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the village recognized pension expense of \$2,412,298.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,890,425	\$ 5,109,232
Changes of actuarial assumptions	625,564	-
Net differences between projected and actual earnings on pension plan investments	5,419,883	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	81,695
Employer contributions subsequent to the measurement date	1,152,841	-
Totals	<u>\$ 10,088,713</u>	<u>\$ 5,190,927</u>

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

\$1,152,841 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 in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred outflows (inflows) of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ 1,345,500
2021	325,999
2022	594,346
2023	1,479,100
Thereafter	-

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

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

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

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. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
<u>Variable Fund Asset Class</u>			
U.S Equities	70	7.5	5.0
International Equities	30	7.8	5.9
Total Variable Fund	100	7.9	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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)	\$ 14,748,505	\$ 3,711,151	\$ (4,495,976)

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

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

B. RISK MANAGEMENT

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

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments 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.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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, 2019. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

The village has one encumbrance outstanding at year end in the TID No. 2 Escrow Capital Projects Fund for \$1,884,162 that is 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%. 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 \$919,696.

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%. 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 \$2,570,488.

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%. 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 \$1,554,448.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

Water Supply and Wastewater Treatment

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

D. 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.

Plan membership. At December 31, 2019, VRBP membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	30
Active plan members	<u>74</u>
Total	<u>104</u>

The village does not pay any portion of the premiums for fire and rescue employees hired after August 17, 2009, non-represented 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, 2019, the village's average contribution rate was 8.8 percent of covered-employee payroll. Plan members are required to contribute either 5% or 25% 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 (21%) and mutual bond funds (79%).

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

Investments (cont.)

Rate of return. For the year ended December 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 4.91 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The components of the net OPEB liability of the village at December 31, 2019, were as follows:

Total OPEB liability	\$ 9,395,647
Less: plan fiduciary net position	<u>(999,270)</u>
Village's Net OPEB Liability	<u>\$ 8,396,377</u>
Plan fiduciary net position as a percentage of the total OPEB liability	10.64%

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	4.00%
Salary increases	3.20% inflation plus 0.4%-4.8% merit
Investment Rate of Return	4.00%
Healthcare cost trend rates	16.9% initially decreasing to 7.5% in 2019 and then 5.0% annually until 2060 then decreasing by 4.3% annually to an ultimate rate of 4.0%

Mortality rates were based on the Wisconsin 2012 Mortality Table (multiplied by 50% for males and females) as the base table and project future improvements with MP-2015 generational improvement scale (multiplied by 50%).

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period 2012 – 2014 performed by the actuary for the Wisconsin Retirement System.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

Net OPEB Liability (cont.)

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 arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2019 (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	0.09%
U.S. Short Bonds	1.56%
U.S. Inflation Indexed Bonds	.75%

Discount rate. The discount rate used to measure the total OPEB liability was 4.00 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, 2019, 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, 2019	\$ 9,174,612	\$ 952,538	\$ 8,222,074
Changes for the year:			
Service cost	262,809	-	262,809
Interest	369,355	-	369,355
Changes in assumptions or other inputs	-	-	-
Benefit payments	(411,129)	(411,129)	-
Net investment income	-	46,732	(46,732)
Employer contributions	-	411,129	(411,129)
Net Changes	221,035	46,732	174,303
Balances at December 31, 2019	\$ 9,395,647	\$ 999,270	\$ 8,396,377

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

Net OPEB Liability (cont.)

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 (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Decrease (5.00%)
Net OPEB liability	\$ 9,053,260	\$ 8,396,377	\$ 7,778,334

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 (15.9 percent increasing to 3.0 percent) or 1-percentage-point higher (17.9 percent decreasing to 5.0 percent) than the current healthcare cost trend rates (16.9% decreasing to 4.0 percent):

	1% Decrease	Healthcare Cost Trend Rates	1% Decrease
Net OPEB liability	\$ 7,503,486	\$ 8,396,377	\$ 9,417,568

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, 2019, the village recognized OPEB expense of \$919,373. At December 31, 2019, the village reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Difference between projected and actual experiences	\$ 1,405,761
Changes of actuarial assumptions	373,064
Net differences between projected and actual investment earnings on pension plan investment	12,678
Total	\$ 1,791,503

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (cont.)

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

Year Ended December 31:

2019	\$	325,311
2020		325,311
2021		325,309
2022		318,783
2023		320,509
Thereafter		176,280

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 (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

Benefits provided. 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.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

Local Retiree Life Insurance Fund (LRLIF) (cont.)

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, 2019 are:

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

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

Life Insurance Employee 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 \$7,941 in contributions from the employer.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

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

At December 31, 2019, the village reported a liability of \$1,063,638 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net 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, 2018, the village's proportion was 0.41220900%, which was a decrease of 0.01727900% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the village recognized OPEB expense of \$102,989.

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

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 53,958
Net differences between projected and actual earnings on OPEB plan investments	25,419	-
Changes in assumptions	101,488	230,555
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,426	40,508
Employer contributions subsequent to the measurement date	8,503	-
Total	<u>\$ 159,836</u>	<u>\$ 325,021</u>

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

\$8,503 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ (23,103)
2021	(23,103)
2022	(23,103)
2023	(26,673)
2024	(30,350)
Thereafter	(47,356)

Actuarial assumptions. The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

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.

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2018

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Government Bonds	Barclays Government	1%	1.44%
U.S. Credit Bonds	Barclays Credit	40	2.69
U.S. Long Credit Bonds	Barclays Long Credit	4	3.01
U.S. Mortgages	Barclays MBS	54	2.25
U.S. Municipal Bonds	Bloomberg Barclays Muni	1	1.68
Inflation			2.3
Long-Term Expected Rate of Return			5.0

Single discount rate. A single discount rate of 4.22% was used to measure the total OPEB liability. 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.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

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 4.22 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 (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
Village's proportionate share of the net OPEB liability	\$1,513,096	\$1,063,638	\$716,984

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/publications/cafr.htm>.

E. SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the Village of Pleasant Prairie. The village's evaluation of the effects of these events is ongoing; however, based on current information we believe this situation will impact the Lakeview Rec Plex Fund revenues due to required closures during the months of March to May 2020 and operations at reduced capacity in subsequent months. The village is in the process of revising the 2020 budget for the Lakeview Rec Plex Fund to reflect the past couple months (March – June 2020), and forecast the rest of 2020 based on current CDC recommendations. The village would consider advancing funds to the Lakeview Rec Plex Fund from the sewer utility if necessary.

The extent of the impact of COVID-19 on the village's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

VILLAGE OF PLEASANT PRAIRIE

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

NOTE V – OTHER INFORMATION (cont.)

F. 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. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > 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*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

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 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES AND OTHER FINANCING SOURCES				
TAXES				
General property tax for local purposes	\$ 9,076,883	\$ 9,076,883	\$ 9,076,888	\$ 5
Taxes - penalties and interest	50,000	50,000	61,193	11,193
Mobile home taxes	125,000	125,000	150,318	25,318
Hotel/motel room tax	65,000	65,000	80,702	15,702
Other taxes	21,000	21,000	20,039	(961)
Total Taxes	9,337,883	9,337,883	9,389,140	51,257
INTERGOVERNMENTAL				
Shared taxes from state	2,020,988	2,020,988	2,029,992	9,004
Fire insurance tax from state	122,590	122,590	146,711	24,121
Law enforcement grants	28,051	28,051	50,986	22,935
State aid - other grants	285,205	285,205	285,205	-
Ambulance service grant	4,201	4,201	4,223	22
Exempt computer aid	43,543	43,543	44,598	1,055
State payment for municipal service	1,200	1,200	4,641	3,441
Total Intergovernmental	2,505,778	2,505,778	2,566,356	60,578
REGULATION AND COMPLIANCE				
Liquor and malt beverage licenses	15,600	15,600	16,525	925
Cigarette licenses	1,200	1,200	1,100	(100)
Bartender licenses	7,000	7,000	11,680	4,680
Other miscellaneous licenses	2,500	2,500	3,740	1,240
Fire department permits	117,710	117,710	148,808	31,098
Dog licenses	10,040	10,040	8,998	(1,042)
Residential building permits	181,200	181,200	382,748	201,548
Commercial building permits	653,000	653,000	617,510	(35,490)
Application and zoning fees	339,473	339,473	306,177	(33,296)
Miscellaneous permits and fees	130,941	130,941	170,538	39,597
Court penalties and costs	338,000	338,000	366,881	28,881
Parking tickets	25,000	25,000	15,085	(9,915)
Total Regulation and Compliance	1,821,664	1,821,664	2,049,790	228,126

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

VILLAGE OF PLEASANT PRAIRIE

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
Prequalification fees	\$ 3,000	\$ 3,000	\$ 1,980	(1,020)
Administrative fees	5,000	5,000	17,874	12,874
Publication fees	700	700	480	(220)
Police department fees	90,543	90,543	78,228	(12,315)
Fire department fees	39,015	39,015	63,832	24,817
Rescue squad fees	544,302	544,302	572,631	28,329
Highway department fees	714,000	714,000	673,231	(40,769)
Engineering department fees	230,000	230,000	267,376	37,376
Street lighting	163,200	163,200	140,569	(22,631)
Special assessment letters	10,000	10,000	13,252	3,252
Weed control	3,500	3,500	8,342	4,842
Franchise fees	275,000	275,000	298,905	23,905
Other	23,500	23,500	41,028	17,528
Total Public Charges for Services	<u>2,101,760</u>	<u>2,101,760</u>	<u>2,177,728</u>	<u>75,968</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Assessing contracts	<u>277,804</u>	<u>277,804</u>	<u>280,690</u>	<u>2,886</u>
Total Intergovernmental Charges for Services	<u>277,804</u>	<u>277,804</u>	<u>280,690</u>	<u>2,886</u>
INVESTMENT INCOME				
Investment income	<u>131,000</u>	<u>131,000</u>	<u>244,140</u>	<u>113,140</u>
MISCELLANEOUS				
Miscellaneous	59,850	59,850	60,735	885
Tower leases	162,542	162,542	170,132	7,590
Village hall rent from utility	<u>91,745</u>	<u>91,745</u>	<u>93,947</u>	<u>2,202</u>
Total Miscellaneous	<u>314,137</u>	<u>314,137</u>	<u>324,814</u>	<u>10,677</u>
OTHER FINANCING SOURCES				
Transfers in	<u>977,455</u>	<u>977,455</u>	<u>831,911</u>	<u>(145,544)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>17,467,481</u>	<u>17,467,481</u>	<u>17,864,569</u>	<u>397,088</u>

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

VILLAGE OF PLEASANT PRAIRIE

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES AND OTHER FINANCING USES				
GENERAL GOVERNMENT				
Village board	\$ 95,166	\$ 95,166	\$ 92,949	\$ 2,217
Information technology	1,042,117	1,050,617	983,912	66,705
Administration, finance and human resources	1,194,852	1,194,852	1,136,959	57,893
Assessing	703,532	703,532	672,305	31,227
Municipal buildings	517,843	517,843	393,976	123,867
Contingency	14,238	14,238	-	14,238
Total General Government	3,567,748	3,576,248	3,280,101	296,147
PUBLIC SAFETY				
Police	4,711,645	4,711,645	4,554,383	157,262
Municipal court	167,779	167,779	153,918	13,861
Fire and rescue	4,122,899	4,122,899	3,992,677	130,222
Engineering department	372,321	372,321	346,263	26,058
Public safety communications	617,359	617,359	594,919	22,440
Total Public Safety	9,992,003	9,992,003	9,642,160	349,843
PUBLIC WORKS				
Public works	2,180,822	2,430,822	2,450,019	(19,197)
Street lighting	278,203	278,203	267,567	10,636
Total Public Works	2,459,025	2,709,025	2,717,586	(8,561)
CULTURE, RECREATION AND EDUCATION				
Historical Society	24,372	24,372	25,207	(835)
Parks	570,124	570,124	562,749	7,375
Total Culture, Recreation and Education	594,496	594,496	587,956	6,540
COMMUNITY DEVELOPMENT				
Community development	618,566	618,566	578,527	40,039
Inspection	479,463	479,463	498,334	(18,871)
Total Community Development	1,098,029	1,098,029	1,076,861	21,168
OTHER FINANCING USES				
Transfers out	850,000	850,000	850,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	18,561,301	18,819,801	18,154,664	665,137
Net Change in Fund Balance	(1,093,820)	(1,352,320)	(290,095)	1,062,225
FUND BALANCE - Beginning of Year	7,540,219	7,540,219	7,540,219	-
FUND BALANCE - END OF YEAR	\$ 6,446,399	\$ 6,187,899	\$ 7,250,124	\$ 1,062,225

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

VILLAGE OF PLEASANT PRAIRIE

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

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
12/31/19	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%

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

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
12/31/19	\$ 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%

SCHEDULE OF PROPORTIONATE SHARE OF THE NET LIFE INSURANCE OPEB LIABILITY LOCAL RETIREE LIFE INSURANCE FUND For the Year Ended December 31, 2019

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
12/31/19	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 independent auditors' report and accompanying notes to the required supplementary information.

VILLAGE OF PLEASANT PRAIRIE

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY - HEALTH INSURANCE Last 10 Fiscal Years*

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

Notes to the Schedule:

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 are available until 10 years are presented.

See independent auditors' report.

VILLAGE OF PLEASANT PRAIRIE

SCHEDULE OF INVESTMENT RETURNS - OTHER POSTEMPLOYMENT BENEFITS HEALTH INSURANCE Last 10 Fiscal Years*

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	1.75%	0.55%	4.91%

*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*

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service cost	\$ 188,623	\$ 262,809
Interest	195,200	369,355
Changes of benefit terms	1,830,026	-
Differences between expected and actual experience	1,912,341	-
Changes of assumptions	507,502	-
Benefit payments	<u>(298,000)</u>	<u>(411,129)</u>
Net Change in Total OPEB Liability	4,335,692	221,035
Total OPEB Liability - Beginning	<u>4,838,920</u>	<u>9,174,612</u>
Total OPEB Liability - Ending	<u><u>\$ 9,174,612</u></u>	<u><u>\$ 9,395,647</u></u>
Covered-employee payroll	\$ 5,230,280	\$ 4,628,999
Total OPEB liability as a percentage of covered-employee payroll	175.41%	202.97%

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.

See independent auditors' report.

VILLAGE OF PLEASANT PRAIRIE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2019

BUDGETARY INFORMATION

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

The budgeted amounts presented include any amendments made 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. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

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. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

SUPPLEMENTARY INFORMATION

VILLAGE OF PLEASANT PRAIRIE

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

	Special Revenue Fund	Debt Service Fund	Capital Project Funds				Total Nonmajor Funds
	Police Canine Unit	TID No. 5	TID No. 2	TID No. 4	TID No. 6	TID No. 7	
ASSETS							
Cash and investments	\$ 5,919	\$ -	\$ 256,264	\$ -	\$ 1,511,856	\$ -	\$ 1,774,039
Taxes receivable	-	1,059,643	-	23,519	152,436	727	1,236,325
TOTAL ASSETS	\$ 5,919	\$ 1,059,643	\$ 256,264	\$ 23,519	\$ 1,664,292	\$ 727	\$ 3,010,364
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 200	\$ -	\$ -	\$ -	\$ 21,600	\$ -	\$ 21,800
Due to other funds	-	539,298	-	-	-	41,320	580,618
Total Liabilities	200	539,298	-	-	21,600	41,320	602,418
Deferred Inflows of Resources							
Unearned revenue	-	1,059,643	-	23,519	152,436	727	1,236,325
Fund Balances (Deficit)							
Restricted	-	-	256,264	-	1,490,256	-	1,746,520
Committed	5,719	-	-	-	-	-	5,719
Unrestricted (deficit)	-	(539,298)	-	-	-	(41,320)	(580,618)
Total Fund Balances (Deficit)	5,719	(539,298)	256,264	-	1,490,256	(41,320)	1,171,621
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,919	\$ 1,059,643	\$ 256,264	\$ 23,519	\$ 1,664,292	\$ 727	\$ 3,010,364

VILLAGE OF PLEASANT PRAIRIE

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

	Special Revenue Fund	Debt Service Fund	Capital Project Funds				Total Nonmajor Funds
	Police Canine Unit	TID No. 5	TID No. 2	TID No. 4	TID No. 6	TID No. 7	
REVENUES							
Taxes	\$ -	\$ -	\$ 313,610	\$ 2,970	\$ -	\$ -	\$ 316,580
Intergovernmental	-	-	-	83	-	-	83
Investment income (loss)	342	-	14,196	-	28,725	(288)	42,975
Miscellaneous	25,561	-	-	-	-	-	25,561
Total Revenues	25,903	-	327,806	3,053	28,725	(288)	385,199
EXPENDITURES							
Current							
Public safety	30,896	-	-	-	-	-	30,896
Community development	-	-	89,777	3,053	4,326	23,505	120,661
Capital outlay	-	-	-	-	232,035	-	232,035
Debt service							
Interest and fiscal charges	-	144,052	-	-	65,187	-	209,239
Total Expenditures	30,896	144,052	89,777	3,053	301,548	23,505	592,831
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,993)	(144,052)	238,029	-	(272,823)	(23,793)	(207,632)
OTHER FINANCING SOURCES (USES)							
Debt issued	-	179,985	-	-	2,155,000	-	2,334,985
Premium on debt issued	-	-	-	-	90,506	-	90,506
Transfers out	-	(575,231)	-	-	-	-	(575,231)
Total Other Financing Sources	-	(395,246)	-	-	2,245,506	-	1,850,260
Net Change in Fund Balance	(4,993)	(539,298)	238,029	-	1,972,683	(23,793)	1,642,628
FUND BALANCE (DEFICIT) - Beginning of Year	10,712	-	18,235	-	(482,427)	(17,527)	(471,007)
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 5,719	\$ (539,298)	\$ 256,264	\$ -	\$ 1,490,256	\$ (41,320)	\$ 1,171,621

VILLAGE OF PLEASANT PRAIRIE

STATEMENT OF CASH FLOWS - COMPONENT UNIT For the Year Ended December 31, 2019

	Community Development Authority
CASH FLOWS FROM OPERATING ACTIVITIES	\$ -
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-
Net Change in Cash and Cash Equivalents	-
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
None.	\$ -

VILLAGE OF PLEASANT PRAIRIE

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS As of December 31, 2019

	Tax Collection Fund	Mobile Home Fees	Total Custodial Funds
ASSETS			
Cash and investments	\$ 21,578,365	\$ 54,680	\$ 21,633,045
Receivables			
Taxes	22,915,034	-	22,915,034
Accounts	-	31,507	31,507
TOTAL ASSETS	<u>44,493,399</u>	<u>86,187</u>	<u>44,579,586</u>
LIABILITIES			
Accounts payable	62,947	86,187	149,134
Due to other taxing units	<u>44,430,452</u>	<u>-</u>	<u>44,430,452</u>
TOTAL LIABILITIES	<u>44,493,399</u>	<u>86,187</u>	<u>44,579,586</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

As of December 31, 2019

	Tax Collection Fund	Mobile Home Fees	Total Custodial Funds
ADDITIONS			
Mobile home taxes collected for school district	\$ -	\$ 110,522	\$ 110,522
Property taxes collected for county	14,381,969	-	14,381,969
Property taxes collected for technical college	2,283,773	-	2,283,773
Property taxes collected for school district	26,689,759	-	26,689,759
Total Additions	43,355,501	110,522	43,466,023
DEDUCTIONS			
Mobile home taxes distributed to school district	-	110,522	110,522
Property taxes distributed to county	14,381,969	-	14,381,969
Property taxes distributed to technical college	2,283,773	-	2,283,773
Property taxes distributed to school district	26,689,759	-	26,689,759
Total Deductions	43,355,501	110,522	43,466,023
CHANGE IN NET POSITION	-	-	-
NET POSITION - Beginning of Year	-	-	-
NET POSITION - END OF YEAR	\$ -	\$ -	\$ -

VILLAGE OF PLEASANT PRAIRIE

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2019

	Fleet	Insurance	Total
ASSETS			
Current Assets			
Cash and investments	\$ 814,187	\$ 3,027,795	\$ 3,841,982
Receivables			
Other	1,968	-	1,968
Total Current Assets	<u>816,155</u>	<u>3,027,795</u>	<u>3,843,950</u>
Noncurrent Assets			
Capital assets			
Intangibles	16,699	-	16,699
Machinery and equipment	9,656,257	-	9,656,257
Accumulated depreciation	(6,401,584)	-	(6,401,584)
Accumulated amortization	(13,717)	-	(13,717)
Total Noncurrent Assets	<u>3,257,655</u>	<u>-</u>	<u>3,257,655</u>
 Total Assets	 <u>4,073,810</u>	 <u>3,027,795</u>	 <u>7,101,605</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related amounts	233,343	-	233,343
OPEB-related amounts	28,225	-	28,225
Total Deferred Outflows of Resources	<u>261,568</u>	<u>-</u>	<u>261,568</u>
LIABILITIES			
Current Liabilities			
Accounts payable	31,951	14,654	46,605
Accrued liabilities	29,677	-	29,677
Total Current Liabilities	<u>61,628</u>	<u>14,654</u>	<u>76,282</u>
Noncurrent Liabilities			
Net pension liability	61,730	-	61,730
Other post-employment benefits	139,533	-	139,533
Total Noncurrent Liabilities	<u>201,263</u>	<u>-</u>	<u>201,263</u>
 Total Liabilities	 <u>262,891</u>	 <u>14,654</u>	 <u>277,545</u>
DEFERRED INFLOWS OF RESOURCES			
Pension-related amounts	147,499	-	147,499
OPEB-related amounts	5,358	-	5,358
Total Deferred Inflows of Resources	<u>152,857</u>	<u>-</u>	<u>152,857</u>
NET POSITION			
Net investment in capital assets	3,257,655	-	3,257,655
Unrestricted	<u>661,975</u>	<u>3,013,141</u>	<u>3,675,116</u>
 TOTAL NET POSITION	 <u>\$ 3,919,630</u>	 <u>\$ 3,013,141</u>	 <u>\$ 6,932,771</u>

VILLAGE OF PLEASANT PRAIRIE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2019

	<u>Fleet</u>	<u>Insurance</u>	<u>Total</u>
OPERATING REVENUES	<u>\$ 1,732,248</u>	<u>\$ 3,924,445</u>	<u>\$ 5,656,693</u>
OPERATING EXPENSES			
Operation and maintenance	1,251,776	3,546,927	4,798,703
Depreciation/amortization	<u>565,249</u>	<u>-</u>	<u>565,249</u>
Total Operating Expenses	<u>1,817,025</u>	<u>3,546,927</u>	<u>5,363,952</u>
Operating Income (Loss)	<u>(84,777)</u>	<u>377,518</u>	<u>292,741</u>
NONOPERATING REVENUES			
Investment income	21,371	70,464	91,835
Gain on disposal of assets	<u>18,968</u>	<u>-</u>	<u>18,968</u>
Total Nonoperating Revenues	<u>40,339</u>	<u>70,464</u>	<u>110,803</u>
CHANGE IN NET POSITION	<u>(44,438)</u>	<u>447,982</u>	<u>403,544</u>
NET POSITION – Beginning of Year	<u>3,964,068</u>	<u>2,565,159</u>	<u>6,529,227</u>
NET POSITION – END OF YEAR	<u>\$ 3,919,630</u>	<u>\$ 3,013,141</u>	<u>\$ 6,932,771</u>

VILLAGE OF PLEASANT PRAIRIE

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2019

	Fleet	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 1,730,280	\$ 3,924,445	\$ 5,654,725
Paid to suppliers for goods and services	(828,998)	(3,546,927)	(4,375,925)
Paid to employees for services	(403,320)	-	(403,320)
Net Cash Flows From Operating Activities	<u>497,962</u>	<u>377,518</u>	<u>875,480</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>21,371</u>	<u>70,464</u>	<u>91,835</u>
Net Cash Flows From Investing Activities	<u>21,371</u>	<u>70,464</u>	<u>91,835</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	<u>(729,008)</u>	<u>14,654</u>	<u>(714,354)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(729,008)</u>	<u>14,654</u>	<u>(714,354)</u>
Net Change in Cash and Cash Equivalents	(209,675)	462,636	252,961
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,023,862</u>	<u>2,565,159</u>	<u>3,589,021</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 814,187</u>	<u>\$ 3,027,795</u>	<u>\$ 3,841,982</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (84,777)	\$ 377,518	\$ 292,741
Noncash items included in income			
Depreciation/amortization	565,247	-	565,247
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources			
Other accounts receivable	(1,968)	-	(1,968)
Accounts payable	(12,482)	-	(12,482)
Other current and accrued liabilities	6,071	-	6,071
OPEB related deferrals and liabilities	13,499	-	13,499
Pension-related amounts	<u>12,372</u>	<u>-</u>	<u>12,372</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 497,962</u>	<u>\$ 377,518</u>	<u>\$ 875,480</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None			