

Village Of Thiensville

Financial Statements and
Supplementary Information

December 31, 2020

Village of Thiensville

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Independent Auditors' Report

To the Village Board of
Village of Thiensville
Thiensville, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Thiensville, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village of Thiensville'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 Thiensville'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 Thiensville 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, each major fund, and the aggregate remaining fund information of the Village of Thiensville, Wisconsin, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Baker Tilly US, LLP

Milwaukee, Wisconsin
June 14, 2021



Village of Thiensville
Management's Discussion and Analysis
(Unaudited)
As of and for the Year Ended December 31, 2020

The management of the Village of Thiensville offers this narrative overview and analysis of the Village of Thiensville's financial activities for the fiscal year ended December 31, 2020. Readers of these financial statements are encouraged to consider the information presented here in conjunction with the basic financial statements.

The Village of Thiensville is a community, that was incorporated in 1910, of approximately 3,200 residents located along the Milwaukee River in Ozaukee County, Wisconsin about 15 miles north of Milwaukee. The Village of Thiensville has benefited from this location. There is easy access to major transportation routes and many residents commute to work in Milwaukee, Waukesha, Sheboygan and other surrounding communities.

The Village of Thiensville is a progressive, historic, charming community with a commitment to maintaining assets through an aggressive capital projects program.

Financial Highlights

- ❖ The assets and deferred outflows of resources of the Village of Thiensville exceeded its liabilities and deferred inflows of resources as of December 31, 2020 by \$22,502,335.
- ❖ As of December 31, 2020 the Village's governmental funds reported combined ending fund balance of \$2,437,810. Of this balance, \$897,517 was unassigned and available for spending at the government's discretion.
- ❖ The general fund unassigned fund balance is \$900,234 which includes \$463,245 set aside for working capital, \$565,280 set aside into a Corporate Reserve Fund which results in a deficit of \$128,291 for the remaining unassigned fund balance. The remaining unassigned fund balance deficit is a result unexpected expenses and revenue losses due to the COVID-19 pandemic. The total general fund unassigned fund balance at year end is equal to 32.90% of total general fund expenditures and transfers out.
- ❖ Net position decreased by \$815,814 for 2020 as compared to a decrease of \$77,859 for 2019.
- ❖ The general fund decreased by \$146,548 for 2020 as compared to an increase of \$16,033 for 2019. The Village did budget the use of fund balance in the amount of \$240,000; however, the Village only used \$11,498 of contingency funds in 2020. The decrease in fund balance was a result of lost revenues due to the state shut down and other effects of the COVID-19 pandemic.

- ❖ In 2020, the Village Board approved the creation of Tax Incremental Financing District #2 with hopes revitalize the blighted area surrounding the intersection of North Main Street and East Freistadt Road. The Village projects that approximately \$35 million of new land and improvement values will result from the redevelopment within the district.

Overview of the Financial Statements

The information in this discussion and analysis is intended to serve as an introduction to the Village of Thiensville's basic financial statements. The Village of Thiensville's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements (Pages 13- 14)

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the Village's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., sick pay benefits and other long-term liabilities).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, health and sanitation, highway and transportation, library and park. The business-type activities of the Village include a Sewer Utility.

Fund Financial Statements

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

Governmental Funds (Pages 15– 18)

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

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

The Village currently has 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Improvement Fund which are considered to be major funds.

Data from the other nine funds are combined into a single, aggregate presentation under the heading “Nonmajor Governmental Funds.” Individual fund data for each of these non-major governmental funds is provided in the form of “combining statement” elsewhere in this report.

Proprietary Funds (Pages 19 – 22)

The Village maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses an enterprise fund to account for its Sewer Utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Utility which is considered to be a major fund of the Village of Thiensville.

Fiduciary Fund (Pages 23 - 24)

Custodial funds are used to account for assets held for the benefit of parties outside the government. These funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village’s operations. The Village maintains a custodial fund, the Tax Collection Fiduciary Fund which records the tax roll and tax collections for other taxing jurisdictions within the Village.

Notes to the Financial Statements (Pages 25 – 50)

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

Required Supplementary Information (Pages 51 - 53)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village’s compliance with its adopted budgets for the general fund and major special revenue funds.

Supplementary Information (Pages 54 – 60)

The combining statements referred to earlier in connection with nonmajor governmental funds and detailed schedules of revenues and expenditures of the general fund compared to budget is presented immediately following the required supplementary information.

Government-Wide Financial Analysis

The Village’s total net position exceeded liabilities by \$22,502,335 at the close of 2020. The largest segment of net position (81.1%) is the Village’s net investment in capital assets. The Village reports land, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and infrastructure.

Village of Thiensville's Statement of Net Position						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current & other assets	\$ 6,056,436	\$ 7,102,110	\$ 1,277,837	\$ 1,358,462	\$ 7,334,273	\$ 8,460,572
Capital assets	13,876,066	12,474,798	5,273,361	5,365,809	19,149,427	17,840,607
Total assets	19,932,502	19,576,908	6,551,198	6,724,271	26,483,700	26,301,179
Pension related amounts	727,131	896,480	20,918	19,425	748,049	915,905
Total deferred outflow s of resources	727,131	896,480	20,918	19,425	748,049	915,905
Long term liabilities outstanding	1,194,151	800,082	-	6,597	1,194,151	806,679
Other liabilities	201,990	178,856	5,825	4,831	207,815	183,687
Total liabilities	1,396,141	978,938	5,825	11,428	1,401,966	990,366
Unearned revenues	2,378,146	2,444,730	-	-	2,378,146	2,444,730
Pension related amounts	927,776	453,686	21,526	10,123	949,302	463,809
Total deferred inflow s of resources	3,305,922	2,898,416	21,526	10,123	3,327,448	2,908,539
Net Position:						
Net investment in capital assets	12,971,066	12,474,798	5,273,361	5,365,809	18,244,427	17,840,607
Restricted	573,254	430,467	220,117	301,161	793,371	731,628
Unrestricted	2,413,250	3,690,739	1,051,287	1,055,175	3,464,537	4,745,914
Total net position	\$ 15,957,570	\$ 16,596,004	\$ 6,544,765	\$ 6,722,145	\$ 22,502,335	\$ 23,318,149

Net position decreased by \$815,814 in 2020. In a time where local municipalities are strained by state levy limits the Village maintained its strong financial position and provided its residents and businesses with the same high level of service. The majority of the decrease in net position is attributed to revenue losses and unexpected expenses as a result of the COVID-19 pandemic, along with the purchase of property within the newly created TIF #2 district, and construction of the Buntrock watermain.

Village of Thiensville's Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 364,293	\$ 375,157	\$ 1,067,244	\$ 1,065,964	\$ 1,431,537	\$ 1,441,121
Operating grants and contributions	299,624	311,737	-	-	299,624	311,737
Capital grants and contributions	88,701	10,473	-	-	88,701	10,473
General revenues						
General taxes	2,363,500	2,357,244	-	-	2,363,500	2,357,244
Taxes generated from TID increment	-	-	-	-	-	-
Intergovernmental revenues						
not restricted to specific programs	118,074	108,134	-	-	118,074	108,134
Public gifts and grants	1,703	2,700	-	-	1,703	2,700
Investment income	37,311	116,815	9,914	18,588	47,225	135,403
Miscellaneous	59,727	104,891	-	-	59,727	104,891
	<u>3,332,933</u>	<u>3,387,151</u>	<u>1,077,158</u>	<u>1,084,552</u>	<u>4,410,091</u>	<u>4,471,703</u>
Expenses						
General government	660,923	792,943	-	-	660,923	792,943
Public safety	1,580,246	1,532,341	-	-	1,580,246	1,532,341
Public works	1,308,382	842,175	-	-	1,308,382	842,175
Health and human services	34,821	28,243	-	-	34,821	28,243
Culture, recreation and education	378,313	275,959	-	-	378,313	275,959
Interest and fiscal charges	8,682	10,713	-	-	8,682	10,713
Sewer Utility	-	-	1,254,538	1,067,188	1,254,538	1,067,188
	<u>3,971,367</u>	<u>3,482,374</u>	<u>1,254,538</u>	<u>1,067,188</u>	<u>5,225,905</u>	<u>4,549,562</u>
Increase (decrease) in						
net position before transfers	(638,434)	(95,223)	(177,380)	17,364	(815,814)	(77,859)
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	<u>(638,434)</u>	<u>(95,223)</u>	<u>(177,380)</u>	<u>17,364</u>	<u>(815,814)</u>	<u>(77,859)</u>
Net position - beginning	16,596,004	16,691,227	6,722,145	6,704,781	23,318,149	23,396,008
Net position - ending	<u>\$ 15,957,570</u>	<u>\$ 16,596,004</u>	<u>\$ 6,544,765</u>	<u>\$ 6,722,145</u>	<u>\$ 22,502,335</u>	<u>\$ 23,318,149</u>

Governmental Activities

Governmental activities decreased the Village's net position by \$638,434. The decrease in net position greatly results from lost revenue and unexpected expenses in response to the COVID-19 pandemic along with the purchase of property within the newly created TIF District #2 and the unbudgeted construction of the Buntrock watermain. Taxes accounted 70.9% of the Village's total revenue. Charges for Services and Operating Grants & Contributions remained relatively flat with an increase of \$78,228 to Capital Grants & Contributions due to Village receiving a WI DNR grant for Village Park boat launch improvements. Investment income decreased by 68.1% for 2020, as interest rates tanked due to economic uncertainty from the COVID-19 pandemic.

The Village contracts with many services it provides, including attorney, engineer and inspection services and does not have large fixed personnel and assets costs allowing flexibility in times of market change.

The Village continues to focus on the various capital needs including planning for future road improvement projects and continued enhancements to Village Park. In 2020, the Village decided to expedite the construction of the Buntrock watermain loop as outlined in an intergovernmental agreement with the City of Mequon. Upon completion of this project, the watermain will be contributed to the Mequon City Water Utility. This project assisted in spurring redevelopment of the former Lumen Christi church and school site. In its place, the Orchard Street residential home development began construction of 10 single family home sites in 2020 with completion estimated to be completed in 2021.

Funds continue to be budgeted for police, fire and public works equipment replacement. The Village of Thiensville budgets over several years for the capital improvements and equipment and then utilizes multi-year budgets to complete the project.

The Village continues to consider programs jointly with the City of Mequon. Areas of mutual cooperation include the school district, library, fish ladder, dam, historical society, municipal water, paramedic program, topographical maps, emergency sirens, sewer interceptor repair, and accommodating a request for sanitary sewer extension to a City of Mequon condominium development. The Village, City of Mequon, and the Mequon-Thiensville School District cooperatively implemented the School Resource Officer program that began in 2020.

Tax Incremental District No. 2 was created in 2020 with hopes revitalize the blighted area surrounding the intersection of North Main Street and East Freistadt Road. The Village projects that approximately \$35 million of new land and improvement values will result from the redevelopment within the district.

Along with the other Ozaukee Fire & EMS departments, the Village participated in a joint feasibility study conducted by the Wisconsin Policy Forum to identify and explore options for sustaining and/or enhancing service delivery through increased collaboration and service sharing, as well as other opportunities to reduce duplication and increase operational flexibility.

The Village continues to control expenses and looks for operating efficiencies in an environment of increasing general costs and raising health insurance costs. The village continues to use the State of Wisconsin Group Health Insurance Program.

Financial Analysis of the Government's Funds

Governmental Funds

As of December 31, 2020, the Village of Thiensville's governmental funds reported combined ending fund balances of \$2,437,810, a decrease of \$1,177,612. Due to the large amount of special projects that have "fluid" fund balances, the combined fund balances fluctuate dramatically year to year.

The general fund balance is \$1,431,160. Of this amount, \$91,772 is nonspendable, \$199,154 is committed for compensated balances due to Village employees, \$240,000 is assigned to the 2021 budget and \$900,234 is unassigned. Included in unassigned fund balance, \$463,245 is set aside for working capital and \$565,280 is set aside into a Corporate Reserve Fund. The remaining unassigned balance is available for future uses at the Village's discretion.

Proprietary Funds

The Sewer Utility fund decreased \$177,380. The Village has taken aggressive steps and investment over the past 20 years to solve sanitary sewer problems within its boundaries, which include mainline rehabilitation and a manhole rehabilitation program. Annual inspection the manholes and annual televising will maintain the Village's excellent system. This program has received accolades from the Milwaukee Metropolitan Sewerage District. Mequon-Thiensville Phase II Interceptor repairs were completed in 2020, of which the Village was responsible for 33.65% of the project. In 2018, the Village has approved the request for a City of Mequon condominium development to connect to the Village's sanitary sewer system. Construction of this development began in 2019 and is ongoing. The sewer utility has an unrestricted net position of \$1,051,287.

General Fund Budgetary Highlights

The year end results of operations compared to the 2020 budget for the Village of Thiensville show that revenues were \$16,359 less than budgeted and the expenditures were less than budget by \$183,232. This was due to unforeseen revenue losses and general government expenditures being less than anticipated at time of budgeting.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounts to \$19,149,427 (net of accumulated depreciation) \$1,308,820 greater than the 2020 balance.

	Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 416,177	\$ 416,177	\$ -	\$ -	\$ 416,177	\$ 416,177
Land held for resale	375,000.0	-	-	-	375,000.0	-
Construction in progress	1,318,950	82,359	-	-	1,318,950	82,359
Intangible and other	60,122	60,122	37,548	47,610	97,670	107,732
Buildings and structures	1,311,058	1,345,861	332,929	348,037	1,643,987	1,693,898
Improvements other than buildings	1,208,102	1,249,357	-	-	1,208,102	1,249,357
Machinery, equipment and vehicles	1,558,626	1,595,431	230,022	242,700	1,788,648	1,838,131
Furniture and fixtures	30,021	31,962	-	-	30,021	31,962
Infrastructure	7,598,010	7,693,529	4,672,862	4,727,462	12,270,872	12,420,991
	<u>\$ 13,876,066</u>	<u>\$ 12,474,798</u>	<u>\$ 5,273,361</u>	<u>\$ 5,365,809</u>	<u>\$ 19,149,427</u>	<u>\$ 17,840,607</u>

Additional information on the Village's capital assets can be found in Note 3 on pages 38 - 39 of this report.

Long-Term Debt

At the end of the current fiscal year, the Village had total debt outstanding of \$995,000. Of this debt, \$90,000 is not backed by the full faith and credit of the Village, rather it is payable solely from the related special assessments levied and is not a general obligation of the Village. In 2020, the Village issued two promissory notes for the purchase of property and the construction of the Buntrock watermain in the amounts of \$375,000 and \$530,000, respectively. Total general obligation debt outstanding as of December 31, 2020 was \$905,000.

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Special assessment B bonds	\$ 90,000	\$ 280,000	\$ -	\$ -	\$ 90,000	\$ 280,000
Promissory Notes	905,000	-	-	-	905,000	-
	<u>\$ 995,000</u>	<u>\$ 280,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 995,000</u>	<u>\$ 280,000</u>

Additional information on the Village's long-term debt can be found in Note 3 on pages 40 - 41 of this report.

The Village of Thiensville paid the entire prior service cost for the Wisconsin Retirement Fund in 2004.

In 2011, the Village borrowed Special Assessment B Bonds on behalf of the Century Estates Water Co-op #3 (CE#3) and in 2013 borrowed Special Assessment B Bonds on behalf of the Laurel Acres Water Distribution System (LAWDS). The Co-ops were under Wisconsin Department of Natural Resources orders to repair or replace the system due to an elevated level of arsenic in the wells. The 87 property owners of CE#3 and 92 property owners of LAWDS were having difficulty funding the project and approached the Village to allow the property owners to pay their costs through the special assessment process over a 10-year period. Four adjacent property owners also elected to connect. Each of the homes property values were discounted \$5,000 in the CE#3 area due to the arsenic issue. This amounted to a loss of assessed property value of \$435,000. Now that the problem has been corrected the Village has a higher tax base for all property owners to benefit. The Village was able to pay-off the outstanding Special Assessment B bond balance for the CE#3 ahead of schedule in 2020 and also make an additional principal payment on the LAWDS Special Assessment B bond. These payments resulted in a savings of \$4,359 in interest expense.

The Village has reviewed its liability under GASB 45 for post-retirement benefits other than pension and determined that none existed. The Village has a Sick Leave Benefit (sick leave conversion for post-employment health insurance) fully funded in the accrued compensated balances account. In addition, past history indicates that once the employee utilizes this benefit that the employee finds alternative insurance options due to the high cost of the employer plan to the retiree. In 2020, the Village contracted an actuary to review post-retirement benefits, the determination was that these benefits are not material.

Economic Factors and Next Year's Budgets and Rates

The Village of Thiensville is a small community, 1.1 square miles with a population of 3,164 people just north of the City of Milwaukee allowing residents access to big city opportunities and a small town environment. Thiensville boasts of the walk-ability not only in the downtown area but in the outlying subdivisions. The Village provides residents and businesses with 24 hour public safety services through a full-time police force of 7 sworn officers and paid-on-call fire and paramedic and emergency medical departments. The Village also has a well maintained road system, sanitary sewer system, a library and park facilities. Recreation activities are provided by the Mequon-Thiensville School District.

Thiensville is a fully-developed community with equalized valuation of \$392,582,000. Residential properties comprise of 77.2% of real property values. The average equalized value of a single family residence in Thiensville is \$255,690. Due to the desirability and low housing stock in this area the Village is seeing rising home values with investment in residential properties continuing through remodeling. In 2020, the Village incentivized a new house development that will save and restore a historic building along with adding 10 new construction single family homes to an existing neighbor. The Village expects to see most of these new homes completed and occupied by the end of 2021.

The Village's 2021 operating and capital budget continues to provide for the same level of services and provide funding of these operations with a stable tax levy. The 2021 budget included a tax levy increase of \$5,851. The Village's 2021 budget once again qualifies the Village to receive payment under the State's Expenditure Restraint Program.

The Village's water needs are mainly served by private wells or water co-ops using wells. In 2012 and 2013, the number of homes reliant upon water co-ops decreased by 179. The remaining two water co-ops are evaluating the possibility of converting to municipal water through the special assessment process in the future. In 2015, the Main Street and Green Bay Road water main project was completed and now provides municipal water to a majority of the Village businesses. In 2020, the Village under the intergovernmental agreement with the City of Mequon, expedited the betterment of service Buntrock watermain loop. Completion of this loop, strengthens the water system and provided municipal to the new development on Orchard Street. Upon completion in early 2021, the watermain will be contributed to the City of Mequon's Water Utility. The Water Utility under the agreement has until December 31, 2023 to reimburse the Village for the construction of this project. Lake Michigan water is available through a franchise agreement with the Mequon Water Utility.

Requests for Information

This financial report is designated to provide a general overview and a supplement to the Village's Financial Statements, of the Village of Thiensville's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Village Administrator of the Village of Thiensville, 250 Elm Street, Thiensville, WI 53092.

Village of Thiensville

Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 2,274,701	\$ 806,060	\$ 3,080,761
Receivables (net)	3,124,421	248,877	3,373,298
Inventories and prepaid items	58,932	2,783	61,715
Equity interest in joint library	288,374	-	288,374
Restricted assets:			
Cash and investments	-	213,237	213,237
Net pension asset	310,008	6,880	316,888
Capital assets (net of accumulated depreciation):			
Land	416,177	-	416,177
Land held for resale	375,000	-	375,000
Intangibles	12,925	-	12,925
Construction in progress	1,318,950	-	1,318,950
Other capital assets	47,197	-	47,197
Other capital assets, net of depreciation	11,705,817	5,273,361	16,979,178
Total assets	<u>19,932,502</u>	<u>6,551,198</u>	<u>26,483,700</u>
Deferred Outflows of Resources			
Pension related amounts	<u>727,131</u>	<u>20,918</u>	<u>748,049</u>
Total deferred outflows of resources	<u>727,131</u>	<u>20,918</u>	<u>748,049</u>
Liabilities, Deferred inflows of Resources and Net Position			
Liabilities			
Accounts payable and accrued liabilities	201,990	5,825	207,815
Noncurrent liabilities:			
Due within one year	76,849	-	76,849
Due in more than one year	1,117,302	-	1,117,302
Total liabilities	<u>1,396,141</u>	<u>5,825</u>	<u>1,401,966</u>
Deferred Inflows of Resources			
Unearned revenues	2,378,146	-	2,378,146
Pension related amounts	<u>927,776</u>	<u>21,526</u>	<u>949,302</u>
Total deferred inflows of resources	<u>3,305,922</u>	<u>21,526</u>	<u>3,327,448</u>
Net Position			
Investment in capital assets	12,971,066	5,273,361	18,244,427
Restricted for:			
Pension	310,008	6,880	316,888
Park improvements	45,000	-	45,000
Debt service	178,211	-	178,211
Donations and grants	40,035	-	40,035
Equipment replacement	-	213,237	213,237
Unrestricted	<u>2,413,250</u>	<u>1,051,287</u>	<u>3,464,537</u>
Total net position	<u>\$ 15,957,570</u>	<u>\$ 6,544,765</u>	<u>\$ 22,502,335</u>

See notes to financial statements

Village of Thiensville

Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 660,923	\$ 125,265	\$ -	\$ -	\$ (535,658)	\$ -	\$ (535,658)
Public safety	1,580,246	232,573	27,845	5,488	(1,314,340)	-	(1,314,340)
Public works	1,308,382	-	231,180	83,213	(993,989)	-	(993,989)
Health and human services	34,821	1,240	9,502	-	(24,079)	-	(24,079)
Culture, education and recreation	378,313	4,215	31,097	-	(343,001)	-	(343,001)
Conservation and development	-	1,000	-	-	1,000	-	1,000
Interest and fiscal charges	8,682	-	-	-	(8,682)	-	(8,682)
Total governmental activities	<u>3,971,367</u>	<u>364,293</u>	<u>299,624</u>	<u>88,701</u>	<u>(3,218,749)</u>	<u>-</u>	<u>(3,218,749)</u>
Business-type activities:							
Sewer Utility	<u>1,254,538</u>	<u>1,067,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(187,294)</u>	<u>(187,294)</u>
Total business-type activities	<u>1,254,538</u>	<u>1,067,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(187,294)</u>	<u>(187,294)</u>
Total	<u>\$ 5,225,905</u>	<u>\$ 1,431,537</u>	<u>\$ 299,624</u>	<u>\$ 88,701</u>	<u>(3,218,749)</u>	<u>(187,294)</u>	<u>(3,406,043)</u>
General Revenues							
Taxes							
Property taxes, levied for general purposes					2,363,500	-	2,363,500
Intergovernmental revenues not restricted to specific programs					118,074	-	118,074
Public gifts and grants					1,703	-	1,703
Investment income					37,311	9,914	47,225
Miscellaneous					59,727	-	59,727
Total general revenues					<u>2,580,315</u>	<u>9,914</u>	<u>2,590,229</u>
Change in net position					(638,434)	(177,380)	(815,814)
Net Position, Beginning					<u>16,596,004</u>	<u>6,722,145</u>	<u>23,318,149</u>
Net Position, Ending					<u>\$ 15,957,570</u>	<u>\$ 6,544,765</u>	<u>\$ 22,502,335</u>

See notes to financial statements

Village of Thiensville

Balance Sheet
Governmental Funds
December 31, 2020

	<u>General</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets				
Cash and investments	\$ 1,207,947	\$ 566,558	\$ 500,196	\$ 2,274,701
Receivables:				
Taxes	2,155,514	450,655	88,518	2,694,687
Accounts (net)	29,861	4,802	95,107	129,770
Special assessments	-	223,648	36,016	259,664
Loans	40,300	-	-	40,300
Inventory and prepaid items	45,094	-	13,838	58,932
Total assets	<u>\$ 3,478,716</u>	<u>\$ 1,245,663</u>	<u>\$ 733,675</u>	<u>\$ 5,458,054</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)				
Liabilities				
Accounts payable	\$ 84,506	\$ 51,832	\$ 34,653	\$ 170,991
Accrued liabilities	26,999	-	1,095	28,094
Due to other governments	2,905	-	-	2,905
Total liabilities	<u>114,410</u>	<u>51,832</u>	<u>35,748</u>	<u>201,990</u>
Deferred Inflows of Resources				
Unavailable revenues	-	274,303	165,805	440,108
Unearned revenues	1,933,146	400,000	45,000	2,378,146
Total deferred inflows of resources	<u>1,933,146</u>	<u>674,303</u>	<u>210,805</u>	<u>2,818,254</u>
Fund Balances (Deficits)				
Nonspendable	91,772	-	13,838	105,610
Restricted	-	-	183,712	183,712
Committed	199,154	-	292,289	491,443
Assigned	240,000	519,528	-	759,528
Unassigned (deficit)	900,234	-	(2,717)	897,517
Total fund balances (deficit)	<u>1,431,160</u>	<u>519,528</u>	<u>487,122</u>	<u>2,437,810</u>
Total liabilities and fund balance (deficit)	<u>\$ 3,478,716</u>	<u>\$ 1,245,663</u>	<u>\$ 733,675</u>	<u>\$ 5,458,054</u>

See notes to financial statements

Village of Thiensville

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2020

Total Fund Balances, Governmental Funds	\$ 2,437,810
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 3.	13,876,066
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	440,108
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	310,008
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	727,131
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(927,776)
Equity in joint library	288,374
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(995,000)
Compensated absences	<u>(199,151)</u>
Net Position of Governmental Activities	<u><u>\$ 15,957,570</u></u>

Village of Thiensville

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2020

	<u>General</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues				
Taxes	\$ 1,921,500	\$ 400,000	\$ 45,000	\$ 2,366,500
Special assessments	-	57,146	53,883	111,029
Intergovernmental	381,200	83,213	5,488	469,901
Licenses and permits	113,143	-	-	113,143
Fines, forfeitures and penalties	22,637	-	-	22,637
Public charges for services	47,779	-	147,370	195,149
Intergovernmental charges for services	40,000	-	-	40,000
Investment income	29,307	9,345	5,924	44,576
Miscellaneous revenues	14,360	11,612	48,644	74,616
Total revenues	<u>2,569,926</u>	<u>561,316</u>	<u>306,309</u>	<u>3,437,551</u>
Expenditures				
Current:				
General government	511,329	-	29,280	540,609
Public safety	1,235,075	-	152,997	1,388,072
Public works	629,305	-	24,934	654,239
Health and human services	2,500	-	-	2,500
Culture, recreation and education	264,844	-	5,545	270,389
Capital Outlay	-	1,999,038	466,634	2,465,672
Debt Service:				
Principal	-	-	190,000	190,000
Interest and fiscal charges	-	-	8,682	8,682
Total expenditures	<u>2,643,053</u>	<u>1,999,038</u>	<u>878,072</u>	<u>5,520,163</u>
Excess (deficiency) of revenues over expenditures	<u>(73,127)</u>	<u>(1,437,722)</u>	<u>(571,763)</u>	<u>(2,082,612)</u>
Other Financing Sources (Uses)				
Transfers in	20,000	139,311	31,137	190,448
Transfers out	(93,421)	(20,000)	(77,027)	(190,448)
Debt issued	-	530,000	375,000	905,000
Total other financing sources (uses)	<u>(73,421)</u>	<u>649,311</u>	<u>329,110</u>	<u>905,000</u>
Net change in fund balances	(146,548)	(788,411)	(242,653)	(1,177,612)
Fund Balances, Beginning	<u>1,577,708</u>	<u>1,307,939</u>	<u>729,775</u>	<u>3,615,422</u>
Fund Balances, Ending	<u>\$ 1,431,160</u>	<u>\$ 519,528</u>	<u>\$ 487,122</u>	<u>\$ 2,437,810</u>

See notes to financial statements

Village of Thiensville

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

Net Change in Fund Balances, Total Governmental Funds \$ (1,177,612)

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,465,672
Some items reported as capital outlay were not capitalized	(646,832)
Depreciation is reported in the government-wide financial statements	(415,945)

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.

Special assessments and interest	(116,105)
Ambulance receivables	12,203

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	(905,000)
Principal repaid	190,000

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.

Compensated absences	(8,737)
Net pension asset/liability	639,672
Deferred outflows of resources related to pension	(169,349)
Deferred inflows of resources related to pension	(474,090)

The proportionate share of the change in net position related to joint ventures reported in the statement of activities neither provides nor uses current financial resources and is not reported in the fund financial statements.

(32,311)

Change in Net Position of Governmental Activities \$ (638,434)

Village of Thiensville

Statement of Net Position
Proprietary Fund
December 31, 2020

	<u>Sewer Utility</u>
Assets	
Current assets:	
Cash and investments	\$ 806,060
Receivables:	
Customer accounts receivable	205,644
Tax roll receivable	38,484
Accrued interest	4,749
Prepaid items	<u>2,783</u>
Total current assets	<u>1,057,720</u>
Noncurrent assets:	
Restricted assets:	
Cash and investments	213,237
Net pension asset	6,880
Capital assets:	
Property and equipment	7,763,703
Less Accumulated depreciation/amortization	<u>(2,490,342)</u>
Total noncurrent assets	<u>5,493,478</u>
Total assets	<u>6,551,198</u>
Deferred Outflows of Resources	
Pension related amounts	<u>20,918</u>
Total deferred outflows of resources	<u>20,918</u>
Liabilities	
Current liabilities:	
Accounts payable	4,322
Accrued liabilities	<u>1,503</u>
Total current liabilities	<u>5,825</u>
Noncurrent liabilities:	
Total liabilities	<u>5,825</u>
Deferred Inflows of Resources	
Pension related amounts	<u>21,526</u>
Total deferred inflows of resources	<u>21,526</u>
Net Position	
Investment in capital assets	5,273,361
Restricted for:	
Equipment Replacement	213,237
Pension	6,880
Unrestricted net position	<u>1,051,287</u>
Total net position	<u>\$ 6,544,765</u>

See notes to financial statements

Village of Thiensville

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Fund

Year Ended December 31, 2020

	<u>Sewer Utility</u>
Operating Revenues	
Public charges for services	\$ 1,057,948
Other operating revenue	<u>9,296</u>
Total operating revenues	<u>1,067,244</u>
Operating Expenses	
Operation and maintenance	1,162,090
Depreciation/amortization expense	<u>92,448</u>
Total operating expenses	<u>1,254,538</u>
Operating loss	<u>(187,294)</u>
Nonoperating Revenues	
Investment income	<u>9,914</u>
Total nonoperating revenues	<u>9,914</u>
Change in net position	(177,380)
Net Position, Beginning	<u>6,722,145</u>
Net Position, Ending	<u><u>\$ 6,544,765</u></u>

See notes to financial statements

Village of Thiensville

Statement of Cash Flows

Proprietary Fund

Year Ended December 31, 2020

	<u>Sewer Utility</u>
Cash Flows From Operating Activities	
Received from customers	\$ 1,075,692
Paid to suppliers for goods and services	<u>(1,166,355)</u>
Net cash flows from operating activities	<u>(90,663)</u>
Cash Flows From Investing Activities	
Investment income	<u>7,023</u>
Net cash flows from investing activities	<u>7,023</u>
Net change in cash and cash equivalents	(83,640)
Cash and Cash Equivalents, Beginning	<u>1,102,937</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 1,019,297</u></u>

See notes to financial statements

Village of Thiensville

Statement of Cash Flows

Proprietary Fund

Year Ended December 31, 2020

Sewer Utility

Reconciliation of Operating Loss to Net Cash Flows From Operating Activities

Operating loss	\$ (187,294)
Adjustments to reconcile operating loss to net cash flows from operating activities:	
Depreciation	92,448
Changes in assets and liabilities:	
Customer accounts receivable	9,325
Other accounts receivable	(877)
Prepays	(1,693)
Accounts payable	1,107
Other current liabilities	(112)
Pension related deferrals and liability	<u>(3,567)</u>
Net cash flows from operating activities	<u>\$ (90,663)</u>

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds

Cash and investments	\$ 806,060
Restricted cash and investments	<u>213,237</u>
Cash and cash equivalents	<u>\$ 1,019,297</u>

Noncash Capital and Related Financing Activities

None

Village of Thiensville

Statement of Fiduciary Net Position
December 31, 2020

	Custodial Fund
Assets	
Cash and investments	\$ 4,201,889
Total assets	<u>4,201,889</u>
Liabilities	
Due to other governments	<u>4,201,889</u>
Total liabilities	<u>4,201,889</u>
Net Position	
Total net position	<u><u>\$ -</u></u>

Village of Thiensville

Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2020

	Custodial Fund
Additions	
Tax collections	\$ 3,072,902
Total additions	<u>3,072,902</u>
Deductions	
Payments to overlying districts	<u>3,072,902</u>
Total deductions	<u>3,072,902</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

Village of Thiensville

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December 31, 2020

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Village of Thiensville

Notes to Financial Statements
December 31, 2020

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

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

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

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

Village of Thiensville

Notes to Financial Statements
December 31, 2020

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

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

Governmental Funds

The Village reports the following major governmental funds:

General Fund

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

Capital Projects Fund

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

Enterprise Fund

The Village reports the following major enterprise fund:

Sewer Utility accounts for operations of the sewer system.

The Village reports the following nonmajor governmental funds:

Special Revenue Funds

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

Stormwater Management Fund	Police Donation Fund
Fire Equipment Replacement Fund	Fire Donation Fund
Act 102 Fund	Old Village Hall Fund
Park Improvement Fund	TID #2 Fund

Debt Service Funds

Debt Service Funds are 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.

Laurel Acres Special Assessment B Bond Fund
Century Estates Special Assessment B Bond Fund

Village of Thiensville

Notes to Financial Statements
December 31, 2020

In addition, the Village reports the following fund types:

Custodial Fund

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

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 sewer and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

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

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

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

Village of Thiensville

Notes to Financial Statements
December 31, 2020

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

Proprietary and Fiduciary Funds

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

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

All Financial Statements

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

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

Deposits and Investments

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

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

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

Village of Thiensville

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- g. Repurchase agreements with public depositories, with certain conditions.

The Village has adopted an investment policy. That policy contains the following additional guidelines for allowable investments. Not more than \$500,000 shall be deposited in any one public depository, unless specifically authorized by the Board of Trustees. Village funds may be invested in certificates of deposit maturing within 3 years or less. A maximum of \$500,000 may be invested in each institution unless the certificate is collateralized by U.S. Government or U.S Government Agency securities having a market value of 110% of the certificate or collateralization shall have been waived by the Board of Trustees.

No policy exists for the following risks:

Credit risk

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

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

See Note 3. for further information.

Receivables

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

Property tax calendar - 2020 tax roll:

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

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

Village of Thiensville

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

Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale.

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

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

Capital Assets

Government-Wide Statements

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

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

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

Buildings	20-40	Years
Land Improvements	20-30	Years
Machinery and Equipment	2-25	Years
Utility System	50-125	Years
Infrastructure	50-100	Years

Village of Thiensville

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Fund Financial Statements

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

Deferred Outflows of Resources

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

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

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

The Village provides postemployment health insurance benefits for all eligible employees. Employees who leave active duty due to retirement, service disability or death are eligible to receive this benefit. The benefits are based on employee benefit policies of the Village. Employees receive sick leave termination benefit days as an incentive to maintain a good record for the use of sick leave days. Sick leave termination benefit days are accrued to employees based upon the number of sick days used by the employee in the prior year. Employees hired prior to September 20, 2011 are not limited to the number of sick leave termination benefit days they may accrue and be paid. Employees hired after September 19, 2011 are limited to 90 sick leave termination benefit days they may accrue and be paid. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the Village. Funding for those costs is provided out of the current operating budget of the Village. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were not material. There are 18 employees currently eligible to receive benefits.

The village has committed fund balance in the General Fund to fully fund the outstanding compensated absences.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2020, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

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

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

Village of Thiensville

Notes to Financial Statements
December 31, 2020

Deferred Inflows of Resources

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

Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

Governmental fund balances are displayed as follows:

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

Village of Thiensville

Notes to Financial Statements
December 31, 2020

- e. *Unassigned* - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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

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

Ordinance No. 2006-03 establishes two reserve funds, the Corporate Reserve Fund and the Tax Stabilization Fund. The Corporate Reserve Fund is maintained at an amount not less than 20% of the current year operating budget. The Tax Stabilization Fund does not have a minimum balance requirement. The annual excess of the current year operating budget is first placed in the Corporate Reserve Fund to maintain the minimum balance with the remainder then divided between the two funds by a vote of the Village board. The purpose of the Corporate Reserve fund is to maintain a working capital reserve and to provide for unanticipated expenses of a non-recurring nature. The Corporate Reserve Fund is also available for interfund loans to all other funds of the Village. The balance in the Corporate Reserve Fund at year end is \$565,280. The purpose of the Tax Stabilization Fund is to reduce the levy for the operating budget. The Village board may apply up to 10% of this fund toward the reduction of the tax levy without a public hearing and by majority vote of the Village board. Amounts greater than 10% may be applied toward the reduction of the tax levy with a public hearing and the approval of the Village board by a 2/3 vote. The balance in the Tax Stabilization Fund at year end is \$-0-. On October 19, 2015, the Village board by resolution, transferred the balance in the Tax Stabilization Fund to the Capital Improvement Fund to help fund the Main Street Water Main Project. Amounts are included with unassigned fund balance of the general fund. Due to the unforeseen impact of the state shut down in response to COVID-19 the Village was out of compliance with this policy. The Village intends to replenish these reserves with monies to be received from the American Recovery Program. This type of instance is exactly what these reserves were intended to be used for.

Resolution No. 1986-22 establishes a Working Capital Fund equivalent to one sixth of the average of the annual budgets for the previous three years. The balance in the Working Capital Fund at year end is \$463,245. This amount is included with unassigned fund balance in the general fund.

See Note 3. for further information.

Pension

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

Village of Thiensville

Notes to Financial Statements
December 31, 2020

Basis for Existing Rates

Sewer Utility

Rates for the Sewer Utility were approved by the Village board on December 16, 2019.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the General Fund, Stormwater Management Fund, Tax Increment District #1 Fund, Fire Equipment Replacement Fund, Capital Improvements Fund, Detention Lining/Madero Sewer Fund, Old Village Hall Fund, Century Estates Special Assessment B Bond Debt Service Fund, Laurel Acres Special Assessment B Bond Debt Service Fund, and Sewer Fund. A budget has not been formally adopted for Tax Increment #2 Fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures Over Appropriations

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Capital Projects	\$ 603,897	\$ 2,019,038	\$ 1,415,141
Debt Service Fund - Century Estates Special Assessment B Bond	53,400	103,743	50,343
Debt Service Fund - Laurel Acres Special Assessment B Bond	49,518	94,939	45,421
Special Revenue - Stormwater Management Fund	42,000	111,994	69,994
Special Revenue - Park Improvement Fund	39,200	80,840	41,640

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

Deficit Balances

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

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

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Revenue Fund - TID #2	\$ 2,717	Expenditures paid in advance of receipt of financing.

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

Village of Thiensville

Notes to Financial Statements
December 31, 2020

Limitations on the Village's Tax Levy

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

3. Detailed Notes on All Funds

Deposits and Investments

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

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 7,154,294	\$ 7,434,096	Custodial credit risk
LGIP	341,093	341,093	Credit risk
Petty cash	500	-	N/A
	<u>\$ 7,495,887</u>	<u>\$ 7,775,189</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 3,080,761		
Restricted cash and investments	213,237		
Per statement of net position - fiduciary fund			
Custodial fund	<u>4,201,889</u>		
	<u>\$ 7,495,887</u>		

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

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

The Village maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities in the amount of \$11,603,668 to secure the Village's deposits.

Custodial Credit Risk

Deposits

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

Village of Thiensville

Notes to Financial Statements
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As of December 31, 2020, \$6,371,260 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging financial institution's trust department or agent not in the Village's name	\$ <u>6,371,260</u>
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Credit Risk

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

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

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

Receivables

All of the receivables on the balance sheet are expected to be collected within one year, except for special assessments and loans.

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 2,378,146	\$ -
Special assessments not yet due	-	353,837
Ambulance receivables	-	86,271
	<u> </u>	<u> </u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 2,378,146</u>	<u>\$ 440,108</u>

Restricted Assets

The following represent the balances of the restricted assets:

Equipment Replacement Account

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

Net Pension Asset

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

Village of Thiensville

Notes to Financial Statements
December 31, 2020

Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 416,177	\$ -	\$ -	\$ 416,177
Construction in progress	82,358	1,236,592	-	1,318,950
Intangible assets	12,925	-	-	12,925
Antique fire truck	47,197	-	-	47,197
Land held for resale	-	375,000	-	375,000
Total capital assets not being depreciated	<u>558,657</u>	<u>1,611,592</u>	<u>-</u>	<u>2,170,249</u>
Capital assets being depreciated:				
Buildings	1,924,532	-	-	1,924,532
Improvements	1,916,116	43,988	-	1,960,104
Machinery and equipment	4,104,123	163,260	84,507	4,182,876
Furniture and fixture	67,809	-	-	67,809
Roads	4,944,412	-	-	4,944,412
Storm sewer	4,758,291	-	-	4,758,291
Total capital assets being depreciated	<u>17,715,283</u>	<u>207,248</u>	<u>84,507</u>	<u>17,838,024</u>
Total capital assets	<u>18,273,940</u>	<u>1,818,840</u>	<u>84,507</u>	<u>20,008,273</u>
Less accumulated depreciation for:				
Buildings	\$ (578,671)	\$ (34,803)	\$ -	\$ (613,474)
Improvements	(666,759)	(85,243)	-	(752,002)
Machinery and equipment	(2,508,692)	(197,691)	82,880	(2,623,503)
Furniture and fixture	(35,846)	(2,689)	-	(38,535)
Roads	(1,571,505)	(48,650)	-	(1,620,155)
Storm sewer	(437,669)	(46,869)	-	(484,538)
Total accumulated depreciation	<u>(5,799,142)</u>	<u>(415,945)</u>	<u>82,880</u>	<u>(6,132,207)</u>
Net capital assets being depreciated	<u>11,916,141</u>	<u>(208,697)</u>	<u>1,627</u>	<u>11,705,817</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 12,474,798</u>	<u>\$ 1,402,895</u>	<u>\$ 1,627</u>	<u>\$ 13,876,066</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

Public safety	\$ 122,325
Public works, which includes the depreciation of infrastructure	163,510
Culture, recreation and education	4,989
General Government	<u>125,121</u>
Total governmental activities depreciation expense	<u>\$ 415,945</u>

Village of Thiensville

Notes to Financial Statements
December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets being depreciated / amortized:				
Structures and improvements	\$ 755,270	\$ -	\$ -	\$ 755,270
Sewer collection system	6,035,170	-	-	6,035,170
Machinery and equipment	754,896	-	-	754,896
Furniture and fixture	68,556	-	-	68,556
Vehicles	49,193	-	-	49,193
Intangible asset	100,618	-	-	100,618
Total capital assets being depreciated / amortized	<u>7,763,703</u>	<u>-</u>	<u>-</u>	<u>7,763,703</u>
Less accumulated depreciation/ amortization for:				
Structures and improvements	(407,233)	(15,105)	-	(422,338)
Sewer collection system	(1,307,708)	(54,604)	-	(1,362,312)
Machinery and equipment	(512,195)	(12,677)	-	(524,872)
Furniture and fixture	(68,557)	-	-	(68,557)
Vehicles	(49,193)	-	-	(49,193)
Intangible asset	(53,008)	(10,062)	-	(63,070)
Total accumulated depreciation/ amortization	<u>(2,397,894)</u>	<u>(92,448)</u>	<u>-</u>	<u>(2,490,342)</u>
Net capital assets being depreciated / amortized	<u>5,365,809</u>	<u>(92,448)</u>	<u>-</u>	<u>5,273,361</u>
Business-type capital assets, net of accumulated depreciation/ amortization	<u>\$ 5,365,809</u>	<u>\$ (92,448)</u>	<u>\$ -</u>	<u>\$ 5,273,361</u>

Interfund Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Capital Projects Fund - Capital Improvement	\$ 20,000	To purchase capital equipment
Capital Projects Fund - Capital Improvement	Special Revenue Fund - Park Improvement	77,027	Finance project costs
Capital Projects Fund - Capital Improvement	General Fund	62,284	Finance project costs
Special Revenue Fund - Tax Incremental District #2	General Fund	<u>31,137</u>	To reclass negative cash
Total - Fund Financial Statements		190,448	
Less fund eliminations		<u>(190,448)</u>	
Total transfers, government-wide statement of activities		<u>\$ -</u>	

Village of Thiensville

Notes to Financial Statements
December 31, 2020

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.

Long-Term Obligations

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
Special Assessment B-Bonds	\$ 280,000	\$ -	\$ 190,000	\$ 90,000	\$ 45,000
Other bonds or notes or loans payable	-	905,000	-	905,000	-
Subtotal	<u>280,000</u>	<u>905,000</u>	<u>190,000</u>	<u>995,000</u>	<u>45,000</u>
Other liabilities:					
Accumulated compensatory time	7,214	769	-	7,983	7,983
Accumulated sick pay	95,766	14,991	-	110,757	-
Accumulated vacation time	11,501	12,365	-	23,866	23,866
Net pension liability	329,664	-	329,664	-	-
Paid annuitant sick leave	75,937	-	19,392	56,545	-
Total other liabilities	<u>520,082</u>	<u>28,125</u>	<u>349,056</u>	<u>199,151</u>	<u>31,849</u>
Total governmental activities long-term liabilities	<u>\$ 800,082</u>	<u>\$ 933,125</u>	<u>\$ 539,056</u>	<u>\$ 1,194,151</u>	<u>\$ 76,849</u>
Business-Type Activities					
Other liabilities:					
Net pension liability	\$ 6,597	\$ -	\$ 6,597	\$ -	\$ -
Total Business-type activities long-term liabilities	<u>\$ 6,597</u>	<u>\$ -</u>	<u>\$ 6,597</u>	<u>\$ -</u>	<u>\$ -</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5 percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2020, was \$19,629,100. Total general obligation debt outstanding at year-end was \$905,000.

Special Assessment B-Bonds

B-Bonds are payable only from special assessments levied on affected properties.

Special assessment B-Bonds at December 31, 2020, consists of the following:

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
Special Assessment B Bonds, Series 2013	6/12/2013	4/1/2022	1.0 - 2.7%	\$ 460,000	\$ 90,000
Total governmental activities special assessment B-Bonds					<u>\$ 90,000</u>

Village of Thiensville

Notes to Financial Statements
December 31, 2020

Debt service requirements to maturity are as follows:

Years Ending December 31:	Governmental Activities Special Assessment B-Bonds	
	Principal	Interest
2021	\$ 45,000	\$ 2,230
2022	45,000	1,170
Total	<u>\$ 90,000</u>	<u>\$ 3,400</u>

Other Bonds or Notes Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
Promissory Note 2020	12/15/2020	6/30/2023	2.5%	\$ 375,000	\$ 375,000
Promissory Note 2020	12/15/2020	6/30/2023	2.5	530,000	530,000
Total other bonds or notes payable					<u>\$ 905,000</u>

Debt service requirements to maturity are as follows:

Years ending December 31:	Other Bonds or Notes Payable	
	Principal	Interest
2021	\$ -	\$ 22,625
2022	-	22,625
2023	905,000	22,625
Total	<u>\$ 905,000</u>	<u>\$ 67,875</u>

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences attributable to governmental activities will be liquidated primarily by the general fund and Special Assessment B-Bonds will be liquidated by their respective debt service funds.

Net Position/Fund Balances

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

Governmental Activities

Net investment in capital assets:

Land	\$ 416,177
Construction in progress	1,318,950
Intangible assets	12,925
Land held for resale	375,000
Other assets not being depreciated	47,197
Other capital assets, net of accumulated depreciation	11,705,817
Less long-term debt outstanding	(995,000)
Plus noncapital debt proceeds	<u>90,000</u>
Total net investment in capital assets	<u>12,971,066</u>

Village of Thiensville

Notes to Financial Statements
December 31, 2020

Restricted:	
Debt service	178,211
Park improvements	45,000
Donations and grants	40,035
Pensions	<u>310,008</u>
Total restricted	<u>573,254</u>
Unrestricted	<u>2,413,250</u>
Total governmental activities net position	<u><u>\$ 15,957,570</u></u>

Governmental Funds

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

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances				
Nonspendable:				
Prepaid items	\$ 41,994	\$ -	\$ 13,838	\$ 55,832
Inventories	3,100	-	-	3,100
Loan Receivable	40,300	-	-	40,300
Delinquent personal property taxes	6,378	-	-	6,378
Subtotal	<u>91,772</u>	<u>-</u>	<u>13,838</u>	<u>105,610</u>
Restricted for:				
Debt service	-	-	98,677	98,677
Park improvements	-	-	45,000	45,000
Donations and grants	-	-	40,035	40,035
Subtotal	<u>-</u>	<u>-</u>	<u>183,712</u>	<u>183,712</u>
Committed to:				
Accrued compensated absences	199,154	-	-	199,154
Fire equipment replacement	-	-	87,910	87,910
Old village hall	-	-	13,504	13,504
Stormwater management	-	-	161,383	161,383
Park improvement	-	-	29,492	29,492
Subtotal	<u>199,154</u>	<u>-</u>	<u>292,289</u>	<u>491,443</u>
Assigned to:				
Budget appropriations	<u>240,000</u>	<u>519,528</u>	<u>-</u>	<u>759,528</u>
Subtotal	<u>240,000</u>	<u>519,528</u>	<u>-</u>	<u>759,528</u>
Unassigned (deficit):	<u>900,234</u>	<u>-</u>	<u>(2,717)</u>	<u>897,517</u>
Total fund balances (deficit)	<u><u>\$ 1,431,160</u></u>	<u><u>\$ 519,528</u></u>	<u><u>\$ 487,122</u></u>	<u><u>\$ 2,437,810</u></u>

Village of Thiensville

Notes to Financial Statements
December 31, 2020

Business-Type Activities

Net investment in capital assets:	
Other capital assets, net of accumulated depreciation	\$ 5,273,361
Total net investment in capital assets	<u>5,273,361</u>
Restricted:	
Equipment Replacement	213,237
Pensions	<u>6,880</u>
Total restricted	<u>220,117</u>
Unrestricted	<u>1,051,287</u>
Total business-type activities net position	<u><u>\$ 6,544,765</u></u>

4. Other Information

Employees' Retirement System

Plan Description

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

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

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

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

Village of Thiensville

Notes to Financial Statements
December 31, 2020

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

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

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

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

Village of Thiensville

Notes to Financial Statements
December 31, 2020

Contributions

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

During the reporting period, the WRS recognized \$103,671 in contributions from the Village.

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

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

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

At December 31, 2020, the Village reported a asset of \$316,888 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.00982766 percent, which was an increase of 0.00037596 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$104,887.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 601,527	\$ 301,024
Changes in assumptions	24,694	-
Net differences between projected and actual earnings on pension plan investments	-	647,833
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,352	445
Employer contributions subsequent to the measurement date	<u>120,476</u>	<u>-</u>
Total	<u>\$ 748,049</u>	<u>\$ 949,302</u>

Village of Thiensville

Notes to Financial Statements
December 31, 2020

\$120,476 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as \$0 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>
2021	\$ (95,764)
2022	(71,024)
2023	11,616
2024	(166,557)

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
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 percent is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

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

Village of Thiensville

Notes to Financial Statements
December 31, 2020

Long-Term Expected Return on Plan Assets

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

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate

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

Village of Thiensville

Notes to Financial Statements
December 31, 2020

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:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 816,044	\$ (316,888)	\$ (1,163,886)

Pension Plan Fiduciary Net Position

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

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

Risk Management

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

Commitments and Contingencies

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

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

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

Village of Thiensville

Notes to Financial Statements
December 31, 2020

Joint Ventures

Frank L. Weyenberg Library of Mequon-Thiensville

The Village of Thiensville and City of Mequon jointly operate the Frank L. Weyenberg Library of Mequon-Thiensville, which is called the Weyenberg Library (Library) and provides library services to the residents of the Village of Thiensville and the City of Mequon.

The governing body is made up of citizens from each community. Local representatives are appointed by the Village President, Mayor and Superintendent of the School District. The governing body has authority to adopt its own budget and control the financial affairs of the Library. The Village is obligated by the joint venture agreement to remit an amount annually to the Library. The Village made a payment to the Library of \$110,740 in 2020.

Financial information of the Library as of December 31, 2020 is available directly from the Library's office.

The Village accounts for its share of the operation in the general fund. The Village has an equity interest in the organization equal to its percentage share of participation. The equity interest relative to financial assets is reported in the general fund.

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

Mid-Moraine Municipal Court

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

The communities share in the annual operation of the municipal court based on the joint venture agreement as follows:

<u>Municipality</u>	<u>% Expenses Paid</u>
City of Cedarburg	3.90 %
Village of Grafton	6.55
Village of Thiensville	4.12
City of West Bend	21.86
Village of Germantown	9.50
City of Hartford	9.89
Village of Kewaskum	3.23
Village of Slinger	7.45
Village of Jackson	4.98
City of Port Washington	7.18
Village of Saukville	4.99
Town of Hartford	0.28
City of Mequon	13.29
Town of Trenton	1.82
Village of Newburg	0.52
Village of Fredonia	0.44
Total	<u>100.00 %</u>

Village of Thiensville

Notes to Financial Statements
December 31, 2020

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

Financial information of the court as of December 31, 2020 is available directly from the municipal court in West Bend, Wisconsin.

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

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

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

Village of Thiensville

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

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 1,921,500	\$ 1,921,500	\$ 1,921,500	\$ -
Intergovernmental	319,004	319,004	381,200	62,196
Licenses and permits	119,960	119,960	113,143	(6,817)
Fines, forfeitures and penalties	47,336	47,336	22,637	(24,699)
Public charges for services	26,600	26,600	47,779	21,179
Intergovernmental charges for services	40,000	40,000	40,000	-
Investment income	102,000	101,885	29,307	(72,578)
Miscellaneous revenues	10,000	10,000	14,360	4,360
	<u>2,586,400</u>	<u>2,586,285</u>	<u>2,569,926</u>	<u>(16,359)</u>
Expenditures				
Current:				
General government	673,983	673,868	511,329	162,539
Public safety	1,280,480	1,280,480	1,235,075	45,405
Public works	624,811	624,811	629,305	(4,494)
Health and human services	2,500	2,500	2,500	-
Culture, recreation and education	244,626	244,626	264,844	(20,218)
	<u>2,826,400</u>	<u>2,826,285</u>	<u>2,643,053</u>	<u>183,232</u>
Other Financing Sources (Uses)				
Transfers in	-	-	20,000	20,000
Transfers out	-	-	(93,421)	(93,421)
	<u>-</u>	<u>-</u>	<u>(73,421)</u>	<u>(73,421)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(73,421)</u>	<u>(73,421)</u>
Net change in fund balance	<u>\$ (240,000)</u>	<u>\$ (240,000)</u>	<u>(146,548)</u>	<u>\$ 93,452</u>
Fund Balance, Beginning			<u>1,577,708</u>	
Fund Balance, Ending			<u>\$ 1,431,160</u>	

See notes to required supplementary information

Village of Thiensville

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

Wisconsin Retirement System

For the Year Ended December 31, 2020

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.00887185%	\$ (217,917)	\$ 1,050,177	20.75%	102.74%
12/31/15	0.00888295%	144,346	1,092,639	13.21%	98.20%
12/31/16	0.00889566%	73,321	1,075,042	6.82%	99.12%
12/31/17	0.00908519%	(269,750)	1,131,597	23.84%	102.93%
12/31/18	0.00945170%	336,261	1,220,952	27.54%	96.45%
12/31/19	0.00982766%	(316,888)	1,217,689	26.02%	102.96%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM

For the Year Ended December 31, 2020

Village 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
12/31/15	\$ 88,179	\$ 88,179	\$ -	\$ 1,092,639	8.07%
12/31/16	83,727	83,727	-	1,075,042	7.79%
12/31/17	96,532	96,532	-	1,131,597	8.53%
12/31/18	105,407	105,407	-	1,220,952	8.63%
12/31/19	104,687	104,687	-	1,217,689	8.60%
12/31/20	120,476	120,476	-	1,311,676	9.18%

See notes to the required supplementary information

Village of Thiensville

Notes to Required Supplementary Information
For the Year Ended December 31, 2020

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

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

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

Wisconsin Retirement System

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

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

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

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

Village of Thiensville

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual -

General Fund

Year Ended December 31, 2020

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Taxes				
General property taxes	\$ 1,921,500	\$ 1,921,500	\$ 1,921,500	\$ -
Total taxes	<u>1,921,500</u>	<u>1,921,500</u>	<u>1,921,500</u>	<u>-</u>
Intergovernmental Revenues				
State shared revenues	46,981	46,981	46,981	-
Fire insurance tax (2% fire dues)	15,000	15,000	15,293	293
Exempt computer aid	4,179	4,179	4,179	-
State aid - law enforcement improvement	1,000	1,000	1,151	151
State transportation	231,494	231,494	231,180	(314)
State aid - recycling	9,500	9,500	9,502	2
Other	10,850	10,850	72,914	62,064
Total intergovernmental revenues	<u>319,004</u>	<u>319,004</u>	<u>381,200</u>	<u>62,196</u>
Licenses and Permits				
Liquor and malt beverage licenses	9,000	9,000	8,788	(212)
Cigarette licenses	100	100	75	(25)
Cable and cell tower	60,560	60,560	52,082	(8,478)
Dog and cat licenses	2,300	2,300	1,340	(960)
Other nonbusiness licenses	500	500	185	(315)
Building permits	25,500	25,500	34,463	8,963
Electrical permits	10,000	10,000	8,498	(1,502)
Plumbing permits	10,000	10,000	7,062	(2,938)
Other permits	2,000	2,000	650	(1,350)
Total licenses and permits	<u>119,960</u>	<u>119,960</u>	<u>113,143</u>	<u>(6,817)</u>
Fines, Forfeitures and Penalties				
Court penalties and costs	30,000	30,000	11,343	(18,657)
Parking violations	17,336	17,336	11,294	(6,042)
Total fines, forfeitures and penalties	<u>47,336</u>	<u>47,336</u>	<u>22,637</u>	<u>(24,699)</u>
Public Charges for Services				
Municipal center fees	2,500	2,500	2,825	325
Law enforcement fees	2,000	2,000	340	(1,660)
Dumpster service fees	6,000	6,000	10,740	4,740
Softball sponsor fees	2,600	2,600	1,950	(650)
Park fees	5,500	5,500	2,265	(3,235)
Other public charges for services	8,000	8,000	29,659	21,659
Total public charges for services	<u>26,600</u>	<u>26,600</u>	<u>47,779</u>	<u>21,179</u>
Intergovernmental Charges for Services				
Administrative charge to sewer utility	40,000	40,000	40,000	-

Village of Thiensville

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual -
General Fund
Year Ended December 31, 2020

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Total intergovernmental charges for services	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ -</u>
Investment Income				
Interest on investments	<u>102,000</u>	<u>\$ 101,885</u>	<u>\$ 29,307</u>	<u>\$ (72,578)</u>
Total investment income	<u>102,000</u>	<u>101,885</u>	<u>29,307</u>	<u>(72,578)</u>
Miscellaneous Revenue				
Other miscellaneous revenue	<u>10,000</u>	<u>10,000</u>	<u>14,360</u>	<u>4,360</u>
Total miscellaneous revenue	<u>10,000</u>	<u>10,000</u>	<u>14,360</u>	<u>4,360</u>
Other Financing Sources				
Transfers in	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total revenues and other financing sources	<u>\$ 2,586,400</u>	<u>\$ 2,586,285</u>	<u>\$ 2,589,926</u>	<u>\$ 3,641</u>

Village of Thiensville

Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual -

General Fund

Year Ended December 31, 2020

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Government				
Village Board	\$ 33,409	\$ 33,409	\$ 31,186	\$ 2,223
Legal	20,000	20,000	19,691	309
Village administration	322,132	322,132	284,813	37,319
Elections	8,000	8,000	12,846	(4,846)
Village assessor	6,300	6,300	6,300	-
Special accounting and audit	21,700	21,700	22,595	(895)
Property and liability insurance	120,827	120,827	118,089	2,738
Other general government	7,500	7,500	4,311	3,189
Contingency	134,115	134,000	11,498	122,502
	<u>673,983</u>	<u>673,868</u>	<u>511,329</u>	<u>162,539</u>
Total general government				
Public Safety				
Police department	981,420	981,420	971,871	9,549
Fire department	270,060	270,060	216,447	53,613
Inspection	29,000	29,000	46,757	(17,757)
	<u>1,280,480</u>	<u>1,280,480</u>	<u>1,235,075</u>	<u>45,405</u>
Total public safety				
Public Works				
Department of Public Works	459,611	459,611	452,461	7,150
Engineering	6,000	6,000	5,596	404
Tree and brush control	1,200	1,200	32	1,168
Snow and ice removal	35,000	35,000	28,400	6,600
Street lighting	37,000	37,000	36,496	504
Planning services	2,000	2,000	1,497	503
Sanitary landfill	40,000	40,000	55,028	(15,028)
Recycling	44,000	44,000	49,795	(5,795)
	<u>624,811</u>	<u>624,811</u>	<u>629,305</u>	<u>(4,494)</u>
Total public works				
Health and Human Services				
Family Service of Mequon	2,500	2,500	2,500	-
	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total health and human services				
Culture, Recreation and Education				
Weyenberg Library	110,740	110,740	110,740	-
Parks	116,976	116,976	134,956	(17,980)
Celebrations - July 4th activity	16,910	16,910	19,148	(2,238)
	<u>244,626</u>	<u>244,626</u>	<u>264,844</u>	<u>(20,218)</u>
Total culture, recreation and education				
Other Financing Uses				
Transfers out	-	-	93,421	(93,421)
	<u>-</u>	<u>-</u>	<u>93,421</u>	<u>(93,421)</u>
Total other financing uses				
Total Expenditures and Other Financing Uses	<u>\$ 2,826,400</u>	<u>\$ 2,826,285</u>	<u>\$ 2,736,474</u>	<u>\$ 89,811</u>

Village of Thiensville

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	Special Revenue Funds				
	Stormwater Management Fund	Fire Equipment Replacement Fund	Act 102 Fund	Police Donation Fund	Fire Donation Fund
Assets					
Cash and investments	\$ 177,197	\$ 102,046	\$ 14,059	\$ 6,203	\$ 19,773
Receivables:					
Taxes	42,000	-	-	-	-
Accounts (net)	-	89,095	-	-	-
Special assessments	-	-	-	-	-
Inventories and prepaid items	555	703	-	-	-
Total assets	<u>\$ 219,752</u>	<u>\$ 191,844</u>	<u>\$ 14,059</u>	<u>\$ 6,203</u>	<u>\$ 19,773</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities					
Accounts payable	\$ 15,567	\$ 16,112	\$ -	\$ -	\$ -
Accrued liabilities	247	848	-	-	-
Total liabilities	<u>15,814</u>	<u>16,960</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenues	-	86,271	-	-	-
Unearned revenues	42,000	-	-	-	-
Total deferred inflows of resources	<u>42,000</u>	<u>86,271</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable	555	703	-	-	-
Restricted	-	-	14,059	6,203	19,773
Committed	161,383	87,910	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total fund balances (Deficits)	<u>161,938</u>	<u>88,613</u>	<u>14,059</u>	<u>6,203</u>	<u>19,773</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 219,752</u>	<u>\$ 191,844</u>	<u>\$ 14,059</u>	<u>\$ 6,203</u>	<u>\$ 19,773</u>

Village of Thiensville

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

<u>Special Revenue Funds</u>			<u>Debt Service Funds</u>	<u>Debt Service Fund</u>	
<u>Old Village Hall Fund</u>	<u>Park Improvement Fund</u>	<u>TID #2</u>	<u>Laurel Acres Special Assessment B Bond Fund</u>	<u>Century Estates Special Assessment B Bond Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 13,761	\$ 68,480	\$ -	\$ 79,892	\$ 18,785	\$ 500,196
3,000	-	-	20,615	22,903	88,518
-	6,012	-	-	-	95,107
-	-	-	36,016	-	36,016
-	12,580	-	-	-	13,838
<u>\$ 16,761</u>	<u>\$ 87,072</u>	<u>\$ -</u>	<u>\$ 136,523</u>	<u>\$ 41,688</u>	<u>\$ 733,675</u>
\$ 257	\$ -	\$ 2,717	\$ -	\$ -	\$ 34,653
-	-	-	-	-	1,095
<u>257</u>	<u>-</u>	<u>2,717</u>	<u>-</u>	<u>-</u>	<u>35,748</u>
-	-	-	56,631	22,903	165,805
<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
<u>3,000</u>	<u>-</u>	<u>-</u>	<u>56,631</u>	<u>22,903</u>	<u>210,805</u>
-	12,580	-	-	-	13,838
-	45,000	-	79,892	18,785	183,712
13,504	29,492	-	-	-	292,289
-	-	(2,717)	-	-	(2,717)
<u>13,504</u>	<u>87,072</u>	<u>(2,717)</u>	<u>79,892</u>	<u>18,785</u>	<u>487,122</u>
<u>\$ 16,761</u>	<u>\$ 87,072</u>	<u>\$ -</u>	<u>\$ 136,523</u>	<u>\$ 41,688</u>	<u>\$ 733,675</u>

Village of Thiensville

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue Funds				
	Stormwater Management Fund	Fire Equipment Replacement Fund	Act 102 Fund	Police Donation Fund	Fire Donation Fund
Revenues					
Taxes	\$ 42,000	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	5,488	-	-
Public charges for services	-	147,370	-	-	-
Investment income	-	-	-	-	-
Miscellaneous revenues	-	-	-	1,700	11,401
Total revenues	<u>42,000</u>	<u>147,370</u>	<u>5,488</u>	<u>1,700</u>	<u>11,401</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	145,276	1,334	1,623	4,764
Public works	24,934	-	-	-	-
Culture, recreation and education	-	-	-	-	-
Capital Outlay	87,060	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>111,994</u>	<u>145,276</u>	<u>1,334</u>	<u>1,623</u>	<u>4,764</u>
Excess (deficiency) of revenues over expenditures	<u>(69,994)</u>	<u>2,094</u>	<u>4,154</u>	<u>77</u>	<u>6,637</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Debt issued	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(69,994)</u>	<u>2,094</u>	<u>4,154</u>	<u>77</u>	<u>6,637</u>
Fund Balances, Beginning	<u>231,932</u>	<u>86,519</u>	<u>9,905</u>	<u>6,126</u>	<u>13,136</u>
Fund Balances (Deficit), Ending	<u>\$ 161,938</u>	<u>\$ 88,613</u>	<u>\$ 14,059</u>	<u>\$ 6,203</u>	<u>\$ 19,773</u>

Village of Thiensville

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

Special Revenue Funds			Debt Service Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Old Village Hall Fund	Park Improvement Fund	TID #2	Laurel Acres Special Assessment B Bond Fund	Century Estates Special Assessment B Bond Fund	
\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000
-	-	-	28,088	25,795	53,883
-	-	-	-	-	5,488
-	-	-	-	-	147,370
-	248	-	3,241	2,435	5,924
-	35,543	-	-	-	48,644
<u>3,000</u>	<u>35,791</u>	<u>-</u>	<u>31,329</u>	<u>28,230</u>	<u>306,309</u>
-	-	29,280	-	-	29,280
-	-	-	-	-	152,997
-	-	-	-	-	24,934
1,732	3,813	-	-	-	5,545
-	-	379,574	-	-	466,634
-	-	-	90,000	100,000	190,000
-	-	-	4,939	3,743	8,682
<u>1,732</u>	<u>3,813</u>	<u>408,854</u>	<u>94,939</u>	<u>103,743</u>	<u>878,072</u>
<u>1,268</u>	<u>31,978</u>	<u>(408,854)</u>	<u>(63,610)</u>	<u>(75,513)</u>	<u>(571,763)</u>
-	-	31,137	-	-	31,137
-	(77,027)	-	-	-	(77,027)
-	-	375,000	-	-	375,000
<u>-</u>	<u>(77,027)</u>	<u>406,137</u>	<u>-</u>	<u>-</u>	<u>329,110</u>
1,268	(45,049)	(2,717)	(63,610)	(75,513)	(242,653)
<u>12,236</u>	<u>132,121</u>	<u>-</u>	<u>143,502</u>	<u>94,298</u>	<u>729,775</u>
<u>\$ 13,504</u>	<u>\$ 87,072</u>	<u>\$ (2,717)</u>	<u>\$ 79,892</u>	<u>\$ 18,785</u>	<u>\$ 487,122</u>