

**VILLAGE OF WAUNAKEE, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**



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## INDEPENDENT AUDITORS' REPORT

Village Board  
Village of Waunakee, Wisconsin

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Waunakee (the Village) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Waunakee, Wisconsin and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the general fund budgetary comparison schedule and the schedules relating to pension as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Supplementary Information***

Our audit for the year ended December 31, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The detailed comparison of general fund budgeted and actual revenues and expenditures, and the nonmajor governmental fund combining statements are presented for purposes of additional analysis and are 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 for the year ended December 31, 2021 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 GAAS. In our opinion, the detailed comparison of general fund budgeted and actual revenues and expenditures, and the nonmajor governmental fund combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2021.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2022, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Wausau, Wisconsin  
June 16, 2022

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF WAUNAKEE, WISCONSIN  
STATEMENT OF NET POSITION  
YEAR ENDED DECEMBER 31, 2021**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 19,031,103	\$ 12,012,845	\$ 31,043,948
Receivables:			
Taxes and Special Charges, Net	10,019,804	-	10,019,804
Delinquent Taxes	583	-	583
Accounts	586,113	2,026,080	2,612,193
Special Assessments	1,918	-	1,918
Loans	425,000	-	425,000
Other	42,968	136,453	179,421
Internal Balances	69,504	(69,504)	-
Inventories and Prepaid Items	314,840	451,599	766,439
Investment in Joint Venture	3,076,114	-	3,076,114
Restricted Assets:			
Cash and Investments	583,173	1,361,456	1,944,629
Net Pension Asset	2,178,410	543,540	2,721,950
Capital Assets, Nondepreciable	20,249,778	632,126	20,881,904
Capital Assets, Depreciable, Net	75,034,677	49,640,341	124,675,018
Total Assets	<u>131,613,985</u>	<u>66,734,936</u>	<u>198,348,921</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on Advance Refunding	-	48,962	48,962
Pension Related Amounts	3,646,212	901,232	4,547,444
Other Postemployment Related Amounts	430,941	143,073	574,014
Total Deferred Outflows of Resources	<u>4,077,153</u>	<u>1,093,267</u>	<u>5,170,420</u>
<b>LIABILITIES</b>			
Accounts Payable	341,795	1,744,892	2,086,687
Accrued and Other Current Liabilities	336,509	68,430	404,939
Due to Other Governments	93,924	-	93,924
Accrued Interest Payable	290,914	24,996	315,910
Deposits	362,470	163,328	525,798
Commitment to Community	-	53,334	53,334
Unearned Revenues	783,920	116,725	900,645
Long-Term Obligations:			
Due Within One Year:			
Long-Term Debt	4,424,787	825,000	5,249,787
Compensated Absences	303,467	53,055	356,522
Due in More Than One Year:			
Long-Term Debt	29,865,807	3,630,000	33,495,807
Compensated Absences	1,102,747	300,645	1,403,392
Other Postemployment Benefits	864,301	281,967	1,146,268
Other Liabilities	-	21,235	21,235
Total Liabilities	<u>38,770,641</u>	<u>7,283,607</u>	<u>46,054,248</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	16,048,369	-	16,048,369
Gain on Refunding	699,522	-	699,522
Pension Related Amounts	4,773,139	1,191,712	5,964,851
Other Postemployment Related Amounts	100,546	39,530	140,076
Total Deferred Inflows of Resources	<u>21,621,576</u>	<u>1,231,242</u>	<u>22,852,818</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	62,398,410	45,826,733	108,225,143
Restricted:			
Long-Term Debt	1,226,287	262,523	1,488,810
Capital Expenditures	-	114,004	114,004
Pension Benefits	2,178,410	543,540	2,721,950
Parks	583,173	-	583,173
Library	63,390	-	63,390
Senior Center	461,517	-	461,517
Community Development	16,812	-	16,812
Grants	4,038	-	4,038
TIF Expenditures	1,629,808	-	1,629,808
Unrestricted	<u>6,737,076</u>	<u>12,566,554</u>	<u>19,303,630</u>
Total Net Position	<u>\$ 75,298,921</u>	<u>\$ 59,313,354</u>	<u>\$ 134,612,275</u>



**VILLAGE OF WAUNAKEE, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 1,346,240	\$ 109,244	\$ -	\$ -
Public Safety	3,952,981	443,864	145,448	-
Public Works	7,296,347	943,561	928,281	483,069
Health and Human Services	649,109	77,588	120,843	-
Culture and Recreation	4,208,583	1,016,114	334,177	-
Conservation and Development	794,728	478,015	-	-
Interest and Fiscal Charges	1,091,024	-	-	-
Total Governmental Activities	<u>19,339,012</u>	<u>3,068,386</u>	<u>1,528,749</u>	<u>483,069</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Electric Utility	13,005,950	14,097,804	-	325,696
Water Utility	1,776,377	2,519,988	-	505,864
Sewer Utility	2,911,557	3,501,025	-	73,824
Total Business-Type Activities	<u>17,693,884</u>	<u>20,118,817</u>	<u>-</u>	<u>905,384</u>
Total	<u>\$ 37,032,896</u>	<u>\$ 23,187,203</u>	<u>\$ 1,528,749</u>	<u>\$ 1,388,453</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Totals
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ (1,236,996)	\$ -	\$ (1,236,996)
Public Safety	(3,363,669)	-	(3,363,669)
Public Works	(4,941,436)	-	(4,941,436)
Health and Human Services	(450,678)	-	(450,678)
Culture and Recreation	(2,858,292)	-	(2,858,292)
Conservation and Development	(316,713)	-	(316,713)
Interest and Fiscal Charges	(1,091,024)	-	(1,091,024)
Total Governmental Activities	<u>(14,258,808)</u>	<u>-</u>	<u>(14,258,808)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Electric Utility	-	1,417,550	1,417,550
Water Utility	-	1,249,475	1,249,475
Sewer Utility	-	663,292	663,292
Total Business-Type Activities	<u>-</u>	<u>3,330,317</u>	<u>3,330,317</u>
Total	(14,258,808)	3,330,317	(10,928,491)
<b>GENERAL REVENUES AND TRANSFERS</b>			
Taxes:			
Property Taxes	11,152,149	-	11,152,149
Tax Increments	3,365,195	-	3,365,195
Other Taxes	39,353	-	39,353
Federal and State Grants and Other Contributions not Restricted to Specific Functions	719,649	-	719,649
Interest and Investment Earnings	143,021	(29,103)	113,918
Miscellaneous	99,391	-	99,391
Gain on Sale of Asset	659,000	-	659,000
Transfers	969,789	(969,789)	-
Total General Revenues and Transfers	<u>17,147,547</u>	<u>(998,892)</u>	<u>16,148,655</u>
<b>CHANGE IN NET POSITION</b>	2,888,739	2,331,425	5,220,164
Net Position - Beginning of Year	<u>72,410,182</u>	<u>56,981,929</u>	<u>129,392,111</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 75,298,921</u>	<u>\$ 59,313,354</u>	<u>\$ 134,612,275</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

<b>ASSETS</b>	General	Debt Service	Capital Improvements
Cash and Investments	\$ 8,699,501	\$ 2,092,847	\$ 2,383,441
Restricted Cash and Investments	-	-	-
Receivables:			
Taxes and Special Charges, Net	4,197,557	1,659,155	723,346
Delinquent Personal Property Taxes	583	-	-
Accounts	574,800	-	-
Special Assessments	1,918	-	-
Loans	-	425,000	-
Other	42,968	-	-
Due from Other Funds	238,111	-	-
Advance to Other Funds	448,966	-	-
Prepaid Items	314,840	-	-
Total Assets	\$ 14,519,244	\$ 4,177,002	\$ 3,106,787
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 219,456	\$ -	\$ 76,353
Accrued and Other Current Liabilities	336,509	-	-
Due to Other Funds	2,203	-	-
Advance from Other Funds	-	-	-
Due to Other Governments	93,924	-	-
Special Deposits	362,470	-	-
Unearned Revenues	347,150	-	-
Total Liabilities	1,361,712	-	76,353
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	6,719,289	2,659,801	1,155,000
<b>FUND BALANCES</b>			
Nonspendable	763,806	-	-
Restricted	-	1,517,201	10,676
Committed	-	-	1,864,758
Assigned	2,301,297	-	-
Unassigned (Deficit)	3,373,140	-	-
Total Fund Balances	6,438,243	1,517,201	1,875,434
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,519,244	\$ 4,177,002	\$ 3,106,787

**VILLAGE OF WAUNAKEE, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2021**

<b>ASSETS</b>	<u>TID No. 3</u>	<u>TID No. 6</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Cash and Investments	\$ 450,258	\$ 1,778,143	\$ 3,626,913	\$ 19,031,103
Restricted Cash and Investments	-	-	583,173	583,173
Receivables:				
Taxes and Special Charges, Net	746,580	824,434	1,868,732	10,019,804
Delinquent Personal Property Taxes	-	-	-	583
Accounts	-	-	11,313	586,113
Special Assessments	-	-	-	1,918
Loans	-	-	-	425,000
Other	-	-	-	42,968
Due from Other Funds	-	-	-	238,111
Advance to Other Funds	-	-	239,294	688,260
Prepaid Items	-	-	-	314,840
Total Assets	<u>\$ 1,196,838</u>	<u>\$ 2,602,577</u>	<u>\$ 6,329,425</u>	<u>\$ 31,931,873</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 45,986	\$ 341,795
Accrued and Other Current Liabilities	-	-	-	336,509
Due to Other Funds	119,029	-	47,375	168,607
Advance from Other Funds	239,294	-	448,966	688,260
Due to Other Governments	-	-	-	93,924
Special Deposits	-	-	-	362,470
Unearned Revenues	-	-	436,770	783,920
Total Liabilities	<u>358,323</u>	<u>-</u>	<u>979,097</u>	<u>2,775,485</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	1,196,838	1,321,655	2,995,786	16,048,369
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	763,806
Restricted	-	1,280,922	1,477,816	4,286,615
Committed	-	-	1,373,067	3,237,825
Assigned	-	-	-	2,301,297
Unassigned (Deficit)	<u>(358,323)</u>	<u>-</u>	<u>(496,341)</u>	<u>2,518,476</u>
Total Fund Balances	<u>(358,323)</u>	<u>1,280,922</u>	<u>2,354,542</u>	<u>13,108,019</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,196,838</u>	<u>\$ 2,602,577</u>	<u>\$ 6,329,425</u>	<u>\$ 31,931,873</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2021**

	2021
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION</b>	
Total Fund Balances as Shown on Previous Page	\$ 13,108,019
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	95,284,455
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	3,076,114
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred Inflows Related to Gain on Refunding	(699,522)
Deferred Outflows Related to Pensions	3,646,212
Deferred Inflows Related to Pensions	(4,773,139)
Deferred Outflows Related to Other Postemployment Benefits	430,941
Deferred Inflows Related to Other Postemployment Benefits	(100,546)
Long-term assets are not considered available; therefore, are not reported in the funds:	
Net Pension Asset	2,178,410
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(33,334,006)
Premium on Debt	(956,588)
Compensated Absences	(1,406,214)
Other Postemployment Benefit	(864,301)
Accrued Interest on Long-Term Obligations	(290,914)
Net Position of Governmental Activities as Reported on the Statement of Net Position	\$ 75,298,921

**VILLAGE OF WAUNAKEE, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>
<b>REVENUES</b>			
Taxes	\$ 6,110,382	\$ 2,636,743	\$ 1,080,000
Intergovernmental	1,527,503	-	198,316
Licenses and Permits	630,250	163,567	-
Fines and Forfeitures	58,486	-	-
Public Charges for Services	1,327,649	-	34,298
Intergovernmental Charges for Services	119,843	-	-
Miscellaneous	233,258	15,046	624,165
Total Revenues	<u>10,007,371</u>	<u>2,815,356</u>	<u>1,936,779</u>
<b>EXPENDITURES</b>			
Current:			
General Government	1,485,647	-	-
Public Safety	4,155,873	-	-
Public Works	2,477,196	-	-
Health and Human Services	-	-	-
Culture and Recreation	1,866,097	-	-
Conservation and Development	621,476	-	-
Debt Service:			
Principal	-	2,049,542	-
Interest and Fiscal Charges	-	817,237	-
Capital Outlay	-	-	2,546,667
Total Expenditures	<u>10,606,289</u>	<u>2,866,779</u>	<u>2,546,667</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(598,918)	(51,423)	(609,888)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Capital Assets	-	-	-
Transfers In	975,289	862,069	346,793
Transfers Out	(1,217,769)	-	(118,559)
Total Other Financing Sources (Uses)	<u>(242,480)</u>	<u>862,069</u>	<u>228,234</u>
<b>NET CHANGE IN FUND BALANCES</b>	(841,398)	810,646	(381,654)
Fund Balances - Beginning of Year	<u>7,279,641</u>	<u>706,555</u>	<u>2,257,088</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,438,243</u>	<u>\$ 1,517,201</u>	<u>\$ 1,875,434</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

	TID No. 3	TID No. 6	Nonmajor Governmental Funds	Total
<b>REVENUES</b>				
Taxes	\$ 1,077,025	\$ 1,030,904	\$ 2,505,076	\$ 14,440,130
Intergovernmental	38,779	14,190	471,921	2,250,709
Licenses and Permits	-	-	101,315	895,132
Fines and Forfeitures	-	-	-	58,486
Public Charges for Services	-	-	602,203	1,964,150
Intergovernmental Charges for Services	-	-	60,123	179,966
Miscellaneous	1,738	23,446	90,038	987,691
Total Revenues	<u>1,117,542</u>	<u>1,068,540</u>	<u>3,830,676</u>	<u>20,776,264</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	76,685	1,562,332
Public Safety	-	-	-	4,155,873
Public Works	-	-	67,791	2,544,987
Health and Human Services	-	-	649,121	649,121
Culture and Recreation	-	-	1,225,614	3,091,711
Conservation and Development	-	-	26,118	647,594
Debt Service:				
Principal	670,000	355,000	255,000	3,329,542
Interest and Fiscal Charges	87,855	222,441	115,808	1,243,341
Capital Outlay	2,295	2,275	289,443	2,840,680
Total Expenditures	<u>760,150</u>	<u>579,716</u>	<u>2,705,580</u>	<u>20,065,181</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	357,392	488,824	1,125,096	711,083
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	3,360	3,360
Transfers In	-	-	694,569	2,878,720
Transfers Out	-	-	(572,603)	(1,908,931)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>125,326</u>	<u>973,149</u>
<b>NET CHANGE IN FUND BALANCES</b>	357,392	488,824	1,250,422	1,684,232
Fund Balances - Beginning of Year	<u>(715,715)</u>	<u>792,098</u>	<u>1,104,120</u>	<u>11,423,787</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (358,323)</u>	<u>\$ 1,280,922</u>	<u>\$ 2,354,542</u>	<u>\$ 13,108,019</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances as Shown on Previous Page \$ 1,684,232

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 Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Capital Outlay in Governmental Fund Statements	2,840,680
Items Reported as Capital Outlay, but not Capitalized	(1,571,274)
Contributed Capital Assets	272,771
Depreciation Expense Reported in the Statement of Activities	(4,548,180)
Net Book Value of Disposals	(102,057)

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

Principal Repaid	3,329,542
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The proportionate share of the change in net position related to joint ventures reported in the Statement of Net Position neither provides or uses current financial resources and are not reported in the fund statements

264,828

Some expenses reported 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:

Accrued Interest on Long-Term Debt	13,572
Amortization of Premiums, Discounts and Loss on Advance Refunding	138,745
Compensated Absences	18,746
Net Pension Liability (Asset)	1,106,689
Deferred Outflows of Resources Related to Pensions	1,117,506
Deferred Inflows of Resources Related to Pensions	(1,557,066)
Other Postemployment Benefits	(235,349)
Deferred Outflows of Resources Related to Other Postemployment Benefits	118,545
Deferred Inflows of Resources Related to Other Postemployment Benefits	(3,191)
	(3,191)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities

\$ 2,888,739



**VILLAGE OF WAUNAKEE, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2021**

	Electric Utility	Water Utility	Sewer Utility	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 7,096,892	\$ 2,169,550	\$ 2,746,403	\$ 12,012,845
Receivables:				
Customer Accounts	1,247,033	186,576	592,471	2,026,080
Other	92,477	37,864	6,112	136,453
Due from Other Funds	1,930	183	90	2,203
Inventories and Prepaid Items	407,498	44,101	-	451,599
Total Current Assets	8,845,830	2,438,274	3,345,076	14,629,180
Noncurrent Assets:				
Restricted Assets				
Cash and Investments	391,390	664,451	305,615	1,361,456
Other Assets:				
Net Pension Asset	347,857	135,648	60,035	543,540
Capital Assets:				
Nondepreciable	296,108	260,348	75,670	632,126
Depreciable, Net	15,966,528	21,136,225	12,537,588	49,640,341
Total Capital Assets	16,262,636	21,396,573	12,613,258	50,272,467
Total Assets	25,847,713	24,634,946	16,323,984	66,806,643
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Advance Refunding	12,610	22,644	13,708	48,962
Pension Related Amounts	576,996	225,020	99,216	901,232
Other Postemployment Related Amounts	91,564	35,706	15,803	143,073
Total Deferred Outflows of Resources	681,170	283,370	128,727	1,093,267

**VILLAGE OF WAUNAKEE, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS (CONTINUED)  
DECEMBER 31, 2021**

	Electric Utility	Water Utility	Sewer Utility	Total
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 1,744,892	\$ -	\$ -	\$ 1,744,892
Accrued and Other Current Liabilities	54,975	8,970	4,485	68,430
Due to Other Funds	71,707	-	-	71,707
Customer Deposits	11,184	35,324	-	46,508
Commitment to Community	53,334	-	-	53,334
Unearned Revenue	-	116,725	-	116,725
Accrued Interest	6,839	12,121	6,036	24,996
Customer Advances for Construction	52,820	32,000	32,000	116,820
Current Portion of Compensated Absences	33,960	12,735	6,360	53,055
Current Portion of Long-Term Debt	250,000	425,000	150,000	825,000
Total Current Liabilities	<u>2,279,711</u>	<u>642,875</u>	<u>198,881</u>	<u>3,121,467</u>
Long-Term Obligations, Less Current Portion:				
Revenue Bonds	874,000	1,485,000	1,271,000	3,630,000
Compensated Absences	192,440	72,165	36,040	300,645
Other Postemployment Benefits	180,454	70,369	31,144	281,967
Other Liabilities	21,235	-	-	21,235
Total Long-Term Liabilities	<u>1,268,129</u>	<u>1,627,534</u>	<u>1,338,184</u>	<u>4,233,847</u>
Total Liabilities	3,547,840	2,270,409	1,537,065	7,355,314
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related Amounts	762,677	297,408	131,627	1,191,712
Other Postemployment Related Amounts	25,299	9,865	4,366	39,530
Total Deferred Inflows of Resources	<u>787,976</u>	<u>307,273</u>	<u>135,993</u>	<u>1,231,242</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	15,111,550	19,509,217	11,205,966	45,826,733
Restricted:				
Debt Service	62,513	106,238	93,772	262,523
Capital	29,493	52,509	32,002	114,004
Pension Benefits	347,857	135,648	60,035	543,540
Unrestricted	6,641,654	2,537,022	3,387,878	12,566,554
Total Net Position	<u>\$ 22,193,067</u>	<u>\$ 22,340,634</u>	<u>\$ 14,779,653</u>	<u>\$ 59,313,354</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	Electric Utility	Water Utility	Sewer Utility	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 14,097,804	\$ 2,519,988	\$ 3,501,025	\$ 20,118,817
<b>OPERATING EXPENSES</b>				
Operations and Maintenance	11,880,687	1,089,082	2,551,421	15,521,190
Depreciation	977,748	600,986	308,667	1,887,401
Taxes	107,808	21,264	11,714	140,786
Total Operating Expenses	<u>12,966,243</u>	<u>1,711,332</u>	<u>2,871,802</u>	<u>17,549,377</u>
<b>OPERATING INCOME</b>	1,131,561	808,656	629,223	2,569,440
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income	(16,344)	(5,314)	(7,445)	(29,103)
Interest and Fiscal Charges	(31,456)	(55,193)	(36,671)	(123,320)
Amortization of Loss on Refinancing	(5,532)	(9,852)	(3,084)	(18,468)
Other Nonoperating Expenses	(2,719)	-	-	(2,719)
Total Nonoperating Revenues (Expenses)	<u>(56,051)</u>	<u>(70,359)</u>	<u>(47,200)</u>	<u>(173,610)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	1,075,510	738,297	582,023	2,395,830
Capital Contributions	325,696	505,864	73,824	905,384
Transfers Out	(477,849)	(491,940)	-	(969,789)
<b>CHANGE IN NET POSITION</b>	923,357	752,221	655,847	2,331,425
Net Position - Beginning of Year	<u>21,269,710</u>	<u>21,588,413</u>	<u>14,123,806</u>	<u>56,981,929</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 22,193,067</u>	<u>\$ 22,340,634</u>	<u>\$ 14,779,653</u>	<u>\$ 59,313,354</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	Electric Utility	Water Utility	Sewer Utility	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 14,139,861	\$ 2,626,987	\$ 3,310,989	\$ 20,077,837
Cash Received from Other Funds for Fire Protection and Street Lighting	120,197	-	-	120,197
Cash Paid for Employee Wages and Benefits	(773,884)	(344,320)	(155,070)	(1,273,274)
Cash Paid to Suppliers	(11,074,690)	(890,375)	(2,532,947)	(14,498,012)
Net Cash Provided by Operating Activities	2,411,484	1,392,292	622,972	4,426,748
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer to Other Funds	(477,849)	(491,940)	-	(969,789)
Net Cash Used by Noncapital Financing Activities	(477,849)	(491,940)	-	(969,789)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(922,572)	(234,259)	(109,633)	(1,266,464)
Proceeds from the Sale of Capital Assets	27,419	39,605	-	67,024
Capital Contributions	305,323	29,000	29,000	363,323
Principal Paid on Long-Term Debt	(239,000)	(401,000)	(150,000)	(790,000)
Interest Paid on Long-Term Debt	(32,763)	(57,431)	(37,198)	(127,392)
Net Cash Used by Capital and Related Financing Activities	(861,593)	(624,085)	(267,831)	(1,753,509)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Return on Investments	(8,940)	(5,314)	(7,445)	(21,699)
Investments Sold (Purchased)	(679,446)	(191,968)	(247,936)	(1,119,350)
Net Cash Used by Investing Activities	(688,386)	(197,282)	(255,381)	(1,141,049)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	383,656	78,985	99,760	562,401
Cash and Cash Equivalents - Beginning of Year	2,836,901	1,549,220	1,394,925	5,781,046
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,220,557</u>	<u>\$ 1,628,205</u>	<u>\$ 1,494,685</u>	<u>\$ 6,343,447</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

	Electric Utility	Water Utility	Sewer Utility	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income	\$ 1,131,561	\$ 808,656	\$ 629,223	\$ 2,569,440
Miscellaneous Nonoperating Income (Expenses)	(2,719)	-	-	(2,719)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	977,748	600,986	308,667	1,887,401
Depreciation Charged to Clearing and Other Utilities	62,400	30,625	-	93,025
Change in Asset (Liability) and Deferred Outflows and Inflows of Resources:				
Change in WRS Asset (Liability)	(171,491)	(59,292)	(33,048)	(263,831)
Change in WRS Deferred Outflow	(163,918)	(48,773)	(34,022)	(246,713)
Change in WRS Deferred Inflow	231,913	67,619	50,411	349,943
Change in OPEB Asset (Liability)	64,379	20,116	13,383	97,878
Change in OPEB Deferred Outflow	(41,128)	(13,870)	(8,085)	(63,083)
Change in OPEB Deferred Inflow	2,067	(193)	811	2,685
(Increase) Decrease in Assets:				
Customer Accounts Receivables	(137,781)	(2,240)	(265,765)	(405,786)
Other Receivables	(13,899)	(21,006)	3,724	(31,181)
Due from Other Funds	21,215	12,061	7,400	40,676
Inventories and Prepaid Items	(1,938)	(575)	-	(2,513)
Increase (Decrease) in Liabilities:				
Accounts Payable	345,215	-	-	345,215
Accrued and Other Current Liabilities	11,181	2,461	(5,927)	7,715
Due to Other Funds	(4,900)	-	-	(4,900)
Customer Deposits	(2,921)	17	-	(2,904)
Compensated Absences	104,500	(4,300)	(43,800)	56,400
Net Cash Provided by Operating Activities	<u>\$ 2,411,484</u>	<u>\$ 1,392,292</u>	<u>\$ 622,972</u>	<u>\$ 4,426,748</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>				
Cash and Cash Equivalents in Current Assets	\$ 7,096,892	\$ 2,169,550	\$ 2,746,403	\$ 12,012,845
Cash and Cash Equivalents in Restricted Assets	391,390	664,451	305,615	1,361,456
Total Cash and Investments	7,488,282	2,834,001	3,052,018	13,374,301
Less: Noncash Equivalents	(4,267,725)	(1,205,796)	(1,557,333)	(7,030,854)
Total Cash and Cash Equivalents	<u>\$ 3,220,557</u>	<u>\$ 1,628,205</u>	<u>\$ 1,494,685</u>	<u>\$ 6,343,447</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Assets Financed by Developer/Municipality	\$ -	\$ 505,864	\$ 73,824	\$ 579,688
Adjustment of Investments to Fair Value	(109,319)	(30,887)	(39,892)	(180,098)

**VILLAGE OF WAUNAKEE, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2021**

	Tax Collection Custodial Fund
<b>ASSETS</b>	
Cash and Investments	\$ 11,579,308
Taxes Receivable	19,128,531
Total Assets	30,707,839
 <b>LIABILITIES</b>	
Due to Other Governments	11,579,308
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	19,128,531
 <b>NET POSITION</b>	
Fiduciary Net Position - Held for Others	\$ -

**VILLAGE OF WAUNAKEE, WISCONSIN  
 STATEMENT OF CHANGES IN NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED DECEMBER 31, 2021**

	Tax Collection Custodial Fund
<b>ADDITIONS</b>	
Property Tax Collections	\$ 28,478,429
<b>DEDUCTIONS</b>	
Payments to Taxing Jurisdictions	28,478,429
<b>CHANGE IN NET POSITION</b>	-
Net Position - Beginning of Year	-
<b>NET POSITION - END OF YEAR</b>	\$ -

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Village of Waunakee, Wisconsin (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Village are described below:

**A. Reporting Entity**

The Village is a municipal corporation governed by an elected seven member board. In accordance with GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has identified the following component unit:

**Component Unit Not Presented**

*Community Development Authority*

The government-wide financial statements include the Community Development Authority (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the village president. Wisconsin Statutes provide for circumstances whereby the village can impose its will on the CDA, and also create a potential financial benefit to or burden on the village. The CDA is part of the reporting entity of the Village of Waunakee. However, the CDA had no financial transactions during 2021 which are material to these financial statements. Also, the CDA does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The CDA does not issue separate financial statements.

**B. Joint Venture**

**1. EMS**

The Village of Waunakee and the towns of Westport, Dane, Vienna and Springfield, jointly operate the local EMS District, which is called the WWDVS, and provides ambulance and rescue service. The communities share in the operation of the District based on population. The governing body is made up of board members from each community. Local representatives are appointed by the local board. The governing body has authority to adopt its own budget and control the financial affairs of the district. The Village made payments totaling \$323,978 to the District for 2021. The Village has an equity interest in the organization equal to its share of participation. The equity interest at December 31, 2021 is \$1,868,666. Financial information of the District as of December 31, 2021 is available directly from the District's office.



**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Joint Venture (Continued)**

**2. Fire**

The Village of Waunakee and towns of Westport, Vienna and Springfield jointly operate the local fire district, which is called the Waunakee Fire District, and provides fire protection service. The communities share in the operation of the District based on equalized values. The governing body is made up of two trustees from the Village Board and one member from each Town Board and the presiding officer of the Fire Department. The governing body has authority to adopt its own budget and control the financial affairs of the District. The Village made payments totaling \$614,920 to the district for 2021. The Village has an equity interest in the organization equal to its share of participation. The equity interest at December 31, 2021 is \$1,463,254. Financial information of the district as of December 31, 2021 is available directly from the District's office.

**3. Refuse**

The Village of Waunakee, City of Middleton, and Village of Shorewood Hills jointly operate the local refuse district, which is called the Metropolitan Refuse District, and provides landfill services. The communities share in the operation of the District based on equalized values. The governing body is made up of citizens from each community. Local representatives are appointed by the board or council. The governing body has authority to adopt its own budget and control the financial affairs of the District. The Village has an equity interest in the organization equal to its share of participation. The equity interest at December 31, 2021 is (\$255,806), which is based upon the most recent available financial information. Financial information of the district as of December 31, 2021 is available directly from the District's office.

**C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide and Fund Financial Statements (Continued)**

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. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The Village has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

**General Fund**

This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

**Debt Service Fund**

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

**Capital Improvement Fund**

This fund accounts for and reports 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.

**TID No. 3 Capital Projects Fund**

This fund is used to account for the project plan costs of the Village's TID No. 3.

**TID No. 6 Capital Projects Fund**

This fund is used to account for the project plan costs of the Village's TID No. 6.

The Village reports the following major enterprise funds:

**Electric Utility Fund**

This fund accounts for the operations of the Village's electric utility.

**Water Utility Fund**

This fund accounts for the operations of the Village's water utility.

**Sewer Utility Fund**

This fund accounts for the operations of the Village's sewer utility.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide and Fund Financial Statements (Continued)**

The Village also reports the following fiduciary fund:

**Custodial Fund**

The custodial fund accounts for property taxes and special assessments and charges collected on behalf of other governments.

**D. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeitures and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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 Village's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

**2. Property Taxes and Special Charges/Receivable**

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Village properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village. Special charges not paid by January 31 are held in trust by the County and remitted to the Village, including interest, when collected by the County.

In addition to its levy, the Village also levies taxes for the Waunakee Community School District, Dane County and Madison Area Technical College.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**3. Accounts Receivable**

Accounts receivable are recorded at gross amount with uncollectable amounts recognized under the direct write-off method. The municipal court receivable has been shown net of an allowance of \$21,858, which represents uncollectable accounts. No provision for uncollectible accounts receivable has been made in the accompanying enterprise fund financial statements because the water, sewer and electric utilities have the right by law to place delinquent bills on the tax roll.

**4. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

**5. Restricted Assets**

Restricted assets are cash and cash equivalents whose use is limited by legal requirement.

**6. Inventories**

Inventories are recorded at cost, which approximates market, using the weighted average method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

**7. Prepaid Items**

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**8. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of one year for general capital assets and 25 years for infrastructure assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20 to 50
Improvements	10 to 50
Machinery and Equipment	4 to 50
Utility System	3 to 100
Infrastructure	25 to 50
Intangibles	10

**9. Compensated Absences**

**Governmental Funds**

Under terms of employment, employees are granted sick leave and vacation leave 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 available resources.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**9. Compensated Absences (Continued)**

**Governmental Funds (Continued)**

The Village provides postemployment health insurance benefits for all eligible employees. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Under the personnel handbook, employees hired prior to May 16, 2013, may convert unused sick leave up to 1,168 hours upon retirement to pay health insurance premiums. The conversion rate shall be the employee's hourly rate of pay at the time of retirement. Certain employees hired prior to May 16, 2013 have separate agreements which allows for a conversion of up to 1,188 hours at a rate of one and one-half times the employees rate of pay upon retirement. Employees hired after May 16, 2013 are not eligible for this benefit. Employees under the police union contract may convert 1,188 accumulated sick leave hours at a rate of one and one half the employees pay rate at the time of retirement for employees hired prior to January 1, 1996 and at straight time for employees hired after this date to pay for health care premiums.

Premiums paid for employees who have converted sick leave upon retirement are recognized as an expenditure as the premiums are paid. The entire cost is paid by the Village through current year resources and a reserve account with a balance of \$1,257,975. Total costs for such benefits during 2021 were \$124,609. The number of participants currently eligible to receive benefits is seven. The total amount outstanding at year-end to be paid in the future is \$388,362 and is included in the government wide statement of net position.

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. The amount of accumulated sick leave is \$869,613.

Vested vacation, holiday, and other compensatory pay is required to be used in the year earned, unless approved by the village administrator to be carried over. Carryovers of unused vacation leave are limited to a maximum of one week. Accumulated vacation, holiday, and other compensatory pay carryover as of December 31, 2021, is estimated to be \$148,239.

**Proprietary Funds**

Employees earn one day of sick leave per month and varying amounts of vacation annually. Employees may convert an unlimited amount of accumulated sick leave to pay for health insurance premiums upon retirement. Payments made in 2021 for postretirement benefits were not material. The estimated liability at December 31, 2021 is \$353,700.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**9. Compensated Absences (Continued)**

**Proprietary Funds (Continued)**

Vested vacation, holiday, and other compensatory pay is required to be used in the year earned, unless approved by the utility general manager to be carried over. Carryovers of unused vacation leave are limited to a maximum of one week. Accumulated vacation, holiday, and other compensatory pay carryover as of December 31, 2021, is estimated to be \$37,377.

**All Funds**

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, 2021 are determined on the basis of current salary rates and include salary related payments.

**10. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

**11. Long-Term Obligations**

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.



**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**12. Pensions**

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

**13. Other Postemployment Benefits Other Than Pensions (OPEB)**

**Local Retiree Life Insurance Fund**

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**14. Fund Equity**

***Governmental Fund Financial Statements***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**14. Fund Equity (Continued)**

***Governmental Fund Financial Statements (Continued)***

- **Committed Fund Balance.** 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.
  
- **Assigned Fund Balance.** Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
  
- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Village has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

***Government-Wide and Proprietary Fund Statements***

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

- **Net Investment in Capital Assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
  
- **Restricted Net Position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

**14. Fund Equity (Continued)**

***Government-Wide and Proprietary Fund Statements (Continued)***

- **Unrestricted Net Position.** Net position that is neither classified as restricted nor as net investment in capital assets.

**F. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**NOTE 2 STEWARDSHIP AND COMPLIANCE**

**A. Budgets and Budgetary Accounting**

The Village follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**A. Budgets and Budgetary Accounting (Continued)**

- 5. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2021.

**B. Deficit Fund Equity**

The following funds had deficit fund balance as of December 31, 2021:

Funds	Deficit Fund Balance
TID No. 3	\$ 358,323
TID No. 5	448,966
TID No. 9	47,375

The Village anticipates future revenues and tax increments will finance the deficits in the funds.

**C. Property Tax Levy Limit**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2021 and 2022 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2021 budget was 2.67%. The actual limit for the Village for the 2022 budget was 3.21%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The Village maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the Village's cash and investments totaled \$44,567,885 on December 31, 2021 as summarized below:

Petty Cash and Cash on Hand	\$ 70,234
Deposits with Financial Institutions	30,491,622
Investments	
US Government Treasury Bonds	1,323,726
Corporate Bonds	6,115,446
State and Municipal Bonds	4,031,972
FHLMC (Federal Home Loan Mortgage)	243,157
Federal Home Loan Bank (FHLB)	498,888
Federal Farm Credit Bureau	660,249
Negotiable Certificates of Deposit	1,016,418
Wisconsin Local Government Investment Pool	116,173
Total	\$ 44,567,885

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position	
Cash and Investments	31,043,948
Restricted Cash and Investments	1,944,629
Fiduciary Fund Statement of Net Position	
Custodial Fund	11,579,308
Total	\$ 44,567,885

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

**Fair Value Measurements**

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village currently has the following fair value measurements as of December 31, 2021:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
US Government Treasury Bonds	\$ -	\$ 1,323,726	\$ -
Corporate Bonds	-	6,115,446	-
State and Municipal Bonds	-	4,031,972	-
FHLMC (Federal Home Loan Mortgage)	-	243,157	-
Federal Home Loan Bank (FHLB)	-	498,888	-
Federal Farm Credit Bureau	-	660,249	-
Negotiable Certificates of Deposit	-	1,016,418	-
Total	<u>\$ -</u>	<u>\$ 13,889,856</u>	<u>\$ -</u>

Deposits and investments of the Village are subject to various risks. Presented below is a discussion of the Village's deposits and investments and the related risks.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Village's custodial credit policy requires the Village to minimize custodial credit risk by fully collateralizing all demand deposit accounts, including checking accounts and nonnegotiable certificates of deposit or obtaining a Federal Home Loan Bank irrevocable Letter of Credit equal to 100% (at market) of the funds on deposit.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

**Custodial Credit Risk (Continued)**

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2021, \$27,678,727 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. \$23,744,779 was collateralized with an irrevocable letter of credit in the name of the Village. \$3,933,948 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Village's name.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The Village's credit risk policy will minimize credit risk by:

- Limiting investments to the types of securities purchased to allowable legal investments.
- Performing due diligence on the financial institutions, broker/dealers, intermediaries and advisers with which the Village of Waunakee will do business.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- Ensuring all investments held by an entity or its agent, or counterparty's trust department or agent, are held in the name of the Village.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

**Credit Risk (Continued)**

Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	A	Not Rated
US Government Treasury Bonds	\$ 1,323,726	\$ 1,323,726	-	-	-	-
Corporate Bonds	6,115,446	-	668,404	5,194,041	253,001	-
State and Municipal Bonds	4,031,972	-	314,625	3,717,347	-	-
FHLMC (Federal Home Loan Mortgage)	243,157	-	-	243,157	-	-
Federal Home Loan Bank (FHLB)	498,888	-	-	498,888	-	-
Federal Farm Credit Bureau	660,249	-	-	660,249	-	-
Negotiable Certificates of Deposit	1,016,418	-	-	-	-	1,016,418
Wisconsin Local Government Investment Pool	116,173	-	-	-	-	116,173
Totals	<u>\$ 14,006,029</u>	<u>\$ 1,323,726</u>	<u>\$ 983,029</u>	<u>\$ 10,313,682</u>	<u>\$ 253,001</u>	<u>\$ 1,132,591</u>

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village investment policy limits the exposure to interest rate risk by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio to less than 3 years.

As of December 31, 2021, the Wisconsin Local Government Investment Pool had a weighted average maturity of 74 days. Information about the sensitivity of the fair values of the Village's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
US Government Treasury Bonds	\$ 1,323,726	-	-	1,323,726	-
Corporate Bonds	6,115,446	846,396	2,679,391	2,444,677	144,982
State and Municipal Bonds	4,031,972	619,505	1,140,178	2,272,289	-
FHLMC (Federal Home Loan Mortgage)	243,157	-	-	243,157	-
Federal Home Loan Bank (FHLB)	498,888	-	-	498,888	-
Federal Farm Credit Bureau	660,249	-	-	660,249	-
Negotiable Certificates of Deposit	1,016,418	280,315	242,341	493,762	-
Wisconsin Local Government Investment Pool	116,173	116,173	-	-	-
Totals	<u>\$ 14,006,029</u>	<u>\$ 1,862,389</u>	<u>\$ 4,061,910</u>	<u>\$ 7,936,748</u>	<u>\$ 144,982</u>



**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributable to the magnitude of a government's investment in a single issuer. At December 31, 2021, investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Village holdings are as follows:

Issuer	Investment Type	Percent of Total Investments
Apple	Corporate Bond	5.6 %
West Pac	Corporate Bond	5.5

The Village has investments in the Wisconsin Local Government Investment Pool of \$116,173 at year-end. The 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, 2021, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Restricted Assets**

Restricted assets on December 31, 2021 totaled \$1,944,629 and consisted of cash and investments held for the following purposes:

Funds	Amount
Governmental Funds:	
Park Reservation	\$ 46,698
Park Impact	536,475
Enterprise Funds:	
Electric Utility:	
Redemption Account	69,352
Reserve Account	292,545
Depreciation Account	29,493
Water Utility:	
Redemption Account	118,359
Reserve Account	493,583
Depreciation Account	20,507
Replacement Account	32,002
Sewer Utility:	
Redemption Account	99,808
Reserve Account	173,805
Replacement Account	32,002
Total	<u>\$ 1,944,629</u>

Park Reservation	Fees in lieu of park land that must be spent in accordance with local ordinances and state statutes. Funds may only be used for the purchase of park land.
Park Impact	Impact fees that must be spent in accordance with local ordinances and state statutes. Unspent funds must be refunded to the current property owner.
Redemption Account	Segregated resources accumulated for debt service payment over the next twelve months.
Reserve Account	Resources set aside to make up potential future deficiencies in the redemption account.
Depreciation Account	Segregated resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.
Replacement Account	Segregated resources set aside to fund capital expenditures.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 20,006,747	\$ 121,468	\$ -	\$ 20,128,215
Construction in Progress	178,117	338,831	395,385	121,563
Total Capital Assets, Nondepreciable	20,184,864	460,299	395,385	20,249,778
Capital Assets, Depreciable:				
Buildings and Improvements	30,089,543	395,385	-	30,484,928
Improvements Other Than Buildings	5,288,441	212,420	130,479	5,370,382
Equipment	7,027,578	616,455	316,142	7,327,891
Intangibles	28,460	-	-	28,460
Infrastructure	93,531,463	253,003	-	93,784,466
Subtotals	135,965,485	1,477,263	446,621	136,996,127
Less Accumulated Depreciation for:				
Buildings and Improvements	11,368,455	1,142,899	-	12,511,354
Improvements Other Than Buildings	2,576,691	186,508	69,714	2,693,485
Equipment	4,320,152	463,279	274,850	4,508,581
Intangibles	20,151	990	-	21,141
Infrastructure	39,472,385	2,754,504	-	42,226,889
Subtotals	57,757,834	4,548,180	344,564	61,961,450
Total Capital Assets, Depreciable, Net	78,207,651	(3,070,917)	102,057	75,034,677
Governmental Activities Capital Assets, Net	<u>\$ 98,392,515</u>	<u>\$ (2,610,618)</u>	<u>\$ 497,442</u>	95,284,455
Less: Capital Related Debt				(30,659,398)
Less: Deferred Gain on Refunding				(699,522)
Less: Debt Premium				(956,588)
Less: Capital Related Payables and Retainages				(41,213)
Plus: Unspent Debt Proceeds				<u>10,676</u>
Net Investment in Capital Assets				<u>\$ 62,938,410</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 532,269	\$ -	\$ -	\$ 532,269
Construction in Progress	363,681	68,774	332,598	99,857
Total Capital Assets, Nondepreciable	895,950	68,774	332,598	632,126
Capital Assets, Depreciable:				
Buildings and Improvements	5,551,316	28,426	15,805	5,563,937
Equipment	8,413,966	68,991	46,545	8,436,412
Infrastructure	63,308,376	1,965,231	102,633	65,170,974
Subtotals	77,273,658	2,062,648	164,983	79,171,323
Less Accumulated Depreciation for:				
Buildings and Improvements	2,434,092	133,122	27,370	2,539,844
Equipment	6,002,784	261,044	47,403	6,216,425
Infrastructure	19,211,642	1,653,281	90,210	20,774,713
Subtotals	27,648,518	2,047,447	164,983	29,530,982
Total Capital Assets, Depreciable, Net	49,625,140	15,201	-	49,640,341
Business-Type Activities Capital Assets, Net	<u>\$ 50,521,090</u>	<u>\$ 83,975</u>	<u>\$ 332,598</u>	50,272,467
Less: Capital Related Debt				(4,455,000)
Less: Capital Related Payables				(39,696)
Add: Deferred Charge on Refunding				48,962
Net Investment in Capital Assets				<u>\$ 45,826,733</u>

Depreciation expense was charged to functions of the Village as follows:

<b>Governmental Activities:</b>	
General Government	\$ 47,694
Public Safety	249,965
Public Works	2,984,571
Health and Human Services	2,239
Culture and Recreation	1,263,711
Total Depreciation Expense - Governmental Activities	<u>\$ 4,548,180</u>
<b>Business-Type Activities:</b>	
Electric Utility	\$ 1,040,148
Water Utility	631,611
Sewer Utility	308,667
Total Depreciation Expense - Business-Type Activities	1,980,426
Depreciation Charged to Operating Accounts	67,021
Total Increase in Accumulated Depreciation	<u>\$ 2,047,447</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivable, Payables, and Transfers**

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2021 are detailed below:

	Interfund Receivables	Interfund Payables
Operating Accounts Between Funds:		
Governmental Fund:		
General	\$ 71,707	\$ 2,203
Enterprise Funds:		
Electric Utility	1,930	71,707
Water Utility	183	-
Wastewater Utility	90	-
Subtotal	73,910	73,910
Temporary Cash Advances to Finance		
Operating Cash Deficits:		
Governmental Funds:		
General	166,404	-
TID No. 3	-	119,029
TID No. 9	-	47,375
Subtotal	166,404	166,404
Long-Term Advances for Repayment of General Obligation Debt and Capital Projects:		
Governmental Funds:		
General	448,966	-
Equipment Replacement	239,294	-
TID No. 3	-	239,294
TID No. 5	-	448,966
Subtotal	688,260	688,260
Totals	\$ 928,574	\$ 928,574

The general fund is advancing funds to TID No. 5. The amount of the advance is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. The general fund is charging the TID district interest on the advance based on the average outstanding balance during the year at the rate of 5.61%. No repayment schedule has been established.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivable, Payables, and Transfers (Continued)**

Interfund transfers for the year ended December 31, 2021 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 975,289	\$ 1,217,769
Debt Service	862,069	-
Capital Improvements	346,793	118,559
Park Impact	18,559	81,093
Library	-	5,500
Equipment Replacement	190,000	-
TID No. 2	-	486,010
TID No. 5	486,010	-
Electric Utility	-	477,849
Water Utility	-	491,940
Total	<u>\$ 2,878,720</u>	<u>\$ 2,878,720</u>

Interfund transfers were made for the following purposes:

Tax Equivalent Payment Made by Electric and Water Utility to General Fund	\$ 966,832
Transfer of Appropriation of Income from Utility	2,957
Library Director Bonus	5,500
Tax Increment Sharing	486,010
Transfer of Revenues to Fund Authorized to Spend	1,417,421
Total	<u>\$ 2,878,720</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2021:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Debt:					
Bonds	\$ 35,655,000	\$ -	\$ 3,215,000	\$ 32,440,000	\$ 3,560,000
Notes from Direct Borrowings					
State Trust Fund Loans	1,008,548	-	114,542	894,006	864,787
Total General Obligation Debt	36,663,548	-	3,329,542	33,334,006	4,424,787
Debt Premium	1,031,342	-	74,754	956,588	-
Compensated Absences	1,424,960	261,400	280,146	1,406,214	303,467
Governmental Activities					
Long-Term Obligations	<u>\$ 39,119,850</u>	<u>\$ 261,400</u>	<u>\$ 3,684,442</u>	<u>\$ 35,696,808</u>	<u>\$ 4,728,254</u>
<b>Business-Type Activities:</b>					
Revenue Bonds	\$ 5,245,000	\$ -	\$ 790,000	\$ 4,455,000	\$ 825,000
Compensated Absences	297,300	56,400	-	353,700	53,055
Other Liabilities	21,235	-	-	21,235	-
Business-Type Activities					
Long-Term Obligations	<u>\$ 5,563,535</u>	<u>\$ 56,400</u>	<u>\$ 790,000</u>	<u>\$ 4,829,935</u>	<u>\$ 878,055</u>

Total interest paid during the year on long-term debt totaled \$1,333,192.

**General Obligation Debt**

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2021
State Trust Fund Loan	5/28/03	3/15/23	5.00%	\$ 385,931	\$ 57,046
General Obligation Bond	5/22/08	6/1/23	3.50 - 3.90%	1,330,000	230,000
General Obligation Bond	11/8/11	11/1/31	1.50 - 4.80%	1,345,000	880,000
General Obligation Bond	4/18/12	4/1/32	4.00%	13,245,000	275,000
General Obligation Bond	4/18/12	4/1/32	3.00 - 3.50%	1,355,000	1,105,000
General Obligation Bond	1/6/16	4/1/35	2.00 - 3.00%	6,055,000	4,550,000
General Obligation Bond	12/15/16	5/1/29	1.20 - 2.50%	2,920,000	2,250,000
General Obligation Bond	1/12/17	6/1/36	3.00 - 4.00%	8,855,000	7,585,000
General Obligation Bond	6/7/18	6/1/38	3.00 - 3.55%	7,450,000	6,740,000
State Trust Fund Loan	7/2/20	3/15/30	3.00%	925,000	836,960
General Obligation Bond	4/29/20	6/1/35	2.00 - 3.00%	9,620,000	8,825,000
Total Outstanding					
General Obligation					
Debt					<u>\$ 33,334,006</u>

The Village's outstanding notes from direct borrowings related to governmental activities of \$894,006 are subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the State of Wisconsin.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**General Obligation Debt (Continued)**

Annual principal and interest maturities of the outstanding general obligation debt of \$33,334,006 on December 31, 2021 are detailed below:

Year Ending December 31,	Governmental Activities					
	Bonded Debt		Notes from Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 3,560,000	\$ 916,738	\$ 864,787	\$ 27,961	\$ 4,424,787	\$ 944,699
2023	3,725,000	803,476	29,219	1,461	3,754,219	804,937
2024	2,755,000	703,665	-	-	2,755,000	703,665
2025	2,100,000	632,459	-	-	2,100,000	632,459
2026	2,060,000	573,883	-	-	2,060,000	573,883
2027-2031	10,330,000	1,943,951	-	-	10,330,000	1,943,951
2032-2036	7,055,000	665,768	-	-	7,055,000	665,768
2037-2038	855,000	30,513	-	-	855,000	30,513
Total	<u>\$ 32,440,000</u>	<u>\$ 6,270,453</u>	<u>\$ 894,006</u>	<u>\$ 29,422</u>	<u>\$ 33,334,006</u>	<u>\$ 6,299,875</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

**Legal Margin for New Debt**

The Village's legal margin for creation of additional general obligation debt on December 31, 2021 was \$82,012,194, calculated as follows:

Equalized Valuation of the Village	\$ 2,306,924,000
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	115,346,200
Less: Total Outstanding General Obligation Debt Applicable to Debt Limitation	33,334,006
Legal Margin for New Debt	\$ 82,012,194

**Revenue Bonds**

Revenue bonds outstanding on December 31, 2021 was comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
2011 Water and Light	12/21/11	10/1/26	0.80 - 3.20 %	\$ 3,845,000	\$ 1,675,000
2013 Water and Light	3/14/13	10/1/25	2.00 - 2.35 %	3,385,000	890,000
2013 Sewer Bonds	3/14/13	5/1/30	2.00 - 2.85 %	2,325,000	1,360,000
2016 Water and Light	9/1/16	10/1/26	1.50 - 2.00 %	1,000,000	530,000
Total Outstanding Revenue Bonds					\$ 4,455,000



**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Revenue Bonds (Continued)**

Annual principal and interest maturities of the outstanding revenue bonds of \$4,455,000 on December 31, 2021 are detailed below:

<u>Year Ending December 31.</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 825,000	\$ 110,033	\$ 935,033
2023	865,000	91,233	956,233
2024	875,000	70,501	945,501
2025	730,000	48,420	778,420
2026	515,000	29,898	544,898
2027 - 2030	645,000	37,089	682,089
Total	<u>\$ 4,455,000</u>	<u>\$ 387,173</u>	<u>\$ 4,842,173</u>

**Utility Revenues Pledged**

The Village has pledged future customer revenues, net of specified operating expenses, to repay the water, electric and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The water and electric bonds are payable solely from customer net revenues and are payable through 2026. The total principal and interest remaining to be paid on the bonds is \$3,311,478. Principal and interest paid for the current year and total customer net revenues were \$729,995 and \$3,497,281, respectively. The sewer bonds are payable solely from customer net revenues and are payable through 2030. The total principal and interest remaining to be paid on the bonds is \$1,530,695. Principal and interest paid for the current year and total customer net revenues were \$187,198 and \$930,440, respectively.

**Operating Lease**

The Village has entered into a lease with the Waunakee Area Fire District for the portion of the Waunakee Public Safety Building that is occupied by the District. The lease period covers the period commencing January 1, 2021 and ending on December 31, 2021. The annual rental payment is \$35,350 for 2021 for the leased property.

**Conduit Debt**

The Village has approved the issuance of Community Development Authority Revenue Bonds (CDARB) for the benefit of a nonprofit organization. CDARB's are secured loan agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of CDARB's outstanding at the end of the year is approximately \$539,595, made up of the 2011 Community Development Authority Revenue Bonds.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan**

**1. Postretirement Adjustments**

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

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

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.

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

Final average earnings is the average of the participant's three highest earnings periods. 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 WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**1. Postretirement Adjustments (Continued)**

Vested participants may retire at or after 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.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2011	-1.2%	11%
2012	-7.0%	-7%
2013	-9.6%	9%
2014	4.7%	25%
2015	2.9%	2%
2016	0.5%	-5%
2017	2.0%	4%
2018	2.4%	17%
2019	0.0%	-10%
2020	1.7%	21%

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**2. Contributions**

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

The Village of Waunakee and Waunakee Utilities (the Utilities) make separate contributions to the WRS. Separate information is presented below for the Village and the utilities' pension activity.

During the year ending December 31, 2021, the WRS recognized \$422,002 in contributions from the Village and \$99,669 from the Utilities.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (Including Teachers, Executives and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

**3. Pension Assets, Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2021, the Village reported an asset of \$2,178,410 and the Utilities reported an asset of \$543,540 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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, 2020, the Village's proportion was 0.03489288%, which was an increase of 0.00165560% from its proportion measured as of December 31, 2019. At December 31, 2020, the Utilities' proportion was 0.00870620%, which was a decrease of 0.00003157% from its proportion measured as of December 31, 2019.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**3. Pension Assets, Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the year ended December 31, 2021, the Village recognized pension revenue of \$232,558 and the Utilities reported pension revenue of \$60,773.

At December 31, 2021, the Village and Utilities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Village of Waunakee</b>		
Differences Between Expected and Actual Experience	\$ 3,152,827	\$ 679,113
Net Differences Between Projected and Actual		
Earnings on Pension Plan Investments	-	4,089,788
Changes in Assumptions	49,410	-
Changes in Proportion and Differences Between		
Employer Contributions and Proportionate Share		
of Contributions	21,973	4,238
Employer Contributions Subsequent to the		
Measurement Date	422,002	-
Total	\$ 3,646,212	\$ 4,773,139
<b>Waunakee Utilities</b>		
Differences Between Expected and Actual Experience	\$ 786,667	\$ 169,447
Net Differences Between Projected and Actual		
Earnings on Pension Plan Investments	-	1,020,451
Changes in Assumptions	12,328	-
Changes in Proportion and Differences Between		
Employer Contributions and Proportionate Share		
of Contributions	2,568	1,814
Employer Contributions Subsequent to the		
Measurement Date	99,669	-
Total	\$ 901,232	\$ 1,191,712

\$422,002 reported as deferred outflows related to pension resulting from the Village's contributions and \$99,669 reported as deferred outflows related to pension resulting from the Utilities' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts related to the Village reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**3. Pension Assets, Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

<u>Year Ending December 31,</u>	<u>Expense</u>
2022	\$ (399,118)
2023	(104,373)
2024	(734,931)
2025	(310,507)
Total	<u>\$ (1,548,929)</u>

Other amounts related to the Utilities reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2022	\$ (101,231)
2023	(26,956)
2024	(184,148)
2025	(77,813)
Total	<u>\$ (390,148)</u>

**4. 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, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.9%

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

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**4. Actuarial Assumptions (Continued)**

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, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

**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:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0%	3.2%	0.8%
Inflation Sensitive Assets	16.0%	2.0%	-0.4%
Real Estate	8.0%	5.6%	3.1%
Private Equity/Debt	11.0%	10.2%	7.6%
Multi-Asset	4.0%	5.8%	33.0%
Cash	-15.0%	0.9%	N/A
Total Core Fund	<u>100.0%</u>	6.6%	4.1%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0%	6.6%	4.1%
International Equities	30.0%	7.4%	4.9%
Total Variable Fund	<u>100.0%</u>	7.1%	4.6%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

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

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**4. Actuarial Assumptions (Continued)**

**Single Discount Rate.** A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (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, 2020. 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% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members 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.

Sensitivity of the Village's and Utilities' proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Village's and Utilities' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0%, as well as what the Village's Utilities' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,073,545	\$ (2,178,410)	\$ (5,301,441)
Utilities' Proportionate Share of the Net Pension Liability (Asset)	517,374	(543,540)	(1,322,774)

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

**5. Payables to the Pension Plan**

At December 31, 2021, the Village reported a payable of \$89,314 and the Utilities reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.



**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits**

**Plan Description**

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

**OPEB Plan Fiduciary Net Position**

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

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

**Benefits Provided**

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

**Contributions**

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

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

Contribution rates as of December 31, 2021 are:

Coverage Type	Member Contribution
50% Postretirement Coverage	40% of member contribution
25% Postretirement Coverage	20% of member contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2020 are listed below:

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

**Contributions (Continued)**

Life Insurance Member Contribution Rates* For the Year Ended December 31, 2020		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	0.05	0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

\*Disabled members under age 70 receive a waiver-of-premium benefits

The Village of Waunakee and Waunakee Utilities (“the Utilities”) make separate contributions to the LRLIF. Separate information is presented below for the Village and the Utilities.

During the reporting period, the LRLIF recognized \$3,310 in contributions from the Village and \$1,033 from the Utilities.

**OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2021, the Village reported a liability of \$864,301 and the Utilities reported a liability of \$281,967 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. Each entity’s proportion of the net OPEB liability was based on each entity’s share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the Village’s proportion was 0.15712500%, which was an increase of 0.00942100% from its proportion measured as of December 31, 2019. At December 31, 2020, the Utility’s proportion was 0.05126000%, which was a decrease of 0.00802800% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized OPEB expense of \$123,125. For the year ended December 31, 2021, the Utilities recognized OPEB expense of \$38,500.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to OPEB (Continued)**

At December 31, 2021, the Village and the Utilities reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Village of Waunakee</b>		
Differences Between Expected and Actual Experience	\$ -	\$ 41,243
Net Differences Between Projected and Actual		
Earnings on OPEB Plan Investments	12,584	-
Changes in Assumptions	336,225	59,303
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	82,132	-
Total	\$ 430,941	\$ 100,546
<b>Waunakee Utilities</b>		
Differences Between Expected and Actual Experience	\$ -	\$ 13,455
Net Differences Between Projected and Actual		
Earnings on OPEB Plan Investments	4,105	-
Changes in Assumptions	109,689	19,347
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	29,279	6,728
Total	\$ 143,073	\$ 39,530

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

<u>Year Ending December 31,</u>	<u>Expense</u>
2022	\$ 63,835
2023	62,474
2024	61,072
2025	55,103
2026	59,927
Thereafter	27,984
Total	\$ 330,395

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

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

<u>Year Ending December 31,</u>	<u>Expense</u>
2022	\$ 19,158
2023	18,714
2024	18,256
2025	16,112
2026	19,898
Thereafter	11,405
Total	<u>\$ 103,543</u>

**Actuarial assumptions.** The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total OPEB liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return %</u>
U.S. Credit Bonds	Barclays Credit	50%	1.47%
U.S. Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Single Discount Rate.** A single discount rate of 2.25% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the proportionate share of net OPEB liability (asset) to changes in the discount rate. The following presents the Utilities' proportionate share of the net OPEB liability calculated using the discount rate of 2.25%, as well as what the Utilities' proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Village's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,175,696	\$ 864,301	\$ 628,802
Utilities' Proportionate Share of the Net OPEB Liability (Asset)	383,556	281,967	205,138

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

**Payable to the OPEB Plan**

At December 31, 2021, the Village reported a payable of \$-0- and the Utilities reported a payable of \$-0- for the outstanding amount of contribution to the Plan required for the year ended December 31, 2021.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Fund Equity**

**Nonspendable Fund Balance**

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2021, nonspendable fund balance was as follows:

General Fund	
Nonspendable:	
Prepaid Items	\$ 314,840
Advances to Other Funds	448,966
Total General Fund Nonspendable Fund Balance	<u>\$ 763,806</u>

**Restricted Fund Balance**

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2021, restricted fund balance was as follows:

Special Revenue Funds:	
Restricted for:	
Park Reservation	\$ 46,698
Park Impact	536,475
Library	63,390
Senior Center	461,517
Community Development	16,812
Grants	4,038
Total Special Revenue Funds	<u>1,128,930</u>
Debt Service Fund:	
Restricted for:	
Retirement of Long-Term Debt	1,517,202
Capital Project Funds:	
Restricted for:	
TIF Expenditures	1,629,807
Capital Projects	10,676
Total Capital Project Funds	<u>1,640,483</u>
Total Restricted Fund Balance	<u>\$ 4,286,615</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Fund Equity (Continued)**

**Committed Fund Balance**

In the fund financial statements, portions of government fund balances are committed by Village Board action. At December 31, 2021, governmental fund balance was committed as follows:

Special Revenue Funds:	
Committed for:	
Senior Center	\$ 39,015
Senior Center Fundraising	10,251
Village Center	327,531
Capital Improvements Fund:	
Committed for:	
Equipment Replacement	996,270
Capital Improvements	<u>1,864,758</u>
Total Committed Fund Balance	<u><u>\$ 3,237,825</u></u>

**Assigned Fund Balance**

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2021, fund balance was assigned as follows:

General Fund	
Assigned for:	
Reassessment	\$ 137,134
Elections	163,073
WaunaBoom	10,704
Creative Economy initiatives	12,054
Canine Program	4,257
Library Fountain maintenance	1,446
Waunakee Artisan Market	1,718
2022 Century Ave Visioning (donation from Utilities)	1,000
Police Officer Wellness Program	4,000
Salt Shed Roof Replacement	6,500
Reeve Park/Depot Repairs and Improvements	19,500
Village Board Strategic Planning	13,843
Organizational Staffing Study	5,700
Joint Venture Stabilization	200,000
Parks Non-Lapsing Fund	51,986
Fund Balance applied to 2022 Budget	410,407
Accumulated Sick Leave Conversion	<u>1,257,975</u>
Total	<u><u>\$ 2,301,297</u></u>



**VILLAGE OF WAUNAKEE, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Fund Equity (Continued)**

**Minimum General Fund Balance Policy**

The Village has also adopted a minimum fund balance policy of 20 - 25% of subsequent year's general fund budgeted expenditures. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Subsequent Year Budgeted General Fund Expenditures	\$	11,048,123
Minimum Fund Balance %		(x) 20 - 25%
Minimum Fund Balance Amount		\$ 2,209,625 - 2,762,031

The Village's unassigned general fund balance of \$3,373,140 is above the minimum fund balance amount.

**NOTE 4 OTHER INFORMATION**

**A. Tax Incremental Financing Districts**

The Village has established separate capital projects funds for Tax Incremental Financing District (TID) Nos. 2, 3, 4, 5, 6, 7, 8, and 9 which were created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TIDs were created, the property tax base within the TIDs was "frozen" and increment taxes resulting from increases to the property tax base are used to finance TID improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village's TIDs are still eligible to incur project costs.

Since creation of the above TIDs, the Village has provided various financing sources to the TIDs. The foregoing amounts are not recorded as liabilities in the TID capital project funds but can be recovered by the Village from any future excess tax increment revenues. As of December 31, 2021, the Village can recover \$10,554,856 from future excess tax increment revenues of the following:

		Recoverable (Over-recovered) Costs
TID No. 2	\$	(8,000)
TID No. 3		1,628,323
TID No. 4		97,552
TID No. 5		1,823,966
TID No. 6		6,129,078
TID No. 7		(149,683)
TID No. 8		986,245
TID No. 9		47,375

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Tax Incremental Financing Districts (Continued)**

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective TIDs. Unless terminated by the Village prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 2	2023
TID No. 3	2023
TID No. 4	2029
TID No. 5	2031
TID No. 6	2035
TID No. 7	2044
TID No. 8	2046
TID No. 9	2039

**B. Tax Abatements**

The Village has created tax incremental financing districts (the Districts) in accordance with Wisconsin State Statute 66.1105, Tax Increment Law. As part of the project plan for the Districts, the Village entered into agreements with developers for a creation of tax base within the Districts. The agreements require the Village to make annual repayments of property taxes collected within the Districts to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2021, the Village abated property taxes totaling \$817,873 under this program, including the following tax abatement agreement:

- \$23,376 to a developer for acquiring property and constructing a building.
- \$93,191 to a developer for expansion of a facility.
- \$102,923 to a developer for acquiring property and constructing a building.
- \$74,675 to a developer for acquiring property and constructing a building.
- \$244,000 to a developer for infrastructure additions.
- \$53,417 to a developer for acquiring property and renovating a building.
- \$226,291 to a developer for acquiring property and constructing a building.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage. No settlements exceeded insurance coverage during any of the past three fiscal years.

**D. Contingencies**

From time to time, the Village is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the Village Board 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.

As stated in Note 1.B.3., the Village jointly operates a municipal landfill district (district). The district's most recent information is as of December 31, 2021. At that date, the fund balance was in a deficit position (\$671,750). Reporting standards require the village to report its share of any net deficit. The Village's proportionate share in the operations of the landfill is approximately 38%, which as of December 31, 2021 amounts to \$255,806 of the district's net deficit which is based upon the most recent available financial information. The Village's proportionate share of the budget for 2022 is \$62,950.

**Purchased Power Contract**

Waunakee Utilities is one of 51 WPPI member municipalities located throughout the state of Wisconsin, Michigan and Iowa. On December 31, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility for an initial thirty-five-year term. The contract was amended during 2002 and subsequently during 2015 to extend the term of the contract through 2055.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Contingencies (Continued)**

**Purchased Power Contract (Continued)**

The long-term contract may be terminated by either party upon five years' prior written notice effective at the end of the initial thirty-five-year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

The electric operation purchases power through WPPI Energy for distribution to its customers. Total purchases under this arrangement amounted to approximately \$10.5 million in 2021.

**E. Enterprise Funds - Significant Customers**

During 2021, one customer was billed \$522,375 by the sewer utility. This represents 15% of the sewer utility operating revenue. No other utility customer accounted for more than 10% of operating revenue.

**F. Subsequent Event**

On May 16, 2022, the Village issued \$3,485,000 in General Obligation Corporate Purpose Bonds at interest rates ranging from 3.0% to 5.0%, with principal payments ranging from \$145,000 to \$240,000.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF WAUNAKEE, WISCONSIN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL — GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 6,081,437	\$ 6,081,437	\$ 6,110,382	\$ 28,945
Intergovernmental	1,413,661	1,413,661	1,527,503	113,842
Licenses and Permits	279,845	414,138	630,250	216,112
Fines and Forfeits	61,150	61,150	58,486	(2,664)
Public Charges for Services	836,270	1,265,746	1,327,649	61,903
Intergovernmental Charges for Services	95,100	95,100	119,843	24,743
Miscellaneous	180,801	237,717	233,258	(4,459)
Total Revenues	8,948,264	9,568,949	10,007,371	438,422
<b>EXPENDITURES</b>				
Current:				
General Government:				
Village Board	87,214	96,057	74,423	21,634
Municipal Court	127,376	127,376	115,980	11,396
Legal	57,500	57,500	52,661	4,839
Administrator	211,997	298,442	298,442	-
Clerk	232,316	232,816	206,008	26,808
Elections	72,945	208,908	45,836	163,072
Network Administration	13,756	25,164	25,164	-
Assessor	66,287	178,421	43,198	135,223
Finance	367,512	367,512	351,415	16,097
Village Hall	80,817	80,817	77,393	3,424
Contingency	-	140,000	-	140,000
Uncollectible Receivables	-	1,755	1,754	1
Risk Management	215,226	215,226	190,513	24,713
Other	2,860	2,860	2,860	-
Total General Government	1,535,806	2,032,854	1,485,647	547,207
Public Safety:				
Police	2,973,685	2,987,612	2,955,843	31,769
Fire Protection	617,420	617,420	617,420	-
Ambulance	326,478	326,478	326,478	-
Inspections	121,450	255,744	255,744	-
Emergency Management	288	388	388	-
Total Public Safety	4,039,321	4,187,642	4,155,873	31,769
Public Works:				
Engineering	421,735	399,328	399,327	1
Street Maintenance	616,376	828,153	828,153	-
Snow and Ice Control	311,068	210,775	147,193	63,582
Public Works Facility	44,727	44,727	41,113	3,614
Street Lighting	144,000	144,000	110,885	33,115
Sidewalks	1,000	1,000	-	1,000
Stormwater	68,280	68,280	37,249	31,031
Garbage and Refuse	462,700	487,405	487,405	-
Recycling	449,350	431,258	425,871	5,387
Weed Control Services	500	500	-	500
Total Public Works	2,519,736	2,615,426	2,477,196	138,230

**VILLAGE OF WAUNAKEE, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL — GENERAL FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>EXPENDITURES (Continued)</b>				
Culture and Recreation:				
Library	\$ 1,397,983	\$ 1,411,444	\$ 1,332,643	\$ 78,801
Parks	500,532	450,311	450,311	-
WaunaBoom	-	69,449	69,449	-
Forestry	20,000	20,000	9,585	10,415
Cable TV	8,386	8,386	3,491	4,895
Other	500	618	618	-
Total Culture and Recreation	<u>1,927,401</u>	<u>1,960,208</u>	<u>1,866,097</u>	<u>94,111</u>
Conservation and Development:				
Development	211,135	621,476	621,476	-
Total Expenditures	<u>10,233,399</u>	<u>11,417,606</u>	<u>10,606,289</u>	<u>811,317</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	(1,285,135)	(1,848,657)	(598,918)	1,249,739
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	900,000	900,000	975,289	75,289
Transfers Out	(355,000)	(355,000)	(1,217,769)	(862,769)
Total Other Financing Sources (Uses)	<u>545,000</u>	<u>545,000</u>	<u>(242,480)</u>	<u>(787,480)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(740,135)	(1,303,657)	(841,398)	462,259
Fund Balance - Beginning of Year	<u>7,279,641</u>	<u>7,279,641</u>	<u>7,279,641</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 6,539,506</u>	<u>\$ 5,975,984</u>	<u>\$ 6,438,243</u>	<u>\$ 462,259</u>

**VILLAGE OF WAUNAKEE, WISCONSIN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
WISCONSIN RETIREMENT SYSTEM  
LAST 10 MEASUREMENT PERIODS**

**Village of Waunakee**

Measurement Period 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 (Asset)
12/31/14	0.02851252%	\$ (700,345)	\$ 3,382,014	20.71%	102.74%
12/31/15	0.02820314%	458,296	3,505,954	13.07%	98.20%
12/31/16	0.02845406%	234,529	3,659,081	6.41%	99.12%
12/31/17	0.02989733%	(887,687)	3,961,612	22.41%	102.93%
12/31/18	0.03172163%	1,128,556	4,252,603	26.54%	96.45%
12/31/19	0.03323728%	(1,071,721)	4,487,357	23.88%	102.96%
12/31/20	0.03489288%	(2,178,410)	4,907,390	44.39%	105.26%

**Waunakee Utilities**

Measurement Period 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 (Asset)
12/31/14	0.00793881%	\$ (194,998)	\$ 1,108,688	17.59%	102.74%
12/31/15	0.00815094%	132,451	1,217,988	10.87%	98.20%
12/31/16	0.00840833%	69,306	1,263,667	5.48%	99.12%
12/31/17	0.00876072%	(260,116)	1,330,336	19.55%	102.93%
12/31/18	0.00870228%	309,599	1,293,695	23.93%	96.45%
12/31/19	0.00867463%	(279,709)	1,385,960	20.18%	102.96%
12/31/20	0.00870620%	(543,540)	1,505,794	36.10%	105.26%

See Notes to Required Supplementary Information.



**VILLAGE OF WAUNAKEE, WISCONSIN  
SCHEDULE OF CONTRIBUTIONS  
WISCONSIN RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

**Village of Waunakee**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 271,905	\$ 271,905	\$ -	\$ 3,505,954	7.76 %
12/31/16	280,004	280,004	-	3,659,081	7.65
12/31/17	324,080	324,080	-	3,961,612	8.18
12/31/18	351,398	351,398	-	4,252,603	8.26
12/31/19	393,096	363,096	-	4,487,358	8.09
12/31/20	404,176	404,176	-	4,907,390	8.24
12/31/21	422,002	422,002	-	4,934,295	8.55

**Waunakee Utilities**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 82,823	\$ 82,823	\$ -	\$ 1,217,988	6.80 %
12/31/16	83,402	83,402	-	1,263,667	6.60
12/31/17	90,463	90,463	-	1,330,337	6.80
12/31/18	92,028	92,028	-	1,293,696	7.11
12/31/19	90,781	90,781	-	1,385,961	6.55
12/31/20	101,641	101,641	-	1,505,794	6.75
12/31/21	99,669	99,669	-	1,476,597	6.75

See Notes to Required Supplementary Information.

**VILLAGE OF WAUNAKEE, WISCONSIN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
LOCAL RETIREE LIFE INSURANCE FUND  
LAST 10 FISCAL YEARS**

**Village of Waunakee**

Plan Fiscal Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.12507500%	\$ 376,298	\$ 3,961,612	9.50%	44.81%
12/31/18	0.13504100%	348,451	3,739,000	9.32%	48.69%
12/31/19	0.14770400%	628,952	4,309,000	14.60%	37.58%
12/31/20	0.15712500%	864,301	4,255,000	20.31%	31.36%

**Waunakee Utilities**

Plan Fiscal Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.04699600%	\$ 141,390	\$ 1,330,336	10.63%	44.81%
12/31/18	0.04274200%	110,289	1,293,696	8.53%	48.69%
12/31/19	0.04323200%	184,089	1,385,961	13.28%	37.58%
12/31/20	0.05126000%	281,967	1,388,000	20.31%	31.36%

See Notes to Required Supplementary Information.

**VILLAGE OF WAUNAKEE, WISCONSIN  
SCHEDULE OF CONTRIBUTIONS  
LOCAL RETIREE LIFE INSURANCE FUND  
LAST 10 FISCAL YEARS**

**Village of Waunakee**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 2,608	\$ 2,608	\$ -	\$ 4,252,603	0.06%
12/31/19	2,931	2,931	-	4,487,358	0.07%
12/31/20	3,140	3,140	-	4,907,390	0.06%
12/31/21	3,310	3,310	-	4,934,295	0.07%

**Waunakee Utilities**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 826	\$ 826	\$ -	\$ 1,293,696	0.06%
12/31/19	831	831	-	1,385,961	0.06%
12/31/20	1,050	1,050	-	1,505,794	0.07%
12/31/21	1,033	1,033	-	1,476,597	0.07%

See Notes to Required Supplementary Information.

**VILLAGE OF WAUNAKEE, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

**NOTE 1 WISCONSIN RETIREMENT SYSTEMS**

There were no changes of benefits terms for any participating employer in WRS.

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

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

**NOTE 2 OTHER POSTEMPLOYMENT BENEFITS**

There were no changes of benefits terms for any participating employer in the LRLIF.

Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin retirement System (WRS) experience from 2015 – 2017 and the discount rate was updated to reflect the municipal bond rate at the completion of the actuarial valuation.

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

## **SUPPLEMENTARY INFORMATION**

**VILLAGE OF WAUNAKEE, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	Special Revenue							
	Park Reservation	Park Impact	Library	Senior Center	Senior Center Fundraising	Village Center	Community Development/ Betterment	
<b>ASSETS</b>								
Cash and Investments	\$ -	\$ -	\$ 63,390	\$ 652,769	\$ 10,269	\$ 573,708	\$ 16,812	\$ 450,190
Restricted Cash and Investments	46,698	536,475	-	-	-	-	-	-
Receivables:								
Taxes and Special Charges	-	-	-	246,856	-	378,681	-	-
Accounts	-	-	-	-	-	11,313	-	-
Advance to Other Funds	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 46,698</u></b>	<b><u>\$ 536,475</u></b>	<b><u>\$ 63,390</u></b>	<b><u>\$ 899,625</u></b>	<b><u>\$ 10,269</u></b>	<b><u>\$ 963,702</u></b>	<b><u>\$ 16,812</u></b>	<b><u>\$ 450,190</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,604	\$ 18	\$ 29,105	\$ -	\$ 10,135
Due to Other Funds	-	-	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-	-
Unearned Revenues	-	-	-	753	-	-	-	436,017
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,357</b>	<b>18</b>	<b>29,105</b>	<b>-</b>	<b>446,152</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Property Taxes Levied for Subsequent Year	-	-	-	395,736	-	607,066	-	-
<b>FUND BALANCES</b>								
Restricted	46,698	536,475	63,390	461,517	-	-	16,812	4,038
Committed	-	-	-	39,015	10,251	327,531	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b><u>46,698</u></b>	<b><u>536,475</u></b>	<b><u>63,390</u></b>	<b><u>500,532</u></b>	<b><u>10,251</u></b>	<b><u>327,531</u></b>	<b><u>16,812</u></b>	<b><u>4,038</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 46,698</u></b>	<b><u>\$ 536,475</u></b>	<b><u>\$ 63,390</u></b>	<b><u>\$ 899,625</u></b>	<b><u>\$ 10,269</u></b>	<b><u>\$ 963,702</u></b>	<b><u>\$ 16,812</u></b>	<b><u>\$ 450,190</u></b>

**VILLAGE OF WAUNAKEE, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2021**

Capital Projects

<b>ASSETS</b>	Equipment Replacement	TID No. 2	TID No. 4	TID No. 5	TID No. 7	TID No. 8	TID No. 9	Total
Cash and Investments	\$ 916,155	\$ 187,731	\$ 195,130	\$ 199,332	\$ 190,505	\$ 170,922	\$ -	\$ 3,626,913
Restricted Cash and Investments	-	-	-	-	-	-	-	583,173
Receivables:								
Taxes and Special Charges	258,872	298,006	68,988	330,508	67,685	219,136	-	1,868,732
Accounts	-	-	-	-	-	-	-	11,313
Advance to Other Funds	239,294	-	-	-	-	-	-	239,294
<b>Total Assets</b>	<b>\$ 1,414,321</b>	<b>\$ 485,737</b>	<b>\$ 264,118</b>	<b>\$ 529,840</b>	<b>\$ 258,190</b>	<b>\$ 390,058</b>	<b>\$ -</b>	<b>\$ 6,329,425</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$ 3,051	\$ -	\$ 1,073	\$ -	\$ -	\$ -	\$ -	\$ 45,986
Due to Other Funds	-	-	-	-	-	-	47,375	47,375
Advance from Other Funds	-	-	-	448,966	-	-	-	448,966
Unearned Revenues	-	-	-	-	-	-	-	436,770
<b>Total Liabilities</b>	<b>3,051</b>	<b>-</b>	<b>1,073</b>	<b>448,966</b>	<b>-</b>	<b>-</b>	<b>47,375</b>	<b>979,097</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Property Taxes Levied for Subsequent Year	415,000	477,737	110,597	529,840	108,507	351,303	-	2,995,786
<b>FUND BALANCES</b>								
Restricted	-	8,000	152,448	-	149,683	\$ 38,755	-	1,477,816
Committed	996,270	-	-	-	-	-	-	1,373,067
Unassigned (Deficit)	-	-	-	(448,966)	-	-	(47,375)	(496,341)
<b>Total Fund Balances</b>	<b>996,270</b>	<b>8,000</b>	<b>152,448</b>	<b>(448,966)</b>	<b>149,683</b>	<b>38,755</b>	<b>(47,375)</b>	<b>2,354,542</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,414,321</b>	<b>\$ 485,737</b>	<b>\$ 264,118</b>	<b>\$ 529,840</b>	<b>\$ 258,190</b>	<b>\$ 390,058</b>	<b>\$ -</b>	<b>\$ 6,329,425</b>

**VILLAGE OF WAUNAKEE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	Special Revenue							Grants
	Park Reservation	Park Impact	Library	Senior Center	Senior Center Fundraising	Village Center	Community Development/ Betterment	
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ 404,293	\$ -	\$ 609,796	\$ 30	\$ -
Intergovernmental	-	-	-	107,353	-	-	-	299,384
Licenses and Permits	-	101,315	-	-	-	-	-	-
Public Charges for Services	-	-	7,295	17,465	-	577,443	-	-
Intergovernmental Charges for Services	-	-	-	60,123	-	-	-	-
Miscellaneous	645	7,186	4,945	18,926	4,874	15,725	361	4,037
<b>Total Revenues</b>	<b>645</b>	<b>108,501</b>	<b>12,240</b>	<b>608,160</b>	<b>4,874</b>	<b>1,202,964</b>	<b>391</b>	<b>303,421</b>
<b>EXPENDITURES</b>								
Current:								
General Government	-	-	-	-	-	-	-	76,685
Public Works	-	-	-	-	-	-	-	67,791
Health and Human Services	-	-	-	569,175	1,314	-	-	78,632
Culture and Recreation	-	-	4,123	-	-	1,162,572	-	58,919
Conservation and Development	-	-	-	-	-	-	8,762	17,356
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>4,123</b>	<b>569,175</b>	<b>1,314</b>	<b>1,162,572</b>	<b>8,762</b>	<b>299,383</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>645</b>	<b>108,501</b>	<b>8,117</b>	<b>38,985</b>	<b>3,560</b>	<b>40,392</b>	<b>(8,371)</b>	<b>4,038</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-
Transfers In	-	18,559	-	-	-	-	-	-
Transfers Out	-	(81,093)	(5,500)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(62,534)</b>	<b>(5,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>645</b>	<b>45,967</b>	<b>2,617</b>	<b>38,985</b>	<b>3,560</b>	<b>40,392</b>	<b>(8,371)</b>	<b>4,038</b>
Fund Balances - Beginning of Year	46,053	490,508	60,773	461,547	6,691	287,139	25,183	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 46,698</b>	<b>\$ 536,475</b>	<b>\$ 63,390</b>	<b>\$ 500,532</b>	<b>\$ 10,251</b>	<b>\$ 327,531</b>	<b>\$ 16,812</b>	<b>\$ 4,038</b>



**VILLAGE OF WAUNAKEE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

Capital Projects

	Equipment Replacement	TID No. 2	TID No. 4	TID No. 5	TID No. 7	TID No. 8	TID No. 9	Total
<b>REVENUES</b>								
Taxes	\$ 340,000	\$ 447,132	\$ 112,445	\$ 394,806	\$ 55,815	\$ 140,759	\$ -	\$ 2,505,076
Intergovernmental	-	46,314	6,097	12,807	(34)	-	-	471,921
Licenses and Permits	-	-	-	-	-	-	-	101,315
Public Charges for Services	-	-	-	-	-	-	-	602,203
Intergovernmental Charges for Services	-	-	-	-	-	-	-	60,123
Miscellaneous	22,011	5,431	2,414	-	2,560	923	-	90,038
Total Revenues	362,011	498,877	120,956	407,613	58,341	141,682	-	3,830,676
<b>EXPENDITURES</b>								
Current:								
General Government	-	-	-	-	-	-	-	76,685
Public Works	-	-	-	-	-	-	-	67,791
Health and Human Services	-	-	-	-	-	-	-	649,121
Culture and Recreation	-	-	-	-	-	-	-	1,225,614
Conservation and Development	-	-	-	-	-	-	-	26,118
Debt Service:								
Principal	-	-	95,000	110,000	-	50,000	-	255,000
Interest and Fiscal Charges	-	-	11,900	71,789	-	32,119	-	115,808
Capital Outlay	257,515	4,867	15,248	2,274	2,490	2,274	4,775	289,443
Total Expenditures	257,515	4,867	122,148	184,063	2,490	84,393	4,775	2,705,580
<b>EXCESS OF REVENUES OVER (UNDER)</b>								
<b>EXPENDITURES</b>	104,496	494,010	(1,192)	223,550	55,851	57,289	(4,775)	1,125,096
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from Sale of Capital Assets	3,360	-	-	-	-	-	-	3,360
Transfers In	190,000	-	-	486,010	-	-	-	694,569
Transfers Out	-	(486,010)	-	-	-	-	-	(572,603)
Total Other Financing Sources (Uses)	193,360	(486,010)	-	486,010	-	-	-	125,326
<b>NET CHANGE IN FUND BALANCES</b>	297,856	8,000	(1,192)	709,560	55,851	57,289	(4,775)	1,250,422
Fund Balances - Beginning of Year	698,414	-	153,640	(1,158,526)	93,832	(18,534)	(42,600)	1,104,120
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 996,270</u>	<u>\$ 8,000</u>	<u>\$ 152,448</u>	<u>\$ (448,966)</u>	<u>\$ 149,683</u>	<u>\$ 38,755</u>	<u>\$ (47,375)</u>	<u>\$ 2,354,542</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Village Board  
Village of Waunakee, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Waunakee, Wisconsin, (the Village) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 16, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

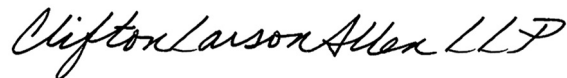
As part of obtaining reasonable assurance about whether the Village’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Village of Waunakee’s Response to Finding**

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Waunakee’s Response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Village of Waunakee’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Wausau, Wisconsin  
June 16, 2022

**VILLAGE OF WAUNAKEE, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2021**

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***Internal Control Over Financial Reporting***

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<b><u>FINDING NO.</u></b>	<b><u>CONTROL DEFICIENCIES</u></b>
2021-001	Segregation of Duties
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	The Village has a limited number of employees to essentially complete all financial and recordkeeping duties of the Village. Accordingly, this does not allow for a proper segregation of duties for internal control purposes.
Criteria or Specific Requirement:	Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.
Effect:	Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.
Cause:	The lack of segregation of duties is due to the limited number of employees and the size of the Village operations.
Repeat Finding:	This is a repeat of finding 2020-001.
Recommendation:	We recommend the Village Board continue to monitor the transactions and the financial records of the Village.
Views of Responsible Officials and Planned Corrective Action:	The Village Board will monitor the transactions and the financial records for the Village at their regular meetings.