

# **Village of Walworth**

Financial Statements and  
Supplementary Information

December 31, 2020

# Village of Walworth

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December 31, 2020

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# Village of Walworth

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## **Independent Auditors' Report**

To the Village Board of  
Village of Walworth

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Walworth, Wisconsin, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Village of Walworth's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fontana-Walworth Water Pollution Control Commission (FWWPCC), a joint venture of the water and sewer utility, which represent 32 percent, 39 percent and 36 percent, respectively, of the assets, net position and expenses of the business-type activities and 32 percent, 39 percent and 36 percent respectively, of the assets, net position and expenses of the water and sewer utility fund. Those statements were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for FWWPCC, a joint venture of the water and sewer utility, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Walworth, Wisconsin, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

Management has omitted 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 opinion on the basic financial statements is not affected by this missing information.

### *Supplementary Information*

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

*Baker Tilly US, LLP*

Milwaukee, Wisconsin  
November 23, 2021

# Village of Walworth

Statement of Net Position  
December 31, 2020

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and investments	\$ 1,466,562	\$ 1,104,976	\$ 2,571,538
Taxes receivable	1,829,852	-	1,829,852
Other receivables (net)	99,160	268,041	367,201
Prepaid items and inventories	25,094	4,486	29,580
Other assets	-	3,023,144	3,023,144
Internal balances	(15,941)	15,941	-
Restricted assets:			
Cash and investments	-	92,761	92,761
Net pension asset	201,649	32,825	234,474
Capital assets:			
Land	403,796	160,623	564,419
Other capital assets, net of depreciation	2,700,920	4,685,765	7,386,685
<b>Total assets</b>	<b>6,711,092</b>	<b>9,388,562</b>	<b>16,099,654</b>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	488,545	66,686	555,231
<b>Liabilities</b>			
Accounts payable and accrued expenses	172,247	73,646	245,893
Deposits	27,590	-	27,590
Noncurrent liabilities:			
Due within one year	176,777	321,112	497,889
Due in more than one year	903,750	1,267,730	2,171,480
<b>Total liabilities</b>	<b>1,280,364</b>	<b>1,662,488</b>	<b>2,942,852</b>
<b>Deferred Inflows of Resources</b>			
Pension related amounts	630,168	72,959	703,127
Unearned revenues	1,813,911	-	1,813,911
<b>Total deferred inflows of resources</b>	<b>2,444,079</b>	<b>72,959</b>	<b>2,517,038</b>
<b>Net Position</b>			
Net investment in capital assets	2,274,209	3,287,030	5,561,239
Restricted for:			
TID activities	99,766	-	99,766
Debt service	53,549	-	53,549
Library	253,949	-	253,949
Pension	201,649	32,825	234,474
Impact fees	112,621	-	112,621
Capital asset replacement	-	92,761	92,761
Unrestricted	479,451	4,307,185	4,786,636
<b>Total net position</b>	<b>\$ 3,475,194</b>	<b>\$ 7,719,801</b>	<b>\$ 11,194,995</b>

See notes to financial statements

**Village of Walworth**

Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>Primary Government</b>							
Governmental activities:							
General government	\$ 287,174	\$ 275,086	\$ 71,626	\$ -	\$ 59,538	\$ -	\$ 59,538
Public safety	1,524,903	288,159	22,313	-	(1,214,431)	-	(1,214,431)
Public works	428,912	53,834	124,870	-	(250,208)	-	(250,208)
Culture, education, and recreation	333,550	2,976	77,009	-	(253,565)	-	(253,565)
Conservation and development	19,345	-	-	-	(19,345)	-	(19,345)
Interest and fiscal charges	28,952	-	-	-	(28,952)	-	(28,952)
Total governmental activities	2,622,836	620,055	295,818	-	(1,706,963)	-	(1,706,963)
Business-type activities:							
Water and sewer	569,342	1,041,357	-	9,414	-	481,429	481,429
Total business-type activities	569,342	1,041,357	-	9,414	-	481,429	481,429
Total primary government	\$ 3,192,178	\$ 1,661,412	\$ 295,818	\$ 9,414	(1,706,963)	481,429	(1,225,534)
<b>General Revenues</b>							
Taxes:							
Property taxes, levied for general purposes					1,567,323	-	1,567,323
Other taxes					38	-	38
Intergovernmental revenues not restricted to specific programs					124,902	-	124,902
Public gifts and grants					24,048	-	24,048
Investment income					11,156	6,106	17,262
Miscellaneous					80,789	-	80,789
<b>Transfers</b>					84,109	(84,109)	-
Total general revenues and transfers					1,892,365	(78,003)	1,814,362
Change in net position					185,402	403,426	588,828
<b>Net Position, Beginning</b>					3,289,792	7,316,375	10,606,167
<b>Net Position, Ending</b>					\$ 3,475,194	\$ 7,719,801	\$ 11,194,995

See notes to financial statements

# Village of Walworth

Balance Sheet - Governmental Funds  
December 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>Assets</b>				
Cash and investments	\$ 833,181	\$ 62,343	\$ 571,038	\$ 1,466,562
Receivables (net):				
Taxes	1,596,048	205,163	28,641	1,829,852
Delinquent personal property taxes	34,837	-	-	34,837
Accounts	62,256	-	-	62,256
Special assessments	2,067	-	-	2,067
Prepaid items	25,094	-	-	25,094
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 2,553,483</u>	<u>\$ 267,506</u>	<u>\$ 599,679</u>	<u>\$ 3,420,668</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 28,299	\$ -	\$ 21	\$ 28,320
Accrued liabilities	135,133	-	-	135,133
Due to other funds	15,941	-	-	15,941
Deposits	27,590	-	-	27,590
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>206,963</u>	<u>-</u>	<u>21</u>	<u>206,984</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	1,580,107	205,163	28,641	1,813,911
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Fund Balances</b>				
Nonspendable	61,998	-	-	61,998
Restricted	174,390	62,343	466,336	703,069
Assigned	99,699	-	104,681	204,380
Unassigned	430,326	-	-	430,326
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>766,413</u>	<u>62,343</u>	<u>571,017</u>	<u>1,399,773</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,553,483</u>	<u>\$ 267,506</u>	<u>\$ 599,679</u>	<u>\$ 3,420,668</u>

See notes to financial statements



## Village of Walworth

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

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**Total Governmental Fund Balances** \$ 1,399,773

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

Capital assets used in governmental funds are not financial resources and,  
therefore, are not reported in the funds. See Note III.D. 3,104,716

Deferred outflows of resources related to pensions do not relate to current financial  
resources and are not reported in the governmental funds 488,545

Deferred inflows of resources related to pensions do not relate to current financial  
resources and are not reported in the governmental funds (630,168)

Some liabilities, including long-term debt, are not due and payable in the current  
period and, therefore, are not reported in the funds

Compensated absences (49,800)

General obligation debt (1,030,727)

Net pension asset 201,649

Accrued interest (8,794)

**Net Position of Governmental Activities** \$ 3,475,194

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

	<b>General</b>	<b>Debt Service</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
<b>Revenues</b>				
Taxes	\$ 1,353,530	\$ 183,121	\$ 27,543	\$ 1,564,194
Intergovernmental	469,344	-	91,328	560,672
Licenses and permits	271,447	-	-	271,447
Public charges for services	207,859	-	1,901	209,760
Investment income	8,118	-	3,038	11,156
Miscellaneous	87,873	-	19,025	106,898
Total revenues	<u>2,398,171</u>	<u>183,121</u>	<u>142,835</u>	<u>2,724,127</u>
<b>Expenditures</b>				
Current:				
General government	276,788	-	1,250	278,038
Public safety	1,414,389	-	-	1,414,389
Public works	459,103	-	-	459,103
Culture, education, and recreation	96,915	-	221,690	318,605
Conservation and development	19,124	-	-	19,124
Debt Service:				
Principal	-	163,660	-	163,660
Interest	-	28,794	-	28,794
Total expenditures	<u>2,266,319</u>	<u>192,454</u>	<u>222,940</u>	<u>2,681,713</u>
Excess (deficiency) of revenues over expenditures	<u>131,852</u>	<u>(9,333)</u>	<u>(80,105)</u>	<u>42,414</u>
<b>Other Financing Sources (Uses)</b>				
Debt issued	222,992	-	-	222,992
Transfers in	84,109	-	184,958	269,067
Transfers out	(184,958)	-	-	(184,958)
Total other financing sources (uses)	<u>122,143</u>	<u>-</u>	<u>184,958</u>	<u>307,101</u>
Net change in fund balances	253,995	(9,333)	104,853	349,515
<b>Fund Balances, Beginning</b>	<u>512,418</u>	<u>71,676</u>	<u>466,164</u>	<u>1,050,258</u>
<b>Fund Balances, Ending</b>	<u>\$ 766,413</u>	<u>\$ 62,343</u>	<u>\$ 571,017</u>	<u>\$ 1,399,773</u>

See notes to financial statements

## Village of Walworth

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended December 31, 2020

**Net Change in Governmental Fund Balances** \$ 349,515

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

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

Items reported as operating expenditures that are capitalized in the government-wide financial statements	112,872
Depreciation is reported in the government-wide statements	(224,303)

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

Debt issued	(222,992)
Principal repaid	163,660

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net pension asset	414,746
Deferred outflows of resources related to pensions	(78,611)
Deferred inflows of resources related to pensions	(338,274)
Compensated absences	8,947
Accrued interest on debt	(158)

**Change in Net Position of Governmental Activities** \$ 185,402

## Village of Walworth

Statement of Net Position - Enterprise Fund

December 31, 2020

	<b>Water and Sewer Utility</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and investments	\$ 1,104,976
Receivables:	
Accounts	263,135
Special assessments	4,906
Inventories	4,486
Due from other funds	15,941
	<hr/>
Total current assets	1,393,444
	<hr/>
<b>Noncurrent Assets</b>	
Restricted assets:	
Cash and investments	92,761
Net pension asset	32,825
Other Assets:	
Equity interest in joint venture	3,023,144
Capital assets:	
Land	160,623
Property and equipment	8,341,404
Less accumulated depreciation	(3,655,639)
	<hr/>
Total noncurrent assets	7,995,118
	<hr/>
Total assets	9,388,562
	<hr/>
<b>Deferred Outflows of Resources</b>	
Pension related amounts	66,686
	<hr/>

See notes to financial statements

## Village of Walworth

Statement of Net Position - Enterprise Fund

December 31, 2020

	<b>Water and Sewer Utility</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 65,714
Accrued interest	7,932
Current portion of general obligation and revenue bonds	<u>321,112</u>
Total current liabilities	<u>394,758</u>
<b>Noncurrent Liabilities</b>	
General obligation and revenue bonds	1,238,246
Compensated absences	<u>29,484</u>
Total noncurrent liabilities	<u>1,267,730</u>
Total liabilities	<u>1,662,488</u>
<b>Deferred Inflows of Resources</b>	
Pension related amounts	<u>72,959</u>
<b>Net Position</b>	
Net investment in capital assets	3,287,030
Restricted for capital asset replacement	92,761
Restricted for pension	32,825
Unrestricted	<u>4,307,185</u>
Total net position	<u>\$ 7,719,801</u>

See notes to financial statements

## Village of Walworth

Statement of Revenues, Expenses and Changes in Net Position - Enterprise Fund  
Year Ended December 31, 2020

	<b>Water and Sewer Utility</b>
<b>Operating Revenues</b>	
Charges for services	\$ 1,041,357
Total operating revenues	<u>1,041,357</u>
<b>Operating Expenses</b>	
Operation and maintenance	725,520
Depreciation	<u>187,009</u>
Total operating expenses	<u>912,529</u>
Operating income	<u>128,828</u>
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	6,106
Gain on joint venture	369,580
Interest expense	<u>(26,393)</u>
Total nonoperating revenues (expenses)	<u>349,293</u>
Income before contributions and transfers	478,121
<b>Capital Contributions</b>	9,414
<b>Transfers, Tax Equivalent</b>	<u>(84,109)</u>
Change in net position	403,426
<b>Net Position, Beginning</b>	<u>7,316,375</u>
<b>Net Position, Ending</b>	<u><u>\$ 7,719,801</u></u>

See notes to financial statements

## Village of Walworth

Statement of Cash Flows - Enterprise Fund  
Year Ended December 31, 2020

	<b>Water and Sewer Utility</b>
<b>Cash Flows From Operating Activities</b>	
Received from customers	\$ 1,050,872
Paid to suppliers for goods and services	(345,978)
Paid to employees for services	(260,600)
	<u>444,294</u>
Net cash provided by operating activities	<u>444,294</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Tax equivalent paid	(323,683)
	<u>(323,683)</u>
Net cash provided by noncapital financing activities	<u>(323,683)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Debt retired	(110,109)
Interest paid	(22,100)
Proceeds from debt issue	913,757
Acquisition and construction of capital assets with joint ventures	(404,869)
Acquisition and construction of capital assets	(162,642)
	<u>(216,063)</u>
Net cash provided by capital and related financing activities	<u>214,037</u>
<b>Cash Flows From Investing Activities</b>	
Investment income	6,106
	<u>6,106</u>
Net cash provided by investing activities	<u>6,106</u>
Net increase in cash and cash equivalents	340,754
<b>Cash and Cash Equivalents, Beginning</b>	<u>856,983</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 1,197,737</u>
<b>Reconciliation of Operating Income to Net Cash Flows From Operating Activities</b>	
Operating income	\$ 128,828
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation expense	187,009
Depreciation charged to other funds	9,680
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Accounts receivable	(166)
Due to/from other funds	93,559
Accounts payable	29,800
Other current liabilities	(4,424)
Pension related deferrals and assets	8
	<u>8</u>
Net cash flows from operating activities	<u>444,294</u>
<b>Reconciliation of Cash and Cash Equivalents to Statement of Net Position</b>	
Unrestricted cash and investments	1,104,976
Restricted cash and investments	92,761
	<u>92,761</u>
Total cash and cash equivalents	<u>\$ 1,197,737</u>

See notes to financial statements

# Village of Walworth

## Statement of Fiduciary Net Position - Custodial Fund

December 31, 2020

	<b>Custodial Fund</b>
<b>Assets</b>	
Cash and investments	\$ 2,255,875
Taxes receivable	1,297,281
	<hr/>
Total assets	3,553,156
	<hr/>
<b>Liabilities</b>	
Due to others	3,553,156
	<hr/>
Total liabilities	3,553,156
	<hr/>
<b>Net Position</b>	
Total net position	\$ -
	<hr/> <hr/>

See notes to financial statements



## Village of Walworth

Statement of Changes in Fiduciary Net Position - Custodial Fund  
December 31, 2020

	<u>Custodial Fund</u>
<b>Additions</b>	
Property taxes collected for other governments	\$ 2,328,542
Total additions	<u>2,328,542</u>
<b>Deductions</b>	
Property taxes distributed to other governments	<u>2,328,542</u>
Total deductions	<u>2,328,542</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

See notes to financial statements

# Village of Walworth

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December 31, 2020

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# Village of Walworth

Notes to Financial Statements  
December 31, 2020

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## 1. Summary of Significant Accounting Policies

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

### Reporting Entity

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

### Government-Wide and Fund Financial Statements

#### Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

#### Fund Financial Statements

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

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

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

# Village of Walworth

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Notes to Financial Statements  
December 31, 2020

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

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

The Village reports the following major governmental funds:

## **General Fund**

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

## **Debt Service Fund**

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

The Village reports the following major enterprise fund:

Water and Sewer Utility Fund accounts for operations of the water and sewer systems

The Village reports the following nonmajor governmental funds:

## **Special Revenue Fund**

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

Memorial Library Fund

## **Capital Projects Funds**

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects  
Tax Incremental District (TID) No. 1

In addition, the Village reports the following fund type:

## **Custodial Fund**

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

Tax Collection Fund

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

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## Measurement Focus, Basis of Accounting and Financial Statement Presentation

### Government-Wide Financial Statements

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

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

### Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

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

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

### Proprietary and Fiduciary Funds

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

## Village of Walworth

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Notes to Financial Statements  
December 31, 2020

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

### All Financial Statements

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

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

#### Deposits and Investments

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

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

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

The Village has not adopted an investment policy.

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

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

See Note 3. for further information.

## Receivables

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

Property tax calendar - 2020 tax roll:

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

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

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

## Prepaid Items

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

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

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

## Restricted Assets

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

## Capital Assets

### Government-Wide Statements

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

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

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

Buildings	20-50 Years
Land Improvements	10-50 Years
Machinery and Equipment	3-50 Years
Furniture and Fixtures	5-15 Years
Infrastructure	25-75 Years
Utility infrastructure	7-77 Years

### Fund Financial Statements

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

## Other Assets

The Village adopted an ordinance on December 3, 1984 establishing a commission to control the construction and operation of a wastewater plant and interceptors jointly owned with the Village of Fontana. The plant is operated by the Fontana-Walworth Water Pollution Control Commission (the Commission). The Village's investment in the commission is accounted for using the equity method of accounting and adjusts its investment annually for the operating results of the commission. Complete financial statements of the Fontana-Walworth Water Pollution Control Commission may be obtained from its office at N840 Chilson Rd., Sharon, Wisconsin 53585.



# Village of Walworth

Notes to Financial Statements  
December 31, 2020

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## Deferred Outflows of Resources

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

## Compensated Absences

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

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

Upon retirement, employees with 15 years of service receive up to one half of accumulated sick time; 495 hours of paid sick time for police and 480 hours of paid sick time for general employees.

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

## Long-Term Obligations

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

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

## Deferred Inflows of Resources

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

## Equity Classifications

### Government-Wide Statements

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

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

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

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- c. *Unrestricted net position* - All other net positions that do not meet the definitions of restricted or net investment in capital assets.

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

## Fund Statements

Governmental fund balances are displayed as follows:

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

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

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

See Note 3. for further information.

## Pension

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

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

## Basis for Existing Rates

### Water and Sewer Utility

Current water rates were approved by the Public Service Commission of Wisconsin and went into effect on July 1, 2018.

Current sewer rates were approved by the Village Board and were effective July 1, 2018.

## 2. Stewardship, Compliance and Accountability

### Budgetary Information

A budget has been adopted for the the general fund, library fund and the debt service fund. A budget has not been formally adopted for Capital projects fund and the TID No. 1 fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

### Limitations on the Village's Tax Levy

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

## 3. Detailed Notes on All Funds

### Deposits and Investments

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

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 4,919,634	\$ 4,205,633	Custodial credit
Petty cash	540	-	N/A
Total deposits and investments	<u>\$ 4,920,174</u>	<u>\$ 4,205,633</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 2,571,538		
Restricted cash and investments	92,761		
Per statement of fiduciary net position -			
Custodial fund			
Cash and investments	<u>2,255,875</u>		
Total deposits and investments	<u>\$ 4,920,174</u>		

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

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

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

## Custodial Credit Risk

### Deposits

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

As of December 31, 2020, \$2,874,310 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 2,874,310</u>
Total	<u><u>\$ 2,874,310</u></u>

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

## Receivables

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

	<u>Unearned</u>
Property taxes receivable for subsequent year	<u>\$ 1,813,911</u>
Total unearned revenue for governmental funds	<u><u>\$ 1,813,911</u></u>

## Restricted Assets

The following represent the balances of the restricted assets:

### Equipment Replacement Account

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

### Net Pension Asset

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

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

Following is a list of restricted assets at December 31, 2020:

## Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 403,796	\$ -	\$ -	\$ 403,796
Total capital assets not being depreciated / amortized	<u>403,796</u>	<u>-</u>	<u>-</u>	<u>403,796</u>
Capital assets being depreciated:				
Buildings and structures	1,977,995	-	-	1,977,995
Machinery and equipment	2,074,407	95,988	14,457	2,155,938
Infrastructure	1,280,518	16,884	-	1,297,402
Intangible - Computer Software	<u>20,537</u>	<u>-</u>	<u>-</u>	<u>20,537</u>
Total capital assets being depreciated / amortized	<u>5,353,457</u>	<u>112,872</u>	<u>14,457</u>	<u>5,451,872</u>
Total capital assets	<u>5,757,253</u>	<u>112,872</u>	<u>14,457</u>	<u>5,855,668</u>
Less accumulated depreciation for:				
Buildings and structures	(634,821)	(50,544)	-	(685,365)
Machinery and equipment	(1,549,973)	(140,240)	14,457	(1,675,756)
Infrastructure	(355,285)	(32,492)	-	(387,777)
Intangible - Computer Software	<u>(1,027)</u>	<u>(1,027)</u>	<u>-</u>	<u>(2,054)</u>
Total accumulated depreciation / amortization	<u>(2,541,106)</u>	<u>(224,303)</u>	<u>14,457</u>	<u>(2,750,952)</u>
Net capital assets being depreciated	<u>2,812,351</u>	<u>(111,431)</u>	<u>-</u>	<u>2,700,920</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 3,216,147</u>	<u>\$ (111,431)</u>	<u>\$ -</u>	<u>\$ 3,104,716</u>

Depreciation expense was charged to functions as follows:

## Governmental Activities

General government	\$ 6,548
Public works	64,529
Public safety	115,305
Culture, education and recreation	<u>37,921</u>
Total governmental activities depreciation / amortization expense	<u>\$ 224,303</u>

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

## Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Water</b>				
Capital assets not being depreciated:				
Land	\$ 92,533	\$ -	\$ -	\$ 92,533
Total capital assets not being depreciated / amortized	<u>92,533</u>	<u>-</u>	<u>-</u>	<u>92,533</u>
Capital assets being depreciated:				
Source of supply	565,483	-	-	565,483
Pumping	1,217,529	-	-	1,217,529
Water treatment	33,051	-	-	33,051
Transmission and distribution	3,160,764	19,936	360	3,180,340
General	318,541	83,733	-	402,274
Total capital assets being depreciated / amortized	<u>5,295,368</u>	<u>103,669</u>	<u>360</u>	<u>5,398,677</u>
Total capital assets	<u>5,387,901</u>	<u>103,669</u>	<u>360</u>	<u>5,491,210</u>
Less accumulated depreciation for:				
General	<u>(2,322,345)</u>	<u>(150,351)</u>	<u>360</u>	<u>(2,472,336)</u>
Total accumulated depreciation / amortization	<u>(2,322,345)</u>	<u>(150,351)</u>	<u>360</u>	<u>(2,472,336)</u>
Net capital assets being depreciated / amortized	<u>2,973,023</u>	<u>(46,682)</u>	<u>-</u>	<u>2,926,341</u>
Net water capital assets	<u>\$ 3,065,556</u>	<u>\$ (46,682)</u>	<u>\$ -</u>	<u>\$ 3,018,874</u>
<b>Wastewater</b>				
Capital assets not being depreciated:				
Land	\$ 68,090	\$ -	\$ -	\$ 68,090
Total capital assets not being depreciated / amortized	<u>68,090</u>	<u>-</u>	<u>-</u>	<u>68,090</u>
Capital assets being depreciated:				
Collecting system	2,233,828	-	-	2,233,828
Collecting system pumping	198,326	-	-	198,326
General	442,187	68,386	-	510,573
Total capital assets being depreciated / amortized	<u>2,874,341</u>	<u>68,386</u>	<u>-</u>	<u>2,942,727</u>
Total capital assets	<u>2,942,431</u>	<u>68,386</u>	<u>-</u>	<u>3,010,817</u>
Less accumulated depreciation/ amortization for				
Total accumulated depreciation / amortization	<u>(1,136,966)</u>	<u>(46,337)</u>	<u>-</u>	<u>(1,183,303)</u>
Net capital assets being depreciated / amortized	<u>1,737,375</u>	<u>22,049</u>	<u>-</u>	<u>1,759,424</u>
Net wastewater capital assets	<u>\$ 1,805,465</u>	<u>\$ 22,049</u>	<u>\$ -</u>	<u>\$ 1,827,514</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 4,871,021</u>	<u>\$ (24,633)</u>	<u>\$ -</u>	<u>\$ 4,846,388</u>

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

Depreciation expense was charged to functions as follows:

## Business-Type Activities

Water	\$	149,991
Sewer		<u>46,337</u>
Total business-type activities depreciation expense	\$	<u>196,328</u>

Depreciation expense is different from business-type activity accumulated depreciation additions because of joint metering, salvage cost of removal and cost associated with the disposal of assets.

## Interfund Receivables/Payables and Transfers

### Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water and Sewer Utility Fund	General Fund	\$ <u>15,941</u>
Total internal balances, government-wide statement of net position		\$ <u>15,941</u>

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ -
Business-type activities	Governmental activities	<u>15,941</u>
Total government-wide financial statements		\$ <u>15,941</u>

All amounts are due within one year.

### Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Memorial Library Fund	General Fund	\$ 184,958	Operating
General Fund	Water and Sewer Utility Fund	<u>84,109</u>	Payment in lieu of taxes
Subtotal		269,067	
Less fund eliminations		<u>(184,958)</u>	
Total transfers, government-wide statement of activities		\$ <u>84,109</u>	

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

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

## Long-Term Obligations

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation notes from direct borrowings and direct placements	\$ 971,395	\$ 222,992	\$ 163,660	\$ 1,030,727	\$ 176,777
Other liabilities:					
Vested compensated absences	58,747	-	8,947	49,800	-
Total governmental activities long-term liabilities	<u>\$ 1,030,142</u>	<u>\$ 222,992</u>	<u>\$ 172,607</u>	<u>\$ 1,080,527</u>	<u>\$ 176,777</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation notes from direct borrowings and direct placements	\$ 613,980	\$ 493,428	\$ 97,555	\$ 1,009,853	\$ 287,365
Revenue bonds	141,730	420,329	12,553	549,506	33,747
Subtotal	<u>755,710</u>	<u>913,757</u>	<u>110,108</u>	<u>1,559,359</u>	<u>321,112</u>
Other liabilities:					
Vested compensated absences	33,908	-	4,424	29,484	-
Total business-type activities long-term liabilities	<u>\$ 789,618</u>	<u>\$ 913,757</u>	<u>\$ 114,532</u>	<u>\$ 1,588,843</u>	<u>\$ 321,112</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5 percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2020, was \$13,373,290. Total general obligation debt outstanding at year end was \$2,040,580.



# Village of Walworth

Notes to Financial Statements  
December 31, 2020

## General Obligation Debt

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

<u>Governmental Activities</u>					<b>Balance</b>
<u>General Obligation Debt</u>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>December 31, 2020</b>
Promissory note	02/16/10	03/01/25	3.80%	\$ 355,000	\$ 127,262
Promissory note	11/18/10	11/18/24	3.80%	378,439	204,935
Promissory note	12/30/11	12/29/21	3.80%	72,000	8,481
Promissory note	01/21/15	09/01/24	3.00%	300,000	232,971
Promissory note	05/20/16	05/20/21	3.50%	62,000	6,703
Promissory note	05/12/17	05/12/22	3.50%	27,500	8,771
Promissory note	10/17/17	10/17/24	3.30%	74,458	54,656
Promissory note	04/03/18	04/03/23	2.50%	105,000	64,574
Promissory Note	01/15/19	01/15/22	2.85%	40,000	20,081
Promissory Note	01/15/19	01/15/24	2.85%	110,000	88,969
Promissory Note	12/09/19	12/09/22	3.00%	19,343	13,090
Promissory Note	07/21/20	03/05/25	2.25%	79,592	71,469
Promissory Note	07/21/20	03/05/25	2.25%	143,400	128,765
Total governmental activities, general obligation debt					<u>\$ 1,030,727</u>

<u>Business-Type Activities</u>					<b>Balance</b>
<u>General Obligation Debt</u>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>December 31, 2020</b>
Promissory note	11/10/14	11/01/27	3.00%	\$ 906,491	\$ 509,202
Promissory note	05/12/17	05/12/22	3.50%	27,500	8,771
Promissory note	12/09/19	12/09/22	3.00%	19,344	13,090
Promissory note	07/21/20	03/05/25	2.25%	136,600	122,659
Promissory note	07/21/20	03/05/25	2.25%	6,828	6,131
STFL	07/07/20	03/15/22	2.50%	350,000	350,000
Total business-type activities, general obligation debt					<u>\$ 1,009,853</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Notes from Direct Borrowings and Direct Placements</b>		<b>General Obligation Notes From Direct Borrowings And Direct Placements</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 176,777	\$ 28,393	\$ 287,365	\$ 23,725
2022	155,706	23,546	288,815	19,256
2023	143,319	19,451	106,509	11,736
2024	455,627	40,530	109,492	8,752
2025	99,298	1,478	97,641	5,629
2026-2027	-	-	120,031	3,484
Total	<u>\$ 1,030,727</u>	<u>\$ 113,398</u>	<u>\$ 1,009,853</u>	<u>\$ 72,582</u>

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

## Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the Water and Sewer Utility.

The water and sewer utilities has pledged future utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2009 and 2020. Proceeds from the bonds provided financing for the plant construction capital projects. The bonds are payable solely from water and wastewater revenues and are payable through 2029 and 2040 respectively. Annual principal and interest payments on the bonds are expected to require 5.00 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$569,307. Principal and interest paid for the current year and total customer net revenues were \$16,167 and \$321,943, respectively.

Revenue debt payable at December 31, 2020, consists of the following:

### Business-Type Activities Revenue Debt

<u>Wastewater Utility</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
Clean water revenue bonds	11/25/09	5/1/29	2.67%	\$ 252,220	\$ 129,177
Sewer revenue bonds	11/25/20	5/1/40	0.00%	398,953	398,953
Sewer revenue bonds	11/25/20	5/1/40	1.65%	21,376	<u>21,376</u>
				Total wastewater utility	<u>\$ 549,506</u>
					<u>\$ 549,506</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 33,747	\$ 3,589
2022	34,106	3,256
2023	34,474	2,883
2024	34,852	2,500
2025	35,240	2,107
2026-2030	166,050	4,487
2031-2035	105,282	728
2036-2040	<u>105,755</u>	<u>251</u>
Total	<u>\$ 549,506</u>	<u>\$ 19,801</u>

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

## Net Position/Fund Balances

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

### Governmental Activities

Net investment in capital assets:

Land	\$	403,796
Other capital assets, net of accumulated depreciation		2,700,920
Less long-term debt outstanding (excluding unspent capital related debt proceeds)		(1,030,727)
Plus noncapital debt proceeds		<u>200,220</u>
Total net investment in capital assets	<u>\$</u>	<u>2,274,209</u>

### Governmental Funds

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

	<u>General Fund</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund Balances</b>				
<b>Nonspendable:</b>				
Prepaid items	\$ 25,094	\$ -	\$ -	\$ 25,094
Special Assessments	2,067	-	-	2,067
DPP	<u>34,837</u>	<u>-</u>	<u>-</u>	<u>34,837</u>
Subtotal	<u>61,998</u>	<u>-</u>	<u>-</u>	<u>61,998</u>
<b>Restricted for:</b>				
Debt service	174,390	62,343	-	236,733
Library purposes	-	-	253,949	253,949
Impact fees	-	-	112,621	112,621
TIF related projects	<u>-</u>	<u>-</u>	<u>99,766</u>	<u>99,766</u>
Subtotal	<u>174,390</u>	<u>62,343</u>	<u>466,336</u>	<u>703,069</u>
<b>Assigned to:</b>				
Park projects	15,590	-	-	15,590
Property tax equivalent	84,109	-	-	84,109
Capital projects	<u>-</u>	<u>-</u>	<u>104,681</u>	<u>104,681</u>
Subtotal	<u>99,699</u>	<u>-</u>	<u>104,681</u>	<u>204,380</u>
<b>Unassigned:</b>	<u>430,326</u>	<u>-</u>	<u>-</u>	<u>430,326</u>
Total fund balances	<u>\$ 766,413</u>	<u>\$ 62,343</u>	<u>\$ 571,017</u>	<u>\$ 1,399,773</u>

### Business-Type Activities

Net investment in capital assets:

Land	\$	160,623
Other capital assets, net of accumulated depreciation		4,685,765
Less long-term debt outstanding (excluding unspent capital related debt proceeds)		<u>(1,559,358)</u>
Total net investment in capital assets	<u>\$</u>	<u>3,287,030</u>

# Village of Walworth

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Notes to Financial Statements  
December 31, 2020

## 4. Other Information

### Employees' Retirement System

#### Plan Description

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

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

#### Vesting

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

#### Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

## Village of Walworth

Notes to Financial Statements

December 31, 2020

### Post-Retirement Adjustments

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

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

## Village of Walworth

Notes to Financial Statements  
December 31, 2020

### Contributions

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

During the reporting period, the WRS recognized \$77,858 in contributions from the Village.

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

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

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

At December 31, 2020, the Village reported an asset of \$234,474 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.00727175 percent, which was an increase of 0.00014097 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$82,922.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 445,086	\$ 222,735
Changes in assumptions	18,271	-
Net differences between projected and actual earnings on pension plan investments	-	479,349
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,073	1,043
Employer contributions subsequent to the measurement date	89,801	-
Total	<u>\$ 555,231</u>	<u>\$ 703,127</u>

## Village of Walworth

Notes to Financial Statements  
December 31, 2020

\$89,801 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2021	\$ (70,798)
2022	(52,358)
2023	8,512
2024	(123,053)

### Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

## Village of Walworth

Notes to Financial Statements  
December 31, 2020

### Long-Term Expected Return on Plan Assets

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

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

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

### Single Discount Rate

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



## Village of Walworth

Notes to Financial Statements  
December 31, 2020

### Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 603,813	\$ (234,474)	\$ (861,191)

### Pension Plan Fiduciary Net Position

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

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

### Risk Management

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

### Commitments and Contingencies

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

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

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

# Village of Walworth

Notes to Financial Statements  
December 31, 2020

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## Joint Ventures

### Fontana-Walworth Water Pollution Control Commission

In 1986, the Village entered into an intergovernmental agreement with Fontana Walworth Water Pollution Control Commission (FWWPCC). The FWWPCC, organized as an Intergovernmental Cooperation established under Section 66.30 of the Wisconsin Statutes, is governed by a nine-member commission consisting of four members each from the Villages of Walworth and Fontana and a nonvoting member from Kikkoman Foods, Inc. The FWWPCC was established to provide a single contractual relationship for the joint participation in the collection, treatment and disposal of sewage for the participating entities. The municipalities own all property, real and personal, as tenants-in-common. Upon dissolution, the assets are distributed based on the percentages as set forth in the Intergovernmental Agreement, Amended Exhibit G. This agreement is recorded as a joint venture investment of the proprietary fund with a balance of \$3,023,144 at December 31, 2020. The proprietary share of the joint venture's gain for 2020 was \$369,580.

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

### Walworth Fire Department

The Village has entered into an intergovernmental agreement with the Town of Walworth to share the cost of operating a fire department and rescue squad to provide fire protection and rescue services to the Village and township.

## Effect of New Accounting Standards on Current-Period Financial Statements

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

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

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

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
<b>Taxes</b>				
General property taxes for village purposes	\$ 1,536,442	\$ 1,536,442	\$ 1,353,492	\$ (182,950)
Interest on taxes	-	-	38	38
Total	1,536,442	1,536,442	1,353,530	(182,912)
<b>Intergovernmental</b>				
Transportation aid	116,322	116,322	116,348	26
State shared revenues	98,932	98,932	99,466	534
Personal property aid	4,963	4,963	4,963	-
Fire insurance from state	9,500	9,500	9,577	77
Exempt computer aid	7,384	7,384	7,384	-
State aid, police training	1,000	1,000	1,120	120
State aid, police grants	-	-	5,000	5,000
State aid, recycling	9,000	9,000	8,522	(478)
Police service/crossing guards	10,300	10,300	10,215	(85)
County drug enforcement unit	95	95	-	(95)
County traffic task force	5,800	5,800	6,615	815
Fire service	102,480	102,480	102,480	-
Video service provider aid	3,500	3,500	3,511	11
Cares act relief	-	-	5,169	5,169
Route to recovery Covid grant	-	-	50,892	50,892
Rescue service	38,082	38,082	38,082	-
Total	407,358	407,358	469,344	61,986
<b>Licenses and Permits</b>				
Liquor and malt beverage licenses	5,800	5,800	5,860	60
Operator licenses	1,700	1,700	2,200	500
Cigarette licenses	700	700	700	-
Other licenses	500	500	965	465
Building permits	42,700	42,700	83,088	40,388
Dog licenses	200	200	242	42
Court penalties and fees	125,000	125,000	177,787	52,787
Parking violations	1,500	1,500	605	(895)
Total	178,100	178,100	271,447	93,347

See notes to required supplementary information

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

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
<b>Public Charges for Services</b>				
Publication fees	\$ 65	\$ 65	\$ 116	\$ 51
Awards and judgements	-	-	45	45
Clerk fees	2,000	2,000	2,116	116
Police fees	1,000	1,000	820	(180)
Rescue squad fees	70,000	70,000	95,515	25,515
Public works fees	-	-	2,207	2,207
Park reservation fees	1,500	1,500	1,075	(425)
Rezoning and planning fees	2,500	2,500	1,363	(1,137)
Cost recovery reimbursements	70,250	70,250	46,653	(23,597)
Miscellaneous	55,745	55,745	57,949	2,204
Total	203,060	203,060	207,859	4,799
<b>Investment Income</b>				
Interest on investments	18,000	18,000	8,118	(9,882)
Total	18,000	18,000	8,118	(9,882)
<b>Miscellaneous Revenues</b>				
Donations and gifts	-	-	32,445	32,445
Utility rent revenue	18,000	18,000	9,000	(9,000)
Cablevision fees	29,500	29,500	30,107	607
Miscellaneous	7,200	7,200	1,400	(5,800)
Equipment sales	-	-	5,525	5,525
Refund of prior year expenditures	-	-	9,396	9,396
Total	54,700	47,500	87,873	33,173
<b>Other Financing Sources</b>				
Debt proceeds	222,992	222,992	222,992	-
Transfer in, water, tax equivalent	82,000	82,000	84,109	2,109
Total	304,992	304,992	307,101	2,109
Total revenues and other financing sources	2,702,652	2,695,452	2,705,272	2,620

See notes to required supplementary information

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

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
<b>General Government</b>				
Village board	\$ 28,900	\$ 28,900	\$ 29,112	\$ (212)
Village president	8,700	8,700	7,816	884
Municipal court	49,247	49,247	47,685	1,562
Clerk/treasurer	102,328	102,328	78,984	23,344
Elections	7,600	7,600	12,600	(5,000)
Assessment of property	13,730	13,730	16,028	(2,298)
Accounting and auditing	15,000	15,000	28,465	(13,465)
Legal	12,500	12,500	9,065	3,435
Prosecution expense	8,500	8,500	9,958	(1,458)
Flexible spending	1,500	1,500	1,132	368
Municipal building	24,250	24,250	22,282	1,968
Codification expense	-	-	695	(695)
Insurance expense	4,100	4,100	12,966	(8,866)
Contingency	9,289	9,289	-	9,289
Total	<u>285,644</u>	<u>285,644</u>	<u>276,788</u>	<u>8,856</u>
<b>Public Safety</b>				
Police	973,526	973,526	898,026	75,500
Crossing guards	23,161	23,161	22,127	1,034
Fire suppression	206,964	206,964	174,751	32,213
Building inspection	35,000	35,000	58,112	(23,112)
Emergency government	6,806	6,806	5,351	1,455
Rescue squad	203,742	203,742	223,114	(19,372)
Jail detention	2,500	2,500	300	2,200
Fire / Rescue donation expense	-	-	32,608	(32,608)
Total	<u>1,451,699</u>	<u>1,451,699</u>	<u>1,414,389</u>	<u>37,310</u>
<b>Public Works</b>				
Engineering	12,000	12,000	4,285	7,715
Streets and alleys	245,274	245,274	216,250	29,024
Snow and ice control	54,468	54,468	33,199	21,269
Traffic control	3,000	3,000	4,505	(1,505)
Street lighting	30,000	30,000	28,023	1,977
Sidewalks and crosswalks, other	2,000	2,000	1,287	713
Storm sewer, other	4,500	4,500	812	3,688
Garbage and refuse collection	89,062	89,062	90,988	(1,926)
Recycling	77,359	77,359	79,754	(2,395)
Total	<u>517,663</u>	<u>517,663</u>	<u>459,103</u>	<u>58,560</u>

See notes to required supplementary information

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

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
<b>Culture, Education and Recreation</b>				
Recreation	\$ 600	\$ 600	\$ 500	\$ 100
Maintenance	6,500	6,500	18,457	(11,957)
Parks and playgrounds	48,320	48,320	77,958	(29,638)
Total	55,420	55,420	96,915	(41,495)
<b>Conservation and Development</b>				
Weed control	1,500	1,500	1,029	471
Plan commission	22,397	22,397	18,071	4,326
Zoning	250	250	24	226
Total	24,147	24,147	19,124	5,023
<b>Other Financing Uses</b>				
Transfer out	-	-	184,958	(184,958)
Total	-	-	184,958	(184,958)
Total expenditures and other financing uses	2,334,573	2,334,573	2,451,277	(116,704)
Net change in fund balance	368,079	360,879	253,995	(106,884)
<b>Fund Balance, Beginning</b>	371,777	371,777	512,418	140,641
<b>Fund Balance, Ending</b>	\$ 739,856	\$ 732,656	\$ 766,413	\$ 33,757

See notes to required supplementary information

**Village of Walworth**

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

Wisconsin Retirement System

Year Ended December 31, 2020

<b>Fiscal Year Ending</b>	<b>Proportion of the Net Pension Liability/(Asset)</b>	<b>Proportionate Share of the Net Pension Liability/(Asset)</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
12/31/20	0.00727175 %	\$ (234,474)	\$ 914,305	25.65 %	102.96 %
12/31/19	0.00713078 %	253,690	868,127	29.22 %	96.45 %
12/31/18	0.00689971 %	(204,861)	802,046	(25.54%)	102.93 %
12/31/17	0.00694347 %	57,231	793,471	7.21 %	99.12 %
12/31/16	0.00683877 %	111,129	788,578	14.09 %	98.20 %
12/31/15	0.00695964 %	(170,948)	792,252	(21.58)%	102.74 %

## Schedule of Employer Contributions - Wisconsin Retirement System

Year Ended December 31, 2020

<b>Fiscal Year Ending</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/20	\$ 89,801	\$ 89,801	\$ -	\$ 963,291	9.32 %
12/31/19	80,775	80,775	-	914,302	8.83 %
12/31/18	70,803	70,803	-	868,834	8.15 %
12/31/17	79,161	79,161	-	802,046	9.87 %
12/31/16	66,759	66,759	-	793,471	8.06 %
12/31/15	64,598	64,598	-	788,578	8.19 %

See notes to the required supplementary information



## Village of Walworth

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Notes to Required Supplementary Information  
Year Ended December 31, 2020

### **Budgetary Information**

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

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

Appropriations lapse at year-end unless specifically carried over. There were carryovers to the following year of \$116,704. Budgets are adopted at the department level of expenditure.

### **Wisconsin Retirement System**

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

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

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

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

**SUPPLEMENTARY INFORMATION**

**Village of Walworth**Combing Balance Sheet - Nonmajor Governmental Funds  
December 31, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>		<u>Total</u>
	<u>Memorial</u>	<u>Capital</u>	<u>TID</u>	<u>Nonmajor</u>
	<u>Library</u>	<u>Projects</u>	<u>No. 1</u>	<u>Governmental</u>
				<u>Funds</u>
<b>Assets</b>				
Cash and investments	\$ 253,970	\$ 217,302	\$ 99,766	\$ 571,038
Receivables (net):				
Taxes	-	-	28,641	28,641
Total assets	<u>\$ 253,970</u>	<u>\$ 217,302</u>	<u>\$ 128,407</u>	<u>\$ 599,679</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 21	\$ -	\$ -	\$ 21
<b>Deferred Inflows of Resources</b>				
Unearned revenues	-	-	28,641	28,641
<b>Fund Balances</b>				
Restricted	253,949	112,621	99,766	466,336
Assigned	-	104,681	-	104,681
Total fund balances	<u>253,949</u>	<u>217,302</u>	<u>99,766</u>	<u>571,017</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 253,970</u>	<u>\$ 217,302</u>	<u>\$ 128,407</u>	<u>\$ 599,679</u>

**Village of Walworth****Combing Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Governmental Funds

Year Ended December 31, 2020

	<b>Special Revenue</b>	<b>Capital Projects</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Memorial Library</b>	<b>Capital Projects</b>	<b>TID No. 1</b>	
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 27,543	\$ 27,543
Intergovernmental	75,072	-	16,256	91,328
Public charges for services	1,901	-	-	1,901
Investment income	2,466	572	-	3,038
Miscellaneous	1,937	17,088	-	19,025
Total revenues	81,376	17,660	43,799	142,835
<b>Expenditures</b>				
Current:				
General government	-	-	1,250	1,250
Culture, education and recreation	221,690	-	-	221,690
Total expenditures	221,690	-	1,250	222,940
Excess (deficiency) of revenues over expenditures	(140,314)	17,660	42,549	(80,105)
<b>Other Financing Sources</b>				
Transfers in	184,958	-	-	184,958
Net change in fund balances	44,644	17,660	42,549	104,853
<b>Fund Balances, Beginning</b>	209,305	199,642	57,217	466,164
<b>Fund Balances, Ending</b>	\$ 253,949	\$ 217,302	\$ 99,766	\$ 571,017