

Village of Greendale, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

Village of Greendale, Wisconsin

DECEMBER 31, 2020

Table of Contents

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	22
Statement of Net Position - Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26
Statement of Fiduciary Net Position - Fiduciary Fund	30
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	31
Notes to Basic Financial Statements	32
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in Total OPEB Liability and Related Ratios - Single Employer Defined OPEB Plan	66
Schedule of Proportionate Share of Net Pension Liability (Asset) - Wisconsin Retirement System	67
Schedule of Contributions - Wisconsin Retirement System	67
Schedule of Proportionate Share of Net OPEB Liability (Asset) - Local Retiree Life Insurance Fund	68
Schedule of Contributions - Local Retiree Life Insurance Fund	68
Notes to Required Supplementary Information	69
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	72

Village of Greendale, Wisconsin

DECEMBER 31, 2020

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	74
Schedule of Findings and Responses	76



Independent auditors' report

To the Village Board
Village of Greendale, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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'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's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINIONS

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

OTHER MATTERS

Prior Year Comparative Information

We have previously audited the Village's 2019 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information in our report dated June 25, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and the schedules relating to pensions and other postemployment benefits on pages 66 through 69 be presented to supplement the basic financial statements. Such information, although not 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.

Other Information

Our audit for the year ended December 31, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2020 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 for the year ended December 31, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon date June 25, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information. The combining nonmajor fund financial statements for the year ended December 31, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 financial statements. The combining nonmajor fund statements have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund statements are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2019.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sheboygan, Wisconsin
July 26, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020

As management of the Village of Greendale, we offer readers of the Village of Greendale's financial statements this narrative overview and analysis of the financial activities of the Village of Greendale for the fiscal year ended December 31, 2020. A comparison with prior year data is also presented.

Financial Highlights

- ◆ The assets and deferred outflows of resources of the Village of Greendale exceeded its liabilities and deferred inflows of resources as of December 31, 2020 by \$26,639,026 (net position).
- ◆ Net position from governmental activities increased by \$971,197 for December 31, 2020 in comparison to a decrease of \$374,066 for December 31, 2019. The increase is due to an increase in intergovernmental revenues and a decrease in expenses.
- ◆ Net position from business type activities increased by \$152,626.
- ◆ As of the close of the current fiscal year, the Village of Greendale's governmental funds reported a combined ending fund balance of \$8,773,851.
- ◆ At the end of the current year, unassigned fund balance for the general fund was \$3,034,110 or approximately 27% of total general fund expenditures compared to \$3,145,120 or approximately 26% at the end of 2019. 2020 general fund revenues were below budgeted amounts by \$11,290. 2020 general fund expenditures also came in below budget by \$454,162. The result was a \$793 decrease in fund balance.
- ◆ The Village of Greendale had \$21,278,195 in general obligation debt outstanding at year end.

Overview of the Financial Statements. This discussion and analysis are intended to serve as an introduction to the Village of Greendale's basic financial statements. The Village of Greendale's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains both required supplementary information and supplemental information in addition to the basic financial statements.

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

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

The *statement of activities* presents information showing how the Village's net position changed during the most recent completed fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave, etc.).

Both of the government-wide financial statements distinguish functions of the Village of Greendale that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Greendale include general government, public safety, public works, health and human services, culture and recreation, and conservation and development. The business-type activities of the Village of Greendale include the Water Utility, Stormwater Utility, and Sewer Utility.

Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020

The government-wide financial statements include the activities of the Village of Greendale itself (known as the *primary government*). The Water, Sewer, and Stormwater Utilities, although legally separate, function for all practical purposes as departments of the Village of Greendale, and therefore have been included as integral parts of the primary government.

The Government-wide financial statements can be found on pages 13 - 15.

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

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

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

The Village of Greendale maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Tax Incremental District No. 2 and Tax Incremental District No. 4, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16 - 22.

Proprietary funds. The Village of Greendale maintains three different proprietary funds. *Enterprise funds* are used to report the same function presented as *business-type activities* in the government-wide financial statements. The Village of Greendale uses enterprise funds to account for its Water Utility, Sewer Utility, and Stormwater Utility.

The basic proprietary fund financial statements can be found on pages 23 - 29.

Fiduciary funds. The Village reports a custodial fund for property taxes and special charges collected on behalf of other governments.

The basic fiduciary fund financial statements can be found on pages 30 - 31.

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

The notes to the financial statements can be found on pages 32 - 65.

Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020

Required supplementary information. A schedule of changes in the total other postemployment benefits liability and related ratios can be seen on page 66.

Additional information related to the Wisconsin Retirement System can be seen on page 67.

Additional information related to the Local Retiree Life Insurance Fund can be seen on page 68.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents the combining statements referred to earlier in connection with non-major governmental funds and is presented immediately following the notes to the financial statements.

Combining financial statements can be found on pages 70 - 73.

Government-wide Financial Analysis. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Greendale, year-end 2020 assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$26,639,026.

Village of Greendale's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 25,817,573	\$ 23,745,026	\$ 2,873,108	\$ 2,809,292	\$ 28,690,681	\$ 26,554,318
Capital assets	29,514,242	30,110,361	21,074,772	21,078,907	50,589,014	51,189,268
Total Assets	55,331,815	53,855,387	23,947,880	23,888,199	79,279,695	77,743,586
Deferred outflows of resources	6,316,576	7,151,089	204,799	143,147	6,521,375	7,294,236
Long-term liabilities	30,050,283	33,736,915	6,294,922	6,509,312	36,345,205	40,246,227
Current liabilities	1,038,337	1,107,902	449,726	395,238	1,488,063	1,503,140
Total Liabilities	31,088,620	34,844,817	6,744,648	6,904,550	37,833,268	41,749,367
Deferred inflows of resources	21,125,742	17,698,827	203,034	74,425	21,328,776	17,773,252
Net position:						
Net investment in capital assets	21,842,016	21,563,258	15,153,070	14,744,662	36,995,086	36,307,920
Restricted	7,722,379	4,831,595	817,157	760,329	8,539,536	5,591,924
Unrestricted (deficit)	(20,130,366)	(17,932,021)	1,234,770	1,547,380	(18,895,596)	(16,384,641)
Total Net Position	\$ 9,434,029	\$ 8,462,832	\$ 17,204,997	\$ 17,052,371	\$ 26,639,026	\$ 25,515,203

The largest portion of the Village of Greendale's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment, less any related debt used to acquire those assets that is still outstanding). Although the Village of Greendale's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village of Greendale's net position represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position is negative as the Village has issued debt to provide incentives to developers. Future tax revenues generated by the developments will be used to repay the outstanding debt which will eliminate a portion of the deficit balance.

The Village's net position increased by \$1,123,823 during the current year.

Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020

Changes in Net Position. Governmental activities increased the Village of Greendale's net position by \$971,197 and business type activities increased net position by \$152,626. Key elements of these changes are as follows:

	Village of Greendale's Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues						
Charges for services	\$ 2,408,118	\$ 2,166,453	\$ 4,457,440	\$ 4,066,490	\$ 6,865,558	\$ 6,232,943
Operating grants & contributions	1,262,526	966,699	-	-	1,262,526	966,699
Capital grants & contributions	10,185	386,500	-	-	10,185	386,500
General Revenues						
Taxes	13,454,037	12,575,511	-	-	13,454,037	12,575,511
Intergovernmental revenues not restricted to specific programs	516,579	525,131	-	-	516,579	525,131
Investment Income	160,830	445,485	-	-	160,830	445,485
Miscellaneous	176,771	253,051	-	-	176,771	253,051
Total revenues	<u>17,989,046</u>	<u>17,318,830</u>	<u>4,457,440</u>	<u>4,066,490</u>	<u>22,446,486</u>	<u>21,385,320</u>
Expenses:						
General government	1,920,001	1,616,678	-	-	1,920,001	1,616,678
Public safety	8,307,508	9,617,275	-	-	8,307,508	9,617,275
Public works	2,538,119	2,375,709	-	-	2,538,119	2,375,709
Health & human services	1,235,981	1,057,845	-	-	1,235,981	1,057,845
Culture & recreation	932,259	1,043,694	-	-	932,259	1,043,694
Conservation & development	1,641,528	1,496,010	-	-	1,641,528	1,496,010
Interest & fiscal charges	753,791	813,625	-	-	753,791	813,625
Water utility	-	-	2,085,637	1,870,873	2,085,637	1,870,873
Sewer utility	-	-	1,355,648	1,324,595	1,355,648	1,324,595
Stormwater utility	-	-	552,191	495,995	552,191	495,995
Total expenses	<u>17,329,187</u>	<u>18,020,836</u>	<u>3,993,476</u>	<u>3,691,463</u>	<u>21,322,663</u>	<u>21,712,299</u>
Change in net position before transfers	659,859	(702,006)	463,964	375,027	1,123,823	(326,979)
Transfers	<u>311,338</u>	<u>327,940</u>	<u>(311,338)</u>	<u>(327,940)</u>	<u>-</u>	<u>-</u>
Net position - January 1,	<u>8,462,832</u>	<u>8,836,898</u>	<u>17,052,371</u>	<u>17,005,284</u>	<u>25,515,203</u>	<u>25,842,182</u>
Net position - December 31	<u>\$ 9,434,029</u>	<u>\$ 8,462,832</u>	<u>\$ 17,204,997</u>	<u>\$ 17,052,371</u>	<u>\$ 26,639,026</u>	<u>\$ 25,515,203</u>

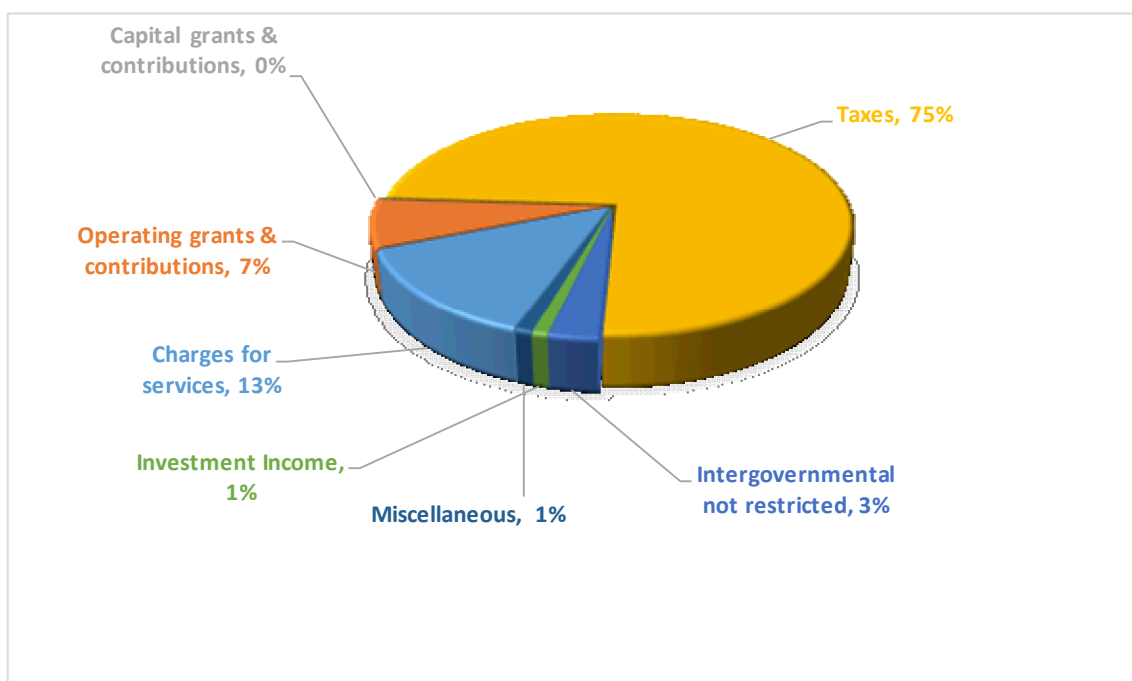
Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020

- ◆ Property taxes including tax incremental district revenues increased \$878,526. Excluding tax incremental district revenues, the tax levy increased \$187,955 or 1.9%. Taxes continue to be the largest revenue source for the governmental activities accounting for approximately 75% of total revenues.
- ◆ The Village's proportionate share of the GASB 68 net pension liability/asset resulted in a net pension asset of \$2,149,721 as of December 31, 2020 compared to a net pension liability of \$2,306,536 as of December 31, 2019.
- ◆ Interest earnings decreased by \$294,992 due to lower interest rates.

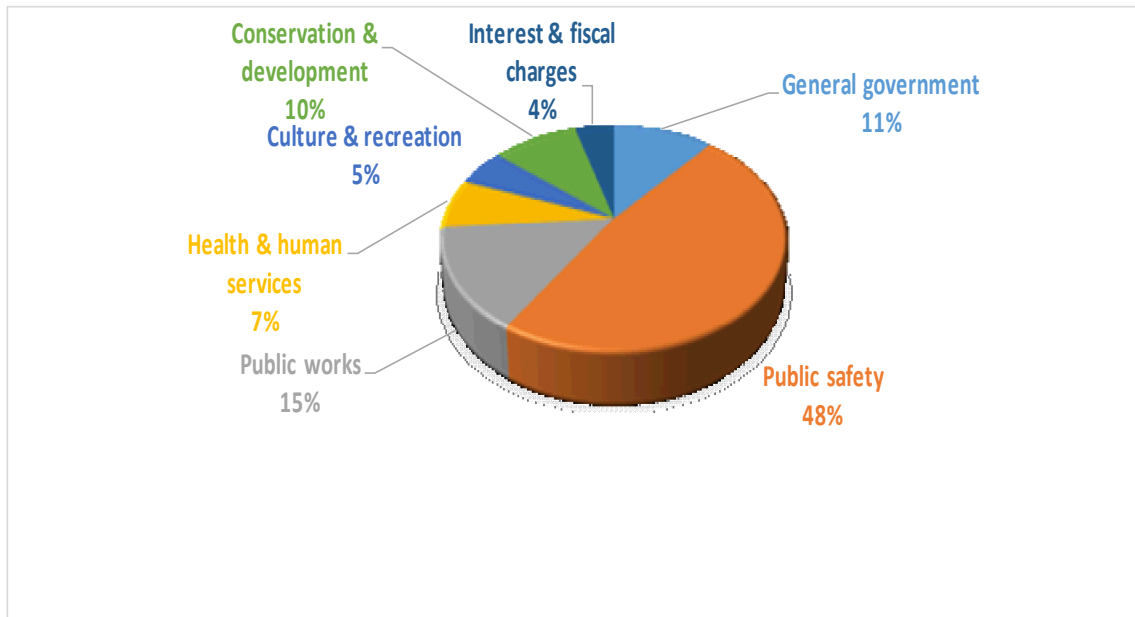
Revenues by Source



Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2020

Expenses by Function

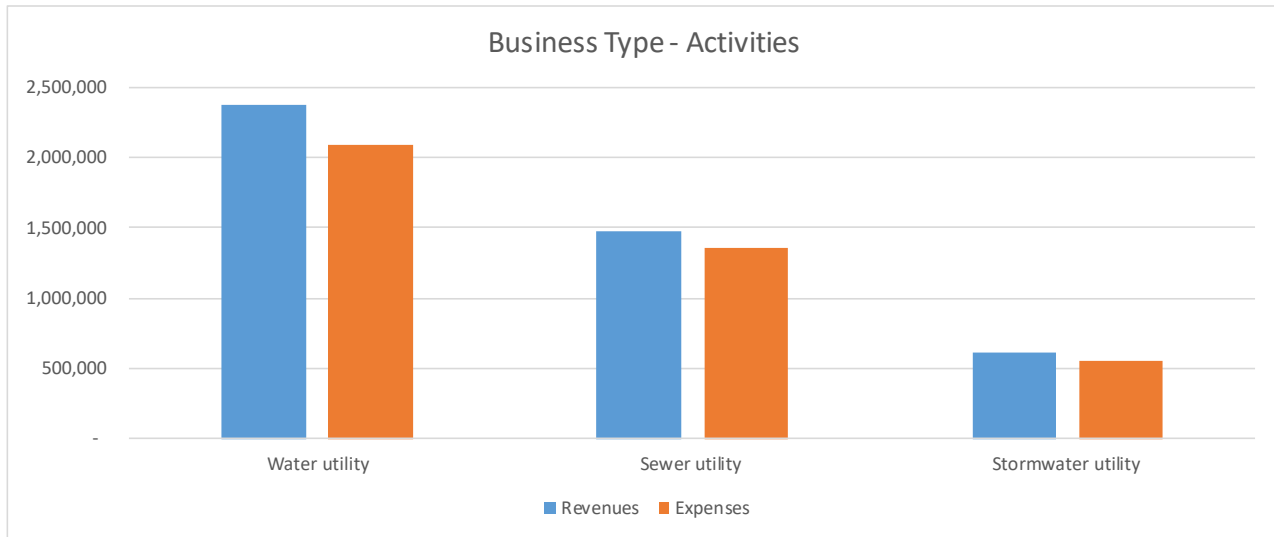


Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2020

Business-type activities. Business-type activities increased the Village of Greendale's net position by \$152,626. Key elements of this increase are as follows.

- ◆ Net position in the Sewer Utility increased by \$105,913.
- ◆ Net position in the Water Utility decreased by \$7,084.
- ◆ Net position in the Stormwater Utility increased by \$53,797.



Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020

Funds. As noted earlier, the Village of Greendale uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Village of Greendale's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of 2020, the combined fund balances for the Village's governmental funds was \$8,773,851. Of this total, \$1,006,811 is nonspendable, \$5,627,928 is restricted, and \$316,742 is assigned. The balance of unassigned governmental fund balances is \$1,822,370.

Proprietary funds. The Village of Greendale's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Utility at the end of the year amounted to a deficit \$320,773, those for the Sewer Utility amounted to \$1,615,207, and those for the Stormwater Utility amounted to a deficit of \$59,664. Other factors concerning the finances of these funds have already been addressed in the discussion of the Village of Greendale's business-type activities.

General fund budgetary highlights. The general fund is the primary operating fund of the Village.

- Actual revenues were under budgeted amounts by \$11,290. Actual expenditures were under the budgeted amounts by \$454,162.
- Unassigned fund balance decreased from \$3,145,120 at December 31, 2019 to \$3,034,110 at December 31, 2020.

Capital Assets and Debt Administration

Capital assets. The Village of Greendale's investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounts to \$50,589,014 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, and system improvements, machinery and equipment, parks facilities, roads and bridges. The total decrease in the Village of Greendale's investment in capital assets for the current fiscal year was 1.17%.

Additional information on the Village of Greendale's capital assets can be found in Note 3.C. on pages 45 - 46 of this report.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Non-depreciable capital assets	\$ 1,037,889	\$ 1,037,889	\$ 999,391	\$ 999,391	\$ 2,037,280	\$ 2,037,280
Buildings and System	9,972,387	10,382,023	267,880	283,490	10,240,267	10,665,513
Machinery and Equipment	1,801,888	1,739,308	726,852	399,079	2,528,740	2,138,387
Infrastructure	16,702,078	16,951,141	19,080,649	19,396,947	35,782,727	36,348,088
	<u>\$ 29,514,242</u>	<u>\$ 30,110,361</u>	<u>\$ 21,074,772</u>	<u>\$ 21,078,907</u>	<u>\$ 50,589,014</u>	<u>\$ 51,189,268</u>

Village of Greendale, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020

Long-term debt. At the end of the current fiscal year, the Village of Greendale had \$21,278,195 of bonded debt outstanding. The Village maintains an "Aa3" rating from Moody's for general obligation debt. The Water Utility also had \$5,921,702 in outstanding Safe Water Drinking Loans.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 21,278,195	\$ 23,292,842	\$ -	\$ -	\$ 21,278,195	\$ 23,292,842
Revenue Debt	-	-	5,921,702	6,334,245	5,921,702	6,334,245
	<u>\$ 21,278,195</u>	<u>\$ 23,292,842</u>	<u>\$ 5,921,702</u>	<u>\$ 6,334,245</u>	<u>\$ 27,199,897</u>	<u>\$ 29,627,087</u>

State Statutes limit the amount of general obligation debt a government entity may issue up to 5% of its total equalized valuation. The current debt limitation for the Village of Greendale is \$81,944,125 which significantly exceeds the Village's current outstanding general obligation debt of \$21,278,195. Additional information on the Village of Greendale's long-term debt can be found in Note 3.E. on pages 47 - 49 of this report.

Economic Factors and the 2021 Budget and Rates

- ◆ The 2021 Budget is supported by a tax levy of \$10,316,204, which is an increase of 2.34% over the 2020 amount.
- ◆ The 2021 Budget anticipated a 0.49% increase in Assessed Value while increasing the tax levy by 2.34% from last year's total. The combination increased the 2021 Budget Assessed Tax Rate by approximately 18-cents (2.30%) from \$7.53 to \$7.70 per \$1,000 Assessed Value.
- ◆ Personnel Cost Increases - Includes increase for anticipated wage and benefit increases for Village personnel including General Government, Health Department, Department of Public Works, Library, School-Police Fund, etc. and Police Department and Fire Department per union contracts.
- ◆ Street Rehabilitation Projects (\$1,532,000) – The Village will continue its annual Street Rehabilitation Program.
- ◆ The Village created three (3) Tax Incremental Financing Districts in 2011, in the Southridge Business Improvement District, for which the Community Development Bonds in 2011 were issued. Tax Increments will continue to be realized during 2021 as projected.
- ◆ The Village created Tax Incremental Financing District No. 4 in 2015, in the Southridge Business Improvement District, for which the Community Development Bonds of \$1,295,000 were issued in 2016 and \$1,665,000 were issued in 2018. Tax Increments will continue to be realized during 2021 as projected.
- ◆ The Village created Tax Incremental Financing District No. 5 in 2018, in the Southridge Business Improvement District, for which the Community Development Bonds of \$2,135,000 were issued in 2018. Tax Increments will continue to be realized during 2021 as projected.
- ◆ The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of organizations, and local communities. Specific to the Village, COVID-19 may impact parts of its 2021 operations and financial results. Management believes the Village is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated.

Requests for Information

This financial report is designed to provide a general overview of the Village of Greendale's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kristen Victory, Finance Director-Treasurer, Village of Greendale, 6500 Northway, Greendale, WI 53129 or email kvictory@greendale.org.

BASIC FINANCIAL STATEMENTS

Village of Greendale, Wisconsin

STATEMENT OF NET POSITION

DECEMBER 31, 2020

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019

	Governmental Activities	Business-type Activities	Totals	
			2020	2019
ASSETS				
Cash and investments	\$ 15,239,397	\$ 1,557,388	\$ 16,796,785	\$ 17,877,003
Receivables				
Taxes and special charges	6,833,112	64,929	6,898,041	6,772,239
Delinquent taxes	82,820	-	82,820	72,599
Accounts	637,399	1,159,567	1,796,966	1,402,852
Special assessments	6,300	-	6,300	9,450
Internal balances	750,000	(750,000)	-	-
Prepaid supplies and items	173,991	-	173,991	14,235
Restricted assets				
Cash and investments	-	786,057	786,057	405,940
Net pension asset	2,094,554	55,167	2,149,721	-
Capital assets, nondepreciable	1,037,889	999,391	2,037,280	2,037,280
Capital assets, depreciable	28,476,353	20,075,381	48,551,734	49,151,988
Total assets	55,331,815	23,947,880	79,279,695	77,743,586
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	4,938,997	147,541	5,086,538	6,344,403
Other postemployment related amounts	1,377,579	57,258	1,434,837	949,833
Total deferred outflows of resources	6,316,576	204,799	6,521,375	7,294,236
LIABILITIES				
Accounts payable	335,729	402,597	738,326	1,014,278
Accrued and other current liabilities	583,826	20,062	603,888	349,690
Accrued interest payable	85,453	24,067	109,520	102,549
Special deposits	33,179	3,000	36,179	36,623
Unearned revenues	150	-	150	-
Long-term obligations				
Due within one year	2,287,499	422,213	2,709,712	2,576,853
Due in more than one year	19,560,719	5,499,489	25,060,208	27,700,085
Net pension liability	-	-	-	2,306,536
Net other postemployment benefits liability				
Due within one year	299,463	14,440	313,903	318,963
Due in more than one year	7,902,602	358,780	8,261,382	7,343,790
Total liabilities	31,088,620	6,744,648	37,833,268	41,749,367
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	13,989,984	-	13,989,984	13,569,985
Pension related amounts	6,274,829	165,270	6,440,099	3,185,349
Other postemployment related amounts	860,929	37,764	898,693	1,017,918
Total deferred inflows of resources	21,125,742	203,034	21,328,776	17,773,252
NET POSITION				
Net investment in capital assets	21,842,016	15,153,070	36,995,086	36,307,920
Restricted				
Donations	78,438	-	78,438	77,448
Library	54,649	-	54,649	26,165
Tax incremental districts	5,494,738	-	5,494,738	4,727,982
Pension benefits	2,094,554	55,167	2,149,721	-
Equipment replacement	-	380,117	380,117	380,117
Debt service	-	381,873	381,873	380,212
Unrestricted	(20,130,366)	1,234,770	(18,895,596)	(16,384,641)
Total net position	\$ 9,434,029	\$ 17,204,997	\$ 26,639,026	\$ 25,515,203

The notes to the basic financial statements are an integral part of this statement.

Village of Greendale, Wisconsin

STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2020
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,920,001	\$ 815,548	\$ 55,406	\$ -
Public safety	8,307,508	1,275,382	94,788	-
Public works	2,538,119	20,537	668,762	-
Health and human services	1,235,981	284,084	395,875	-
Culture and recreation	932,259	12,567	47,695	585
Conservation and development	1,641,528	-	-	9,600
Interest and fiscal charges	753,791	-	-	-
Total governmental activities	17,329,187	2,408,118	1,262,526	10,185
BUSINESS-TYPE ACTIVITIES				
Water utility	2,085,637	2,374,520	-	-
Sewer utility	1,355,648	1,476,932	-	-
Stormwater utility	552,191	605,988	-	-
Total business-type activities	3,993,476	4,457,440	-	-
Total	\$ 21,322,663	\$ 6,865,558	\$ 1,262,526	\$ 10,185

General revenues
 Taxes
 Property taxes
 Federal and state grants and other contributions
 not restricted to specific functions
 Interest and investment earnings
 Miscellaneous
 Transfers

Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-type Activities	Totals	
		2020	2019
\$ (1,049,047)	\$ -	\$ (1,049,047)	\$ (668,040)
(6,937,338)	-	(6,937,338)	(8,299,795)
(1,848,820)	-	(1,848,820)	(1,725,759)
(556,022)	-	(556,022)	(923,766)
(871,412)	-	(871,412)	(589,918)
(1,631,928)	-	(1,631,928)	(1,480,281)
(753,791)	-	(753,791)	(813,625)
<u>(13,648,358)</u>	<u>-</u>	<u>(13,648,358)</u>	<u>(14,501,184)</u>
-	288,883	288,883	157,850
-	121,284	121,284	103,231
-	53,797	53,797	113,946
<u>-</u>	<u>463,964</u>	<u>463,964</u>	<u>375,027</u>
<u>(13,648,358)</u>	<u>463,964</u>	<u>(13,184,394)</u>	<u>(14,126,157)</u>
13,454,037	-	13,454,037	12,575,511
516,579	-	516,579	525,131
160,830	-	160,830	445,485
176,771	-	176,771	253,051
311,338	(311,338)	-	-
<u>14,619,555</u>	<u>(311,338)</u>	<u>14,308,217</u>	<u>13,799,178</u>
971,197	152,626	1,123,823	(326,979)
<u>8,462,832</u>	<u>17,052,371</u>	<u>25,515,203</u>	<u>25,842,182</u>
<u>\$ 9,434,029</u>	<u>\$ 17,204,997</u>	<u>\$ 26,639,026</u>	<u>\$ 25,515,203</u>

Village of Greendale, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Tax Incremental District No. 2</u>	<u>Tax Incremental District No. 4</u>
ASSETS				
Cash and investments	\$ 7,364,783	\$ 415,895	\$ 2,924,641	\$ 805,328
Receivables				
Taxes and special charges	3,767,034	401,091	1,027,433	345,870
Delinquent taxes	82,820	-	-	-
Accounts	388,089	-	-	-
Special assessments	-	-	-	-
Due from other funds	1,138,239	-	1,502,000	-
Prepaid supplies and items	173,991	-	-	-
	<u>12,914,956</u>	<u>816,986</u>	<u>5,454,074</u>	<u>1,151,198</u>
Total assets	<u>\$ 12,914,956</u>	<u>\$ 816,986</u>	<u>\$ 5,454,074</u>	<u>\$ 1,151,198</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 252,577	\$ -	\$ -	\$ -
Accrued and other current liabilities	540,430	-	-	-
Due to other funds	-	-	-	1,190,000
Due to other governments	-	-	-	-
Special deposits	33,179	-	-	-
Unearned revenues	150	-	-	-
	<u>826,336</u>	<u>-</u>	<u>-</u>	<u>1,190,000</u>
Total liabilities	<u>826,336</u>	<u>-</u>	<u>-</u>	<u>1,190,000</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	7,757,321	816,883	2,092,525	704,418
Special assessments	-	-	-	-
	<u>7,757,321</u>	<u>816,883</u>	<u>2,092,525</u>	<u>704,418</u>
Total deferred inflows of resources	<u>7,757,321</u>	<u>816,883</u>	<u>2,092,525</u>	<u>704,418</u>
Fund balances				
Nonspendable	1,006,811	-	-	-
Restricted	-	103	3,361,549	-
Assigned	290,378	-	-	-
Unassigned	3,034,110	-	-	(743,220)
	<u>4,331,299</u>	<u>103</u>	<u>3,361,549</u>	<u>(743,220)</u>
Total fund balances	<u>4,331,299</u>	<u>103</u>	<u>3,361,549</u>	<u>(743,220)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,914,956</u>	<u>\$ 816,986</u>	<u>\$ 5,454,074</u>	<u>\$ 1,151,198</u>

The notes to the basic financial statements are an integral part of this statement.

Other Governmental Funds	Totals	
	2020	2019
\$ 3,728,750	\$ 15,239,397	\$ 15,742,735
1,291,684	6,833,112	6,710,587
-	82,820	72,599
249,310	637,399	445,420
6,300	6,300	9,450
-	2,640,239	938,369
-	173,991	14,235
<u>\$ 5,276,044</u>	<u>\$ 25,613,258</u>	<u>\$ 23,933,395</u>

\$ 83,152	\$ 335,729	\$ 660,058
43,396	583,826	336,400
700,239	1,890,239	188,369
-	-	-
-	33,179	34,623
-	150	-
<u>826,787</u>	<u>2,843,123</u>	<u>1,219,450</u>

2,618,837	13,989,984	13,569,985
6,300	6,300	9,450
<u>2,625,137</u>	<u>13,996,284</u>	<u>13,579,435</u>

-	1,006,811	836,834
2,266,276	5,627,928	4,831,697
26,364	316,742	618,660
(468,520)	1,822,370	2,847,319
<u>1,824,120</u>	<u>8,773,851</u>	<u>9,134,510</u>

<u>\$ 5,276,044</u>	<u>\$ 25,613,258</u>	<u>\$ 23,933,395</u>
---------------------	----------------------	----------------------

Village of Greendale, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019**

	<u>2020</u>	<u>2019</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 8,773,851	\$ 9,134,510
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	29,514,242	30,110,361
Long-term assets are not considered available and; therefore are not reported in the funds		
Net pension asset	2,094,554	-
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special assessments	6,300	9,450
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	4,938,997	6,212,062
Deferred inflows related to pensions	(6,274,829)	(3,127,863)
Deferred outflows related to other postemployment benefits	1,377,579	939,027
Deferred inflows related to other postemployment benefits	(860,929)	(1,000,979)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(21,278,195)	(23,292,842)
Premium on debt	(106,731)	(117,060)
Compensated absences	(463,292)	(532,791)
Net pension liability	-	(2,264,910)
Net other postemployment benefit liability	(8,202,065)	(7,529,312)
Accrued interest on long-term obligations	(85,453)	(76,821)
Net position of governmental activities as reported on the statement of net position (see page 13)	<u>\$ 9,434,029</u>	<u>\$ 8,462,832</u>

The notes to the basic financial statements are an integral part of this statement.

Village of Greendale, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

	General	Debt Service	Tax Incremental District No. 2	Tax Incremental District No. 4
REVENUES				
Taxes	\$ 7,676,840	\$ 697,185	\$ 2,137,571	\$ 499,703
Special assessments	-	-	-	-
Intergovernmental	1,607,446	-	37,517	-
Licenses and permits	469,266	-	-	-
Fines and forfeits	299,877	-	-	-
Public charges for services	857,107	-	-	-
Miscellaneous	196,370	-	53,402	-
Total revenues	<u>11,106,906</u>	<u>697,185</u>	<u>2,228,490</u>	<u>499,703</u>
EXPENDITURES				
Current				
General government	1,855,796	-	-	-
Public safety	7,501,444	-	-	-
Public works	1,803,593	-	-	-
Health and human services	139,880	-	-	-
Culture and recreation	118,325	-	-	-
Conservation and development	-	-	31,860	1,213,859
Debt service				
Principal	-	2,014,647	-	-
Interest and fiscal charges	-	755,488	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>11,419,038</u>	<u>2,770,135</u>	<u>31,860</u>	<u>1,213,859</u>
Excess of revenues over (under) expenditures	<u>(312,132)</u>	<u>(2,072,950)</u>	<u>2,196,630</u>	<u>(714,156)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	311,339	2,072,951	-	-
Transfers out	-	-	(1,370,888)	(219,421)
Total other financing sources (uses)	<u>311,339</u>	<u>2,072,951</u>	<u>(1,370,888)</u>	<u>(219,421)</u>
Net change in fund balances	(793)	1	825,742	(933,577)
Fund balances - January 1	<u>4,332,092</u>	<u>102</u>	<u>2,535,807</u>	<u>190,357</u>
Fund balances - December 31	<u><u>\$ 4,331,299</u></u>	<u><u>\$ 103</u></u>	<u><u>\$ 3,361,549</u></u>	<u><u>\$ (743,220)</u></u>

The notes to the basic financial statements are an integral part of this statement.

Other Governmental Funds	Totals	
	2020	2019
\$ 2,442,738	\$ 13,454,037	\$ 12,575,511
3,150	3,150	3,150
669,577	2,314,540	1,608,312
-	469,266	528,758
-	299,877	452,044
169,459	1,026,566	978,461
163,733	413,505	1,167,469
<u>3,448,657</u>	<u>17,980,941</u>	<u>17,313,705</u>
-	1,855,796	1,581,850
237,485	7,738,929	8,080,776
119,115	1,922,708	2,036,292
428,943	568,823	461,456
683,133	801,458	857,547
316,099	1,561,818	1,110,221
-	2,014,647	1,862,158
-	755,488	841,895
<u>1,444,676</u>	<u>1,444,676</u>	<u>2,139,207</u>
<u>3,229,451</u>	<u>18,664,343</u>	<u>18,971,402</u>
<u>219,206</u>	<u>(683,402)</u>	<u>(1,657,697)</u>
-	-	700,000
11,405	11,405	8,425
-	2,384,290	2,335,510
<u>(482,643)</u>	<u>(2,072,952)</u>	<u>(2,007,570)</u>
<u>(471,238)</u>	<u>322,743</u>	<u>1,036,365</u>
(252,032)	(360,659)	(621,332)
<u>2,076,152</u>	<u>9,134,510</u>	<u>9,755,842</u>
<u>\$ 1,824,120</u>	<u>\$ 8,773,851</u>	<u>\$ 9,134,510</u>

Village of Greendale, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

	2020	2019
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ (360,659)	\$ (621,332)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	1,316,080	1,861,120
Depreciation expense reported in the statement of activities	(1,912,199)	(1,956,977)
Net book value of disposals	-	(124,738)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(3,150)	(3,150)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	-	(700,000)
Principal repaid	2,014,647	1,862,158
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	(8,632)	17,941
Amortization of debt premium	10,329	10,329
Compensated absences	69,499	300,636
Net pension asset	2,094,554	(1,891,712)
Net pension liability	2,264,910	(2,264,910)
Deferred outflows of resources related to pensions	(1,273,065)	2,657,924
Deferred inflows of resources related to pensions	(3,146,966)	612,945
Net other postemployment benefits liability	(672,753)	470,524
Deferred outflows of resources related to other postemployment benefits	438,552	391,606
Deferred inflows of resources related to other postemployment benefits	140,050	(996,430)
Change in net position of governmental activities as reported in the statement of activities (see pages 14 - 15)	<u>\$ 971,197</u>	<u>\$ (374,066)</u>

The notes to the basic financial statements are an integral part of this statement.

Village of Greendale, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance	2019 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 7,476,840	\$ 7,476,840	\$ 7,676,840	\$ 200,000	\$ 7,788,806
Intergovernmental	1,321,617	1,321,617	1,607,446	285,829	1,310,706
Licenses and permits	569,300	569,300	469,266	(100,034)	528,758
Fines and forfeits	560,000	560,000	299,877	(260,123)	452,044
Public charges for services	811,017	811,017	857,107	46,090	770,700
Miscellaneous	379,422	379,422	196,370	(183,052)	475,305
Total revenues	<u>11,118,196</u>	<u>11,118,196</u>	<u>11,106,906</u>	<u>(11,290)</u>	<u>11,326,319</u>
EXPENDITURES					
Current					
General government	1,940,655	1,940,655	1,855,796	84,859	1,581,850
Public safety	7,570,722	7,570,722	7,501,444	69,278	7,971,378
Public works	1,827,522	1,827,522	1,803,593	23,929	1,902,715
Health and human services	369,625	369,625	139,880	229,745	336,245
Culture and recreation	164,676	164,676	118,325	46,351	159,752
Total expenditures	<u>11,873,200</u>	<u>11,873,200</u>	<u>11,419,038</u>	<u>454,162</u>	<u>11,951,940</u>
Excess of revenues over (under) expenditures	<u>(755,004)</u>	<u>(755,004)</u>	<u>(312,132)</u>	<u>442,872</u>	<u>(625,621)</u>
OTHER FINANCING SOURCES					
Transfers in	<u>310,000</u>	<u>310,000</u>	<u>311,339</u>	<u>1,339</u>	<u>327,940</u>
Net change in fund balance	<u>(445,004)</u>	<u>(445,004)</u>	<u>(793)</u>	<u>444,211</u>	<u>(297,681)</u>
Fund balance - January 1	<u>4,332,092</u>	<u>4,332,092</u>	<u>4,332,092</u>	<u>-</u>	<u>4,629,773</u>
Fund balance - December 31	<u>\$ 3,887,088</u>	<u>\$ 3,887,088</u>	<u>\$ 4,331,299</u>	<u>\$ 444,211</u>	<u>\$ 4,332,092</u>

The notes to the basic financial statements are an integral part of this statement.

Village of Greendale, Wisconsin

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2020
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019

	Water Utility	Sewer Utility	Stormwater Utility	Totals	
				2020	2019
ASSETS					
Current assets					
Cash and investments	\$ 162,721	\$ 1,394,667	\$ -	\$ 1,557,388	\$ 2,134,268
Receivables					
Taxes and special charges	33,081	25,260	6,588	64,929	61,652
Customer accounts	593,514	403,674	162,379	1,159,567	957,432
Due from other funds	-	103,913	-	103,913	236,077
Total current assets	789,316	1,927,514	168,967	2,885,797	3,389,429
Noncurrent assets					
Restricted assets					
Cash and investments	405,940	380,117	-	786,057	405,940
Other assets					
Net pension asset	24,065	15,656	15,446	55,167	-
Capital assets					
Nondepreciable	999,391	-	-	999,391	999,391
Depreciable	10,902,676	3,579,285	5,593,420	20,075,381	20,079,516
Total capital assets	11,902,067	3,579,285	5,593,420	21,074,772	21,078,907
Total assets	13,121,388	5,902,572	5,777,833	24,801,793	24,874,276
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	65,246	39,348	42,947	147,541	132,341
Other postemployment related amounts	26,140	12,447	18,671	57,258	10,806
Total deferred outflows of resources	91,386	51,795	61,618	204,799	143,147

Village of Greendale, Wisconsin

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2020
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019

	Water Utility	Sewer Utility	Stormwater Utility	Totals	
				2020	2019
LIABILITIES					
Current liabilities					
Accounts payable	\$ 177,859	\$ 223,182	\$ 1,556	\$ 402,597	\$ 354,220
Accrued and other current liabilities	10,899	4,673	4,490	20,062	13,290
Accrued interest payable	24,067	-	-	24,067	25,728
Due to other funds	750,000	-	103,913	853,913	986,077
Special deposits	3,000	-	-	3,000	2,000
Current portion of long-term debt	422,213	-	-	422,213	412,544
Current portion of net other postemployment benefits	6,592	3,139	4,709	14,440	5,757
Total current liabilities	<u>1,394,630</u>	<u>230,994</u>	<u>114,668</u>	<u>1,740,292</u>	<u>1,799,616</u>
Long-term obligations					
Revenue bonds	5,499,489	-	-	5,499,489	5,921,701
Net pension liability	-	-	-	-	41,626
Net other postemployment benefits	163,791	77,996	116,993	358,780	127,684
Total long-term liabilities	<u>5,663,280</u>	<u>77,996</u>	<u>116,993</u>	<u>5,858,269</u>	<u>6,091,011</u>
Total liabilities	<u>7,057,910</u>	<u>308,990</u>	<u>231,661</u>	<u>7,598,561</u>	<u>7,890,627</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	72,094	46,902	46,274	165,270	57,486
Other postemployment related amounts	17,240	8,210	12,314	37,764	16,939
Total deferred inflows of resources	<u>89,334</u>	<u>55,112</u>	<u>58,588</u>	<u>203,034</u>	<u>74,425</u>
NET POSITION					
Net investment in capital assets	5,980,365	3,579,285	5,593,420	15,153,070	14,744,662
Restricted					
Pension benefits	24,065	15,656	15,446	55,167	-
Equipment replacement	-	380,117	-	380,117	380,117
Debt service	381,873	-	-	381,873	380,212
Unrestricted	<u>(320,773)</u>	<u>1,615,207</u>	<u>(59,664)</u>	<u>1,234,770</u>	<u>1,547,380</u>
Total net position	<u>\$ 6,065,530</u>	<u>\$ 5,590,265</u>	<u>\$ 5,549,202</u>	<u>\$ 17,204,997</u>	<u>\$ 17,052,371</u>

The notes to the basic financial statements are an integral part of this statement.

Village of Greendale, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

	Water Utility	Sewer Utility	Stormwater Utility	Totals	
				2020	2019
OPERATING REVENUES					
Charges for services	\$ 2,374,520	\$ 1,476,932	\$ 605,988	\$ 4,457,440	\$ 4,066,490
OPERATING EXPENSES					
Operation and maintenance	1,639,872	1,226,459	406,170	3,272,501	2,966,993
Depreciation	300,970	129,189	146,021	576,180	569,984
Total operating expenses	1,940,842	1,355,648	552,191	3,848,681	3,536,977
Operating income	433,678	121,284	53,797	608,759	529,513
NONOPERATING EXPENSES					
Interest and fiscal charges	(144,795)	-	-	(144,795)	(154,486)
Income before transfers	288,883	121,284	53,797	463,964	375,027
Transfers out	(295,967)	(15,371)	-	(311,338)	(327,940)
Change in net position	(7,084)	105,913	53,797	152,626	47,087
Net position - January 1	6,072,614	5,484,352	5,495,405	17,052,371	17,005,284
Net position - December 31	<u>\$ 6,065,530</u>	<u>\$ 5,590,265</u>	<u>\$ 5,549,202</u>	<u>\$ 17,204,997</u>	<u>\$ 17,052,371</u>

The notes to the basic financial statements are an integral part of this statement.

Village of Greendale, Wisconsin

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2020

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

	Water Utility	Sewer Utility	Stormwater Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,195,212	\$ 1,427,870	\$ 605,882
Cash paid for employee wages and benefits	(48,525)	(76,078)	(94,309)
Cash paid to suppliers	(1,409,694)	(1,114,119)	(240,619)
Net cash provided by operating activities	<u>736,993</u>	<u>237,673</u>	<u>270,954</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to / from other funds	-	132,164	(132,164)
Transfer in (out)	(295,967)	(15,371)	-
Net cash provided (used) by noncapital financing activities	<u>(295,967)</u>	<u>116,793</u>	<u>(132,164)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(53,255)	(380,000)	(138,790)
Principal paid on long-term debt	(412,543)	-	-
Interest paid on long-term debt	(146,457)	-	-
Net cash used by capital and related financing activities	<u>(612,255)</u>	<u>(380,000)</u>	<u>(138,790)</u>
Change in cash and cash equivalents	(171,229)	(25,534)	-
Cash and cash equivalents - January 1	<u>739,890</u>	<u>1,800,318</u>	<u>-</u>
Cash and cash equivalents - December 31	<u>\$ 568,661</u>	<u>\$ 1,774,784</u>	<u>\$ -</u>

The notes to the basic financial statements are an integral part of this statement.

<u>Totals</u>	
<u>2020</u>	<u>2019</u>
\$ 4,228,964	\$ 4,136,229
(218,912)	(282,498)
<u>(2,764,432)</u>	<u>(3,079,780)</u>
1,245,620	773,951
-	-
<u>(311,338)</u>	<u>(327,940)</u>
<u>(311,338)</u>	<u>(327,940)</u>
(572,045)	(584,841)
(412,543)	(402,963)
<u>(146,457)</u>	<u>(156,106)</u>
<u>(1,131,045)</u>	<u>(1,143,910)</u>
(196,763)	(697,899)
<u>2,540,208</u>	<u>3,238,107</u>
<u>\$ 2,343,445</u>	<u>\$ 2,540,208</u>

Village of Greendale, Wisconsin

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2020

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater Utility</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 433,678	\$ 121,284	\$ 53,797
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	300,970	129,189	146,021
Depreciation charged to sewer utility	37,388	(37,388)	-
Change in WRS pension liability (asset)	(40,183)	(29,496)	(27,114)
Change in WRS deferred outflows	(10,838)	1,636	(5,998)
Change in WRS deferred inflows	49,835	27,789	30,160
Change in other postemployment benefits liability	118,713	36,771	84,295
Change in other postemployment benefits liability deferred outflows	(21,956)	(8,854)	(15,642)
Change in other postemployment benefits liability deferred inflows	10,680	2,579	7,566
Change in operating assets and liabilities			
Accounts receivables	(193,631)	(11,675)	(106)
Accounts payable	46,524	4,430	(2,577)
Accrued and other current liabilities	4,813	1,408	552
Special deposits	1,000	-	-
Net cash provided by operating activities	<u>\$ 736,993</u>	<u>\$ 237,673</u>	<u>\$ 270,954</u>
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents in current assets	\$ 162,721	\$ 1,394,667	\$ -
Cash and cash equivalents in restricted assets	405,940	380,117	-
Total cash and cash equivalents	<u>\$ 568,661</u>	<u>\$ 1,774,784</u>	<u>\$ -</u>
Noncash capital and related financing activities			
None			

The notes to the basic financial statements are an integral part of this statement.

<u>Totals</u>	
<u>2020</u>	<u>2019</u>
\$ 608,759	\$ 529,513
576,180	569,984
-	-
(96,793)	41,626
(15,200)	(132,341)
107,784	57,486
239,779	133,441
(46,452)	(10,806)
20,825	16,939
(205,412)	69,935
48,377	(494,102)
6,773	(7,527)
1,000	(197)
<u>\$ 1,245,620</u>	<u>\$ 773,951</u>
\$ 1,557,388	\$ 2,134,268
<u>786,057</u>	<u>405,940</u>
<u>\$ 2,343,445</u>	<u>\$ 2,540,208</u>

Village of Greendale, Wisconsin

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUND DECEMBER 31, 2020

	<u>Custodial Fund</u>
ASSETS	
Cash and investments	\$ 13,624,877
Receivables	
Taxes	<u>12,989,066</u>
 Total assets	 26,613,943
 DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for subsequent year	<u>26,613,943</u>
 NET POSITION	 <u><u>\$ -</u></u>

The notes to the basic financial statements are an integral part of this statement.

Village of Greendale, Wisconsin

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Custodial Fund</u>
ADDITIONS	
Taxes and special charges collected for other governments	\$ 26,917,386
DEDUCTIONS	
Payment to other taxing entities	<u>26,917,386</u>
Change in net position	-
Net position - January 1	<u>-</u>
Net position - December 31	<u><u>\$ -</u></u>

The notes to the basic financial statements are an integral part of this statement.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

Village of Greendale Community Development Authority

The government-wide financial statements include the Village of Greendale Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the Village board. Wisconsin Statutes provide for circumstances whereby the Village can impose its will on the CDA, and also create a potential financial benefit to or burden on the Village. The CDA is part of the reporting entity of the Village of Greendale. However, the CDA had no financial transactions during 2020 which are material to these financial statements. Also, the CDA does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The CDA does not issue separate financial statements.

Business Improvement District of the Village of Greendale

The government-wide financial statements include the Business Improvement District of the Village of Greendale ("BID") as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the Village board. Wisconsin Statutes provide for circumstances whereby the Village can impose its will on the BID, and also create a potential financial benefit to or burden on the Village. The BID is part of the reporting entity of the Village. However, the BID had no financial transactions during 2020 which are material to these financial statements. Also, the BID does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The BID does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

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

The Village reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Tax Incremental District No. 2 Fund

This fund is used to account for the project plan costs of the Village's Tax Incremental District No. 2.

Tax Incremental District No. 4 Fund

This fund is used to account for the project plan costs of the Village's Tax Incremental District No. 4.

The Village reports the following major enterprise funds:

Water Utility Fund

This fund accounts for the provision of water service to Village residents, public authorities, and business entities.

Sewer Utility Fund

This fund accounts for the provision of sewer service to Village residents, public authorities, and business entities.

Stormwater Utility Fund

This fund accounts for the operations of the Village's stormwater system.

The Village also reports the following fiduciary fund:

Custodial Fund

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

Additionally, the Village reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes.

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities or equipment other than those financed by proprietary funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Investments

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

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Village properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in three equal installments on or before January 31, April 30, and July 31. Real estate taxes not paid by July 31 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village. Special charges not paid by January 31 are held in trust by the County and remitted to the Village, including interest, when collected by the County.

In addition to its levy, the Village also levies and collects taxes for the Greendale School District, Milwaukee County, Milwaukee Area Technical College and the Milwaukee County Metro Sewer District. Collections and remittances of taxes for other entities are accounted for in the custodial fund.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

4. Interfund Receivables and Payables

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

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

5. Prepaid Supplies and Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefitted.

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

6. Capital Assets

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

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

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

<u>Assets</u>	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
	<u>Years</u>	
Buildings and improvements	30 - 40	20 - 100
Machinery and equipment	3 - 20	4 - 17
Infrastructure	15 - 50	20 - 100

7. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

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

Governmental funds may also report deferred inflows of resources for unavailable revenues. The Village reports unavailable revenues for special assessments. These inflows are recognized as revenues in the government-wide financial statements.

9. **Long-term Obligations**

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

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

10. **Pensions**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, 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.

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

Defined Benefit Plan

Qualifying employees are provided with other postemployment benefits. The OPEB is a single employer defined benefit plan administered by the Village. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the Village has used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

Local Retiree Life Insurance Fund

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

12. Fund Equity

Governmental Fund Financial Statements

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

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the Village Board. These constraints can only be removed or changed by the Village Board using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of Village management. The Village Board, through adoption of the fund balance policy, has authorized the Clerk/Treasurer to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Village has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

- ▶ **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- ▶ **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

E. USE OF ESTIMATES

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

F. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the Village's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

G. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to November, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, certain special revenue and capital project, and debt service funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general fund, equipment replacement fund, School D.A.R.E fund, debt service fund, recycling fund, library fund, community development block grant fund, and the capital improvement fund. Amendments to the budget during the year are initially reviewed by management and are subsequently authorized by the Village Board. Management does not have authority to amend the legally adopted budget. Supplemental amendments were necessary during the year, but were not material relation to the original appropriation.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

4. The budget as enacted includes total expenditures at the organization level. An organization can be a department, division, fund or other activity. Expenditures cannot legally exceed appropriations at this level.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2020.

B. DEFICIT FUND EQUITY

The following funds had deficit fund balance as of December 31, 2020:

<u>Funds</u>	<u>Deficit Fund Balance</u>
Recycling	\$ 25,363
Health Grants	49,529
Community Development Block Grant Fund	238,490
Equipment Replacement	119,426
Capital Improvement Capital Projects Fund	1,741
Tax Incremental District No. 4	743,220
Tax Incremental District No. 5	33,971

The Village anticipates funding the above deficits from future revenues of the funds.

C. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2020 and 2021 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2020 budget was 0.96%. The actual limit for the Village for the 2021 budget was 0.50%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

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

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

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

The carrying amount of the Village's cash and investments totaled \$31,207,719 on December 31, 2020 as summarized below:

Petty cash and cash on hand	\$ 3,968
Deposits with financial institutions	11,821,491
Investments	
Municipal bonds	290,507
Wisconsin Investment Series Cooperative	2,126,618
Local Government Investment Pool	16,707,545
Negotiable certificates of deposit	257,590
	<u>\$ 31,207,719</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 16,796,785
Restricted cash and investments	786,057
Statement of Fiduciary Net Position	
Custodial Fund	13,624,877
	<u>\$ 31,207,719</u>

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village has the following fair value measurements as of December 31, 2020:

	Fair Value Measurements Using:		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments			
Municipal bonds	\$ -	\$ 290,507	\$ -
Negotiable certificates of deposit	-	257,590	-
	<u>\$ -</u>	<u>\$ 548,097</u>	<u>\$ -</u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Village does not have an additional custodial credit policy.

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

As of December 31, 2020, \$7,035,394 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. The entire amount was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Village's name.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Municipal bonds	\$ 290,507	\$ -	\$ -	\$ 290,507	\$ -
Wisconsin Investment Securities					
Cooperative	2,126,618	-	2,126,618	-	-
Negotiable certificates of deposit	257,590	-	-	-	257,590
Wisconsin local government investment pool	16,707,545	-	-	-	16,707,545
Totals	\$ 19,382,260	\$ -	\$ 2,126,618	\$ 290,507	\$ 16,965,135

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its investment policy, to the extent possible, the Village will attempt to match its investments with anticipated cash flow liquidity requirements. Unless matched to a specific cash flow, the Village will not invest in securities maturing more than 5 years from the date of purchase. Reserve funds may be invested in securities exceeding 5 years if the maturity of such investment is made to coincide as nearly as practicable with the expected use of funds. In no event will the Village invest in securities with maturities exceeding 7 years. Because of the inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as Local Government Investment Pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

Information about the sensitivity of the fair values of the Village's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
Municipal bonds	\$ 290,507	\$ -	\$ -	\$ 290,507	\$ -
Wisconsin Investment Securities					
Cooperative	2,126,618	2,126,618	-	-	-
Negotiable certificates of deposit	257,590	-	257,590	-	-
Wisconsin local government investment pool	16,707,545	16,707,545	-	-	-
Totals	\$ 19,382,260	\$ 18,834,163	\$ 257,590	\$ 290,507	\$ -

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

Investments in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin Local Government Investment Pool of \$16,707,545 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

Investment in Wisconsin Investment Series Cooperative

The Village has investments in the Wisconsin Investment Series Cooperative (WISC) of \$2,126,618 at year-end all of which was invested in the Investment Series. The Investment Series requires a 14 day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less.

WISC is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin intergovernmental Cooperation Statute, Wisconsin Statutes, Section 66.0301. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin law. WISC investments are valued at amortized cost, which approximates market value.

B. RESTRICTED ASSETS

Restricted assets on December 31, 2020 totaled \$786,057 and consisted of cash and investments held for the following purposes:

<u>Funds</u>	<u>Amount</u>	<u>Purpose</u>
Enterprise		
Water Utility		
Debt retirement	\$ 405,940	To account for retirement of waterworks system revenue bonds
Sewer Utility		
DNR replacement	<u>380,117</u>	To be used for the replacement of certain assets for the sewer utility
Total	<u>\$ 786,057</u>	

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

C. CAPITAL ASSETS

Capital asset 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>
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 1,037,889	\$ -	\$ -	\$ 1,037,889
Capital assets, depreciable:				
Buildings and improvements	16,247,580	35,411	140,944	16,142,047
Machinery and equipment	8,944,382	477,780	327,166	9,094,996
Infrastructure	41,289,734	802,889	170,041	41,922,582
Subtotals	<u>66,481,696</u>	<u>1,316,080</u>	<u>638,151</u>	<u>67,159,625</u>
Less accumulated depreciation for:				
Buildings and improvements	5,865,557	445,047	140,944	6,169,660
Machinery and equipment	7,205,074	415,200	327,166	7,293,108
Infrastructure	24,338,593	1,051,952	170,041	25,220,504
Subtotals	<u>37,409,224</u>	<u>1,912,199</u>	<u>638,151</u>	<u>38,683,272</u>
Total capital assets, depreciable, net	<u>29,072,472</u>	<u>(596,119)</u>	<u>-</u>	<u>28,476,353</u>
Governmental activities capital assets, net	<u>\$ 30,110,361</u>	<u>\$ (596,119)</u>	<u>\$ -</u>	29,514,242
Less: Capital related debt				(7,565,495)
Less: Debt premium				<u>(106,731)</u>
Net investment in capital assets				<u>\$ 21,842,016</u>
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 249,391	\$ -	\$ -	\$ 249,391
Intangible assets	750,000	-	-	750,000
Total capital assets, nondepreciable	<u>999,391</u>	<u>-</u>	<u>-</u>	<u>999,391</u>
Capital assets, depreciable:				
Buildings and improvements	487,800	-	-	487,800
Machinery and equipment	1,550,277	380,000	-	1,930,277
Infrastructure	30,273,405	192,045	26,542	30,438,908
Subtotals	<u>32,311,482</u>	<u>572,045</u>	<u>26,542</u>	<u>32,856,985</u>
Less accumulated depreciation for:				
Buildings and improvements	204,310	15,610	-	219,920
Machinery and equipment	1,151,198	52,227	-	1,203,425
Infrastructure	10,876,458	508,343	26,542	11,358,259
Subtotals	<u>12,231,966</u>	<u>576,180</u>	<u>26,542</u>	<u>12,781,604</u>
Total capital assets, depreciable, net	<u>20,079,516</u>	<u>(4,135)</u>	<u>-</u>	<u>20,075,381</u>
Business-type activities capital assets, net	<u>\$ 21,078,907</u>	<u>\$ (4,135)</u>	<u>\$ -</u>	21,074,772
Less: Capital related debt				<u>(5,921,702)</u>
Net investment in capital assets				<u>\$ 15,153,070</u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Governmental activities	
General government	\$ 41,772
Public safety	519,823
Public works	1,235,133
Culture and recreation	115,471
Total depreciation expense - governmental activities	<u>\$ 1,912,199</u>
Business-type activities	
Water utility	\$ 300,970
Sewer utility	129,189
Stormwater utility	146,021
Total depreciation expense - business-type activities	<u>\$ 576,180</u>

D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2020 are detailed below:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary cash advances to finance operating cash deficits		
Governmental Funds		
General	\$ 388,239	\$ -
Other governmental funds	-	388,239
Proprietary Funds		
Sewer Utility	103,913	-
Stormwater Utility	-	103,913
Subtotal	<u>492,152</u>	<u>492,152</u>
Other operating accounts between funds		
Governmental Funds		
Tax Incremental District #2	1,502,000	-
Other governmental funds	-	1,502,000
Subtotal	<u>1,502,000</u>	<u>1,502,000</u>
Long-term advances between funds		
Governmental Fund		
General	750,000	-
Proprietary Fund		
Water Utility	-	750,000
Subtotal	<u>750,000</u>	<u>750,000</u>
Totals	<u>\$ 2,744,152</u>	<u>\$ 2,744,152</u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

Interfund transfers for the year ended December 31, 2020 were as follows:

Fund	Transfer In	Transfer Out
Governmental Funds		
General	\$ 311,339	\$ -
Debt Service	2,072,951	-
Tax Incremental District No. 2	-	1,370,888
Other governmental funds	-	702,064
Enterprise Funds		
Water Utility	-	295,967
Sewer Utility	-	15,371
	<u>\$ 2,384,290</u>	<u>\$ 2,384,290</u>

Interfund transfers are used to: (1) move restricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

E. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2020:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	\$ 22,675,000	\$ -	\$ 1,915,000	\$ 20,760,000	\$ 2,165,000
Notes from direct borrowings	617,842	-	99,647	518,195	82,875
Total General Obligation Debt	<u>23,292,842</u>	<u>-</u>	<u>2,014,647</u>	<u>21,278,195</u>	<u>2,247,875</u>
Debt premium	117,060	-	10,329	106,731	10,329
Compensated absences	<u>532,791</u>	<u>-</u>	<u>69,499</u>	<u>463,292</u>	<u>29,295</u>
Governmental activities					
Long-term obligations	<u>\$ 23,942,693</u>	<u>\$ -</u>	<u>\$ 2,094,475</u>	<u>\$ 21,848,218</u>	<u>\$ 2,287,499</u>
Business-type activities:					
Revenue bonds	<u>\$ 6,334,245</u>	<u>\$ -</u>	<u>\$ 412,543</u>	<u>\$ 5,921,702</u>	<u>\$ 422,213</u>

Total interest paid during the year on long-term debt totaled \$901,944.

State Trust Fund Loan

The Village's outstanding notes from direct borrowings related to governmental activities of \$518,195 are subject to a statutory provision that in an event of late or nonpayment, a one percent per month penalty will be charged and the payment will be collected through a reduction in payments from the State of Wisconsin.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

Safe Drinking Water Loan Program

The Village's outstanding notes from direct borrowings related to business type activities of \$3,656,702 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the Village or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/20</u>
General obligation bonds	8/23/11	12/1/30	2.75-5.25%	\$ 2,150,000	\$ 1,560,000
General obligation bonds	8/23/11	12/1/26	2.40-4.40%	13,200,000	7,375,000
General obligation bonds	11/22/11	12/1/26	2.00-3.88%	2,155,000	1,100,000
General obligation bonds	5/11/16	11/1/31	2.00-2.10%	7,760,000	5,850,000
General obligation bonds	12/29/16	12/1/36	2.15-4.00%	1,295,000	1,140,000
General obligation bonds	7/10/18	6/1/36	2.85-4.00%	1,665,000	1,600,000
General obligation bonds	12/20/18	12/1/33	3.20-3.85%	2,135,000	2,135,000
State trust fund note	3/29/19	3/15/27	4.25%	700,000	518,195
Total outstanding general obligation debt					<u>\$ 21,278,195</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$21,278,195 on December 31, 2020 are detailed below:

<u>Year Ended</u>	<u>Governmental Activities</u>				
	<u>Bonded Debt</u>		<u>Notes from Direct Borrowing</u>		<u>Total</u>
<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$ 2,165,000	\$ 692,293	\$ 82,875	\$ 22,023	2,962,191
2022	2,240,000	624,250	86,397	18,501	2,969,148
2023	2,310,000	551,590	90,069	14,829	2,966,488
2024	2,400,000	473,578	93,867	11,031	2,978,476
2025	2,500,000	389,350	97,886	7,012	2,994,248
2026-2030	6,935,000	904,623	67,101	2,852	7,909,576
2031-2035	2,020,000	182,975	-	-	2,202,975
2036	190,000	5,600	-	-	195,600
	<u>\$ 20,760,000</u>	<u>\$ 3,824,259</u>	<u>\$ 518,195</u>	<u>\$ 76,248</u>	<u>\$ 25,178,702</u>

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2020 was \$60,665,930 as follows:

Equalized valuation of the Village	\$ 1,638,882,500
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	81,944,125
Total outstanding general obligation debt applicable to debt limitation	<u>21,278,195</u>
Legal margin for new debt	<u><u>\$ 60,665,930</u></u>

Revenue Bonds

Revenue bonds outstanding on December 31, 2020 totaled \$5,921,702 and were comprised of the following issues:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/20</u>
Safe water drinking loan	6/26/13	5/1/33	1.93%	\$ 4,279,516	\$ 3,107,914
Safe water drinking loan	5/28/14	5/1/34	1.93%	711,888	548,788
Water system revenue bonds	7/10/18	5/1/31	3.00-3.50%	2,600,000	<u>2,265,000</u>
Total outstanding revenue bonds					<u><u>\$ 5,921,702</u></u>

Annual principal and interest maturities of the outstanding revenue bonds of \$5,921,702 on December 31, 2020 are detailed below:

<u>Year Ended December 31,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 422,213	\$ 136,567	\$ 558,780
2021	431,972	126,437	558,409
2022	441,822	116,065	557,887
2023	456,766	105,374	562,140
2024	466,805	94,361	561,166
2025-2029	2,503,070	294,535	2,797,605
2030-2034	1,199,055	33,820	1,232,875
	<u><u>\$ 5,921,702</u></u>	<u><u>\$ 907,159</u></u>	<u><u>\$ 6,828,861</u></u>

Utility Revenues Pledged

The Village has pledged future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the system. The bonds are payable solely from water customer net revenues and are payable through 2034. The total principal and interest remaining to be paid on the bonds is \$6,828,861. Principal and interest paid for the current year and total customer net revenues were \$559,000 and \$734,648, respectively.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

F. PENSION PLAN

1. 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 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

2. Postretirement 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%
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)

3. 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, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the year ending December 31, 2020, the WRS recognized \$829,104 in contributions from the Village.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

4. Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Village reported an asset of \$2,149,721 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 0.06666927%, which was an increase of 0.00183680% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$807,836.

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	\$ 4,080,662	\$ 2,042,098
Net differences between projected and actual earnings on pension plan investments	-	4,394,794
Changes in assumptions	167,520	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,252	3,207
Employer contributions subsequent to the measurement date	829,104	-
Total	<u>\$ 5,086,538</u>	<u>\$ 6,440,099</u>

\$829,104 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability 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>Expense</u>
2021	\$ (649,837)
2022	(482,534)
2023	78,639
2024	(1,128,933)
Total	<u>\$ (2,182,665)</u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 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:	7.00%
Discount Rate:	7.00%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.90%

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

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 Greendale, Wisconsin

NOTES TO BASIC 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 arithmetic real rates of return for each major asset class are summarized in the following table:

	<u>Current Asset Allocation %</u>	<u>Long-term Expected Nominal Rate of Return %</u>	<u>Long-term Expected Real Rate of Return %</u>
<u>Core Fund Asset Class</u>			
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%
Cash	-10%	0.9%	N/A
Total Core Fund	<u>100%</u>	7.5%	4.6%
<u>Variable Fund Asset Class</u>			
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%

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

Single Discount Rate. A single discount rate of 7.0% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.0% and a municipal bond rate of 2.75%. (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 7.0% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members.

Village of Greendale, Wisconsin

NOTES TO BASIC 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 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
Village's proportionate share of the net pension liability (asset)	\$ 5,535,917	\$ (2,149,721)	\$ (7,895,620)

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

6. Payables to the Pension Plan

At December 31, 2020, the Village did not report any payables for the outstanding amount of contributions to the pension plan for the year ended December 31, 2020.

G. OTHER POSTEMPLOYMENT BENEFITS

The Village reports OPEB related balances at December 31, 2020 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Local Retiree Life Insurance Fund (LRLIF)	\$ 461,793	\$ 190,092	\$ 77,736
Single-employer defined OPEB plan	8,113,492	1,244,745	820,957
Total pension liability	<u>\$ 8,575,285</u>	<u>\$ 1,434,837</u>	<u>\$ 898,693</u>

1. Single-employer Defined Postemployment Benefit Plan

Plan Description

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the Village. The plan provides health care insurance coverage for eligible retirees and spouses. Benefit provisions are established through personnel policy guidelines. The plan does not issue a publicly available financial report.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. Retired plan members and beneficiaries are required to contribute specified amounts monthly towards the cost of health care insurance premiums depending on the employee classification and years of service.

Benefits Provided

The Village provides medical benefits (including prescription drugs) for retired employees through the Village’s group insurance plans.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	37
Active employees	82
	<u>119</u>

Contributions

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of insurance premiums based on the employee group and their years of service.

Total OPEB Liability

The Village's total OPEB liability was measured as of December 31, 2019 and the total OPEB liability was determined by an actuarial valuation as of December 31, 2019.

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

Inflation:	3.0%
Salary increases:	3.0%
Healthcare cost trend rates:	5.8% for 2020 decreasing to 5.5% for 2021, and decreasing to ultimate rate of 3.7%

Mortality rates are the same as those used in the December 2018 Wisconsin Retirement System's annual report.

The actuarial assumptions used in the December 31, 2019 valuation were based on the "Wisconsin Retirement System 2015 - 2017 Experience Study".

Discount Rate. The discount rate used to measure the total OPEB liability was 2.74%. The discount rate was based on the 20-year Bond Buyer GO Index.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at January 1, 2019	<u>\$ 7,394,052</u>
Changes for the year:	
Service cost	372,448
Interest	309,829
Effect of assumptions changes or inputs	460,847
Benefit payments	<u>(423,684)</u>
Net changes	719,440
Balance at December 31, 2019	<u><u>\$ 8,113,492</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74%) or 1-percentage-point higher (3.74%) than the current rate:

	1% Decrease to Discount Rate (1.74%)	Current Discount Rate (2.74%)	1% Increase to Discount Rate (3.74%)
Total OPEB liability	\$ 8,751,980	\$ 8,113,492	\$ 7,522,088

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.8% decreasing to 2.7%) or 1-percentage-point higher (6.8% decreasing to 4.7%) than the current healthcare cost trend rates:

	1% Decrease (4.8% decreasing to 2.7%)	Healthcare Cost Trend Rates (5.8% decreasing to 3.7%)	1% Increase (6.8% decreasing to 4.7%)
Total OPEB liability	\$ 7,322,972	\$ 8,113,492	\$ 9,036,003

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

For the year ended December 31, 2020, the Village recognized OPEB expense of \$693,420. At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 386,354	\$ -
Changes in assumptions	544,488	820,957
Village benefit payments subsequent to the measurement date	313,903	-
Total	<u><u>\$ 1,244,745</u></u>	<u><u>\$ 820,957</u></u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

\$313,903 reported as deferred outflows of resources related to OPEB resulting from Village benefit payments made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the measurement period ended December 31, 2020, and reported in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other postemployment benefits expense as follows:

Year Ended December 31,	Expense
2021	\$ 11,143
2022	11,143
2023	11,143
2024	11,143
2025	11,143
Thereafter	54,170
Total	<u>\$ 109,885</u>

2. Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>. Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

Benefits Provided

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

Contributions

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

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

Contribution rates as of December 31, 2020 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement coverage	40% of member contribution
25% Postretirement coverage	20% of member contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The members contribution rates in effect for the year ended December 31, 2019 are listed below:

Life Insurance	
Member Contribution Rates	
For the Year Ended December 31, 2019	
<u>Attained Age</u>	<u>Basic</u>
Under 30	\$0.05
30 - 34	0.06
35 - 39	0.07
40 - 44	0.08
45 - 49	0.12
50 - 54	0.22
55 - 59	0.39
60 - 64	0.49
65 - 69	0.57

During the reporting period, the LRLIF recognized \$1,960 in contributions from the employer.

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

At December 31, 2020, the Village reported a liability of \$461,793 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.10844800%, which was an increase of .004314% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized OPEB expense of \$49,506.

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 20,687
Net differences between projected and actual earnings on OPEB plan investments	8,710	-
Changes in assumptions	170,357	50,794
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,025	6,255
Total	<u>\$ 190,092</u>	<u>\$ 77,736</u>

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

<u>Year Ended December 31,</u>	<u>Expense</u>
2021	\$ 18,998
2022	18,998
2023	18,059
2024	17,092
2025	14,168
Thereafter	25,040
	<u>\$ 112,356</u>

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

Actuarial valuation date:	January 1, 2019
Measurement date of net OPEB liability:	December 31, 2019
Actuarial cost method:	Entry Age normal
20 year tax-exempt municipal bond yield:	2.74%
Long-term expected rate of return:	4.25%
Discount rate:	2.87%
Salary increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-term Expected Geometric Real Rate of Return %</u>
U.S. Credit Bonds	Barclays Credit	45%	2.12%
U.S. Long Credit Bonds	Barclays Long Credit	5%	2.90%
U.S. Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-term expected rate of return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

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

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

Sensitivity of the Village's proportionate share of net OPEB liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.2%, as well as what the Village's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87%) or 1-percentage-point higher (3.87%) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
Village's proportionate share of the net OPEB liability (asset)	\$ 637,658	\$ 461,793	\$ 327,993

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

Payable to the OPEB Plan

At December 31, 2020, the Village did not report a payable for the outstanding amount of contribution to the Plan required for the year ended December 31, 2020.

H. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2020, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Prepaid supplies and items	\$ 173,991
Delinquent personal property taxes	82,820
Long-term receivables	<u>750,000</u>
Total General Fund nonspendable fund balance	<u>1,006,811</u>
 Total nonspendable fund balance	 <u><u>\$ 1,006,811</u></u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2020, restricted fund balance was as follows:

Special Revenue Funds	
Restricted for	
Library operations	\$ 54,649
Donations	<u>78,438</u>
	133,087
Debt Service Fund	
Restricted for debt service	<u>103</u>
Capital Projects Funds	
Restricted for	
Future projects or improvements	<u>5,494,738</u>
Total restricted fund balance	<u><u>\$ 5,627,928</u></u>

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2020, fund balance was assigned as follows:

General Fund	
Assigned for subsequent years budget	\$ 290,378
Special Revenue Funds	
Assigned for future projects and improvements	<u>26,364</u>
Total	<u>\$ 316,742</u>

NOTE 4: OTHER INFORMATION

A. TAX INCREMENTAL FINANCING DISTRICTS

The Village has established separate capital projects funds for Tax Incremental District (TID) No. 1, No. 2, No. 3, No. 4 and No. 5 which were created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements.

Since creation of the above Districts, the Village has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the Village from any future excess tax increment revenues. As of December 31, 2020, the Village can recover \$10,192,454 from future excess tax increment revenues of the following:

	<u>Recoverable Costs</u>
TID No. 1	\$ 567,166
TID No. 2	4,013,452
TID No. 3	(40,355)
TID No. 4	3,483,220
TID No. 5	2,168,971

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

	<u>Termination Year</u>
TID No. 1	2030
TID No. 2	2030
TID No. 3	2038
TID No. 4	2043
TID No. 5	2045

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

B. TAX ABATEMENTS

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

For the year ended December 31, 2020, the Village abated property taxes totaling \$108,847 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- ▶ A property tax abatement of \$115,948 to a developer for 90% within Tax Incremental District No. 4.

C. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage. Settled claim have not exceeded coverage in any of the past three years. A description of the Village's risk management programs is presented below:

Public Entity Risk Pool

The Village is a member of the Wisconsin Municipal Insurance Commission (WMIC) and Cities and Villages Mutual Insurance Company (CVMIC).

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC. The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The Village does not exercise any control over the activities of the agencies beyond the election of the officers and board. Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

D. CONTINGENCIES

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

Village of Greendale, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

E. RISKS AND UNCERTAINTIES

The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of organizations, and local communities. Specific to the Village, COVID-19 may impact parts of its 2021 operations and financial results. Management believes the Village is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of the issuance of these financial statements.

F. SUBSEQUENT EVENTS

During March of 2021, the Village issued a state trust fund note in the amount of \$986,000. The note will be used to finance capital asset acquisitions including equipment, building improvements, and road projects. The note includes repayment of principal and interest over a ten year period and an interest rate of three percent.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Greendale, Wisconsin

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS SINGLE EMPLOYER DEFINED OPEB PLAN LAST 10 FISCAL YEARS *

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 372,448	\$ 454,922	\$ 412,714
Interest	309,829	272,049	277,948
Economic/demographic gains or losses	-	497,056	-
Changes of assumptions	460,847	(1,056,187)	201,224
Benefit payments	<u>(423,684)</u>	<u>(450,739)</u>	<u>(307,865)</u>
Net change in total OPEB liability	719,440	(282,899)	584,021
Total OPEB liability - beginning	<u>7,394,052</u>	<u>7,676,951</u>	<u>7,092,930</u>
Total OPEB liability - ending	<u>\$ 8,113,492</u>	<u>\$ 7,394,052</u>	<u>\$ 7,676,951</u>
Covered-employee payroll	\$ 6,609,139	\$ 6,609,139	\$ 5,992,463
Village's total OPEB liability as a percentage of covered-employee payroll	122.76%	111.88%	128.11%

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Data is being accumulated annually to present 10 years of the reported information.

See notes to required supplementary information.

Village of Greendale, Wisconsin

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

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (plan year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.06181192%	\$ (1,518,270)	\$ 6,283,656	24.16%	102.74%
12/31/15	0.06254747%	1,016,379	6,577,938	15.45%	98.20%
12/31/16	0.06259620%	515,942	6,491,236	7.95%	99.12%
12/31/17	0.06371292%	(1,891,712)	6,617,740	28.59%	102.93%
12/31/18	0.06483247%	2,306,536	6,880,340	33.52%	96.45%
12/31/19	0.06666927%	(2,149,721)	7,159,638	30.03%	102.96%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 610,788	\$ 610,788	\$ -	\$ 6,577,938	9.29%
12/31/16	591,087	591,087	-	6,491,236	9.11%
12/31/17	665,295	665,295	-	6,617,740	10.05%
12/31/18	772,837	772,837	-	6,880,340	11.23%
12/31/19	785,939	785,939	-	7,159,638	10.98%
12/31/20	829,104	829,104	-	7,316,377	11.33%

See notes to required supplementary information.

Village of Greendale, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) LOCAL RETIREE LIFE INSURANCE FUND LAST 10 MEASUREMENT PERIODS

<u>Plan Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered- Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered- Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/17	0.10732100%	\$ 322,885	\$ 6,617,740	4.88%	44.81%
12/31/18	0.10413400%	268,701	6,880,340	3.91%	48.69%
12/31/19	0.10844800%	461,793	7,159,638	6.45%	37.58%

SCHEDULE OF CONTRIBUTIONS LOCAL RETIREE LIFE INSURANCE FUND LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered- Employee Payroll</u>
12/31/18	\$ 2,010	\$ 2,010	\$ -	\$ 6,880,340	0.03%
12/31/19	2,006	2,006	-	7,159,638	0.03%
12/31/20	1,960	1,960	-	7,316,377	0.03%

See notes to required supplementary information.

Village of Greendale, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

A. LOCAL RETIREE LIFE INSURANCE FUND

There were no changes of benefit terms for any participating employer in the Local Retiree Life Insurance Fund.

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

The Village 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.

B. WISCONSIN RETIREMENT SYSTEM

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

No significant change in assumptions were noted from the prior 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.

SUPPLEMENTARY INFORMATION

Village of Greendale, Wisconsin

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2020
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019

	Special Revenue					
	School D.A.R.E. (Liaison Officer)	Recycling	Health Grants	Donations	Library	Community Dev. Block Grant Fund
ASSETS						
Cash and investments	\$ -	\$ -	\$ (54,806)	\$ 79,419	\$ 381,694	\$ -
Receivables						
Taxes and special charges	25,532	2,681	-	-	286,745	-
Accounts	88,982	39,333	103,376	-	-	5,729
Special assessments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid supplies and items	-	-	-	-	-	-
Total assets	<u>\$ 114,514</u>	<u>\$ 42,014</u>	<u>\$ 48,570</u>	<u>\$ 79,419</u>	<u>\$ 668,439</u>	<u>\$ 5,729</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ 21,024	\$ 5,412	\$ 981	\$ 17,406	\$ 158
Accrued and other current liabilities	3,119	1,043	26,850	-	12,384	-
Due to other funds	33,031	45,310	65,837	-	-	244,061
Total liabilities	<u>36,150</u>	<u>67,377</u>	<u>98,099</u>	<u>981</u>	<u>29,790</u>	<u>244,219</u>
Deferred inflows of resources						
Property taxes levied for subsequent year	52,000	-	-	-	584,000	-
Special assessments	-	-	-	-	-	-
Total deferred inflows of resources	<u>52,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>584,000</u>	<u>-</u>
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	78,438	54,649	-
Assigned	26,364	-	-	-	-	-
Unassigned	-	(25,363)	(49,529)	-	-	(238,490)
Total fund balances	<u>26,364</u>	<u>(25,363)</u>	<u>(49,529)</u>	<u>78,438</u>	<u>54,649</u>	<u>(238,490)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 114,514</u>	<u>\$ 42,014</u>	<u>\$ 48,570</u>	<u>\$ 79,419</u>	<u>\$ 668,439</u>	<u>\$ 5,729</u>

Capital Projects					Totals	
Equipment Replacement	Capital Improvement	Tax Incremental District No. 1	Tax Incremental District No. 3	Tax Incremental District No. 5	2020	2019
\$ 210,112	\$ 566,804	\$ 1,135,127	\$ 1,276,146	\$ 134,254	\$ 3,728,750	\$ 4,306,765
2,946	543,252	137,262	130,990	162,276	1,291,684	1,613,507
11,890	-	-	-	-	249,310	127,702
-	6,300	-	-	-	6,300	9,450
-	-	-	-	-	-	33,268
-	-	-	-	-	-	10,866
<u>\$ 224,948</u>	<u>\$ 1,116,356</u>	<u>\$ 1,272,389</u>	<u>\$ 1,407,136</u>	<u>\$ 296,530</u>	<u>\$ 5,276,044</u>	<u>\$ 6,101,558</u>
\$ 26,374	\$ 11,797	\$ -	\$ -	\$ -	\$ 83,152	\$ 366,108
-	-	-	-	-	43,396	12,733
312,000	-	-	-	-	700,239	188,369
<u>338,374</u>	<u>11,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>826,787</u>	<u>567,210</u>
6,000	1,100,000	279,555	266,781	330,501	2,618,837	3,258,389
-	6,300	-	-	-	6,300	9,450
<u>6,000</u>	<u>1,106,300</u>	<u>279,555</u>	<u>266,781</u>	<u>330,501</u>	<u>2,625,137</u>	<u>3,267,839</u>
-	-	-	-	-	-	10,866
-	-	992,834	1,140,355	-	2,266,276	2,295,788
-	-	-	-	-	26,364	257,656
(119,426)	(1,741)	-	-	(33,971)	(468,520)	(297,801)
<u>(119,426)</u>	<u>(1,741)</u>	<u>992,834</u>	<u>1,140,355</u>	<u>(33,971)</u>	<u>1,824,120</u>	<u>2,266,509</u>
<u>\$ 224,948</u>	<u>\$ 1,116,356</u>	<u>\$ 1,272,389</u>	<u>\$ 1,407,136</u>	<u>\$ 296,530</u>	<u>\$ 5,276,044</u>	<u>\$ 6,101,558</u>

Village of Greendale, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue					Community Dev. Block Grant
	School D.A.R.E. (Liaison Officer)	Recycling	Health Grants	Donations	Library	
REVENUES						
Taxes	\$ 59,321	\$ -	\$ -	\$ -	\$ 648,000	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	178,633	-	382,709	3,060	20,963	9,600
Public charges for services	-	156,532	-	360	12,567	-
Miscellaneous	-	-	-	37,165	15,140	-
Total revenues	<u>237,954</u>	<u>156,532</u>	<u>382,709</u>	<u>40,585</u>	<u>696,670</u>	<u>9,600</u>
EXPENDITURES						
Current						
Public safety	227,993	-	-	9,492	-	-
Public works	-	119,115	-	-	-	-
Health and human services	-	-	426,962	1,981	-	-
Culture and recreation	-	-	-	28,122	655,011	-
Conservation and development	-	-	-	-	-	248,393
Capital outlay	-	-	-	-	24,041	-
Total expenditures	<u>227,993</u>	<u>119,115</u>	<u>426,962</u>	<u>39,595</u>	<u>679,052</u>	<u>248,393</u>
Excess of revenues over (under) expenditures	<u>9,961</u>	<u>37,417</u>	<u>(44,253)</u>	<u>990</u>	<u>17,618</u>	<u>(238,793)</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>9,961</u>	<u>37,417</u>	<u>(44,253)</u>	<u>990</u>	<u>17,618</u>	<u>(238,793)</u>
Fund balances - January 1	<u>16,403</u>	<u>(62,780)</u>	<u>(5,276)</u>	<u>77,448</u>	<u>37,031</u>	<u>303</u>
Fund balances - December 31	<u>\$ 26,364</u>	<u>\$ (25,363)</u>	<u>\$ (49,529)</u>	<u>\$ 78,438</u>	<u>\$ 54,649</u>	<u>\$ (238,490)</u>

Capital Projects					Totals	
Equipment Replacement	Capital Improvement	Tax Incremental District No. 1	Tax Incremental District No. 3	Tax Incremental District No. 5	2020	2019
\$ -	\$ 998,978	\$ 285,622	\$ 273,637	\$ 177,180	\$ 2,442,738	\$ 2,482,866
-	3,150	-	-	-	3,150	3,150
69,049	-	300	5,263	-	669,577	275,337
-	-	-	-	-	169,459	207,761
82,719	-	12,919	15,790	-	163,733	599,316
151,768	1,002,128	298,841	294,690	177,180	3,448,657	3,568,430
-	-	-	-	-	237,485	109,398
-	-	-	-	-	119,115	133,577
-	-	-	-	-	428,943	125,211
-	-	-	-	-	683,133	697,795
-	-	11,860	43,985	11,861	316,099	1,087,972
523,549	897,086	-	-	-	1,444,676	2,139,207
523,549	897,086	11,860	43,985	11,861	3,229,451	4,293,160
(371,781)	105,042	286,981	250,705	165,319	219,206	(724,730)
-	-	-	-	-	-	700,000
11,405	-	-	-	-	11,405	8,425
-	-	(198,060)	(208,255)	(76,328)	(482,643)	(645,682)
11,405	-	(198,060)	(208,255)	(76,328)	(471,238)	62,743
(360,376)	105,042	88,921	42,450	88,991	(252,032)	(661,987)
240,950	(106,783)	903,913	1,097,905	(122,962)	2,076,152	2,928,496
\$ (119,426)	\$ (1,741)	\$ 992,834	\$ 1,140,355	\$ (33,971)	\$ 1,824,120	\$ 2,266,509

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS



Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the Village Board
Village of Greendale, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Greendale, Wisconsin (the "Village") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated July 26, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

COMPLIANCE AND OTHER MATTERS

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

VILLAGE OF GREENDALE, WISCONSIN’S RESPONSE TO FINDINGS

The Village’s response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Village’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

PURPOSE OF THIS REPORT

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



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
July 26, 2021

Village of Greendale, Wisconsin

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION I. INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING NO.	CONTROL DEFICIENCIES
2020-001	Preparation of Annual Financial Report Repeat of Finding 2019-001
Type of Finding:	Significant Deficiency in Internal Control over Financial Reporting
Condition:	Current Village staff maintains accounting records which reflect the Village's financial transactions; however, preparing the Village's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Village contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. For the same reasons, the Village contracts with us to compile the Wisconsin Municipal Report Form C.
Criteria:	The preparation and review of the annual financial report and Municipal Financial Report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required State Financial reports.
Cause:	Village management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits. The Village engages CliftonLarsonAllen, LLP (CLA) to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the Village's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the Village has implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Village's activities and operations.
Effect:	Without our involvement, the Village may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the Village continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Village is necessary to obtain a complete and adequate understanding of the Village's annual financial report and Municipal Financial Report.
Management Response:	Village management has reviewed and approved the financial reports prior to issuance.

Village of Greendale, Wisconsin

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION I. INTERNAL CONTROL OVER FINANCIAL REPORTING (CONTINUED)

FINDING NO.	CONTROL DEFICIENCIES
2020-002	Segregation of Duties
Type of Finding:	Significant Deficiency in Internal Control over Financial Reporting
Condition:	The Village has a limited number of employees to essentially complete all financial and recordkeeping duties of the general Village's operations. During 2020, this condition was also impacted by turnover in a key financial position. Accordingly, this does not allow for a proper segregation of duties for internal control purposes
Criteria:	Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.
Cause:	The lack of segregation of duties is due to the limited number of employees and the size of the Village's operations. In addition, the Village has not completed a risk assessment and review of internal controls to identify additional mitigating and compensating controls which could be implemented to reduce the risk of errors or intentional fraud.
Effect:	Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.
Recommendation:	We recommend the Village Board continue to monitor the transactions and the financial records of the Village. We further recommend the Village complete a risk assessment and analysis of its internal controls to identify opportunities to strengthen and enhance controls over financial reporting.
Management Response:	Management and the Board are conscious of the Village's staffing limitations. The Village Board will continue to monitor the transactions and financial records of the Village.

SECTION II. COMPLIANCE AND OTHER MATTERS

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2020.