

CITY OF OCONOMOWOC

Oconomowoc, Wisconsin

Comprehensive Annual Financial Report

As of and for the Year Ended December 31, 2019

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INTRODUCTORY SECTION

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CITY OF OCONOMOWOC
Oconomowoc, Wisconsin

Comprehensive Annual Financial Report

As of and for the Year Ended December 31, 2019

Prepared by the
Finance Department

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CITY OF OCONOMOWOC

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CITY OF OCONOMOWOC

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June 1, 2020

To the Honorable Mayor, Members of the City Council and Citizens of the City of Oconomowoc:

The comprehensive annual financial report for the City of Oconomowoc for the year ended December 31, 2019, is hereby submitted. This report consists of management's representations concerning the finances of the City of Oconomowoc. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City Council retained the accounting firm of Baker Tilly Virchow Krause, LLP to perform an audit of the City's financial statements. Baker Tilly Virchow Krause, LLP has issued an unmodified ("clean") opinion on the City of Oconomowoc's financial statements for the year ended December 31, 2019. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City, first incorporated as a village in 1865, and then as a city in 1875, is located in western Waukesha County, in the southeastern part of Wisconsin, 30 miles west of downtown Milwaukee. The City currently has a land area of approximately 13 square miles and a population of 17,212. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City has operated under a mayor-council form of government since its incorporation. Policymaking and legislative authority is vested in the City Council, which consists of a mayor and an eight-member council. This governing council is responsible, among other things, for passing ordinances, adopting the budget, and hiring the City's administrator. The city administrator is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operations of the City government. The mayor is responsible for appointing committees, boards and commissions, subject to the approval of the City Council. The mayor and the council are elected on a non-partisan basis. Council members are elected from within their respective districts to two-year staggered terms, with four council members elected every year. The mayor is elected at large to two-year terms.

Early in its history, Oconomowoc attracted wealthy individuals from Chicago, Milwaukee, St. Louis and other midwestern cities that came to this area to enjoy its lakes and stay in its prospering resort hotels. By the 1880's, six luxury resorts and 26 grand Victorian homes dotted the landscape and lakeshores. As the years passed, the City grew in population and business prospered. Today, Oconomowoc continues to attract visitors, new businesses, and new residents with its natural beauty, favorable location, diverse and thriving businesses and industries, fine services, and year-round recreational activities.

The City provides a full range of services including police protection; sanitation services; the construction and maintenance of streets, highways, and other infrastructure; recreational activities and cultural events. In addition to the general activities, the City Council exercises control over the Wastewater, Water, and Electric Utilities, and therefore they have been included as an integral part of the City's financial statements. The Oconomowoc Area School District is an autonomous entity and has not met the established criteria for inclusion in the reporting entity and accordingly, is excluded from this report.

The annual budget serves as the foundation for the City of Oconomowoc's financial planning and controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, and the debt service fund are included in the annual appropriated budget. Project-length budgets are prepared for capital project funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the function level within the department and individual fund.

Local Economy

The City's growth tends to follow the pattern of the national economy trends, however, the City's growth has outpaced the average growth within our county five out of the last 10 years. Over the long-term, the City is likely to continue to experience significant residential and commercial growth in the years ahead as development from the Milwaukee area edges toward Oconomowoc. Because of its easy access to points east and west, provided by Interstate Highway I-94 and the four-lane State Highway 16, a significant portion of the City's population commutes to work in the Milwaukee area. In 2018, the City had net new construction growth of 3.92% or \$87.8 million.

The City is home to a diverse business base. The 145-acre Oconomowoc Corporate Center features office and light industrial sites for several area companies. Currently the City is experiencing an increase in interest in industrial and commercial development in the 1,100 acre Pabst Farms area, which is expected to translate to substantial development in the near future. The Pabst Farms development is a mixed-use development with industrial, commercial, residential, school and institutional uses with open space preservation. The Pabst Farms development will have a major impact on western Waukesha County. In 2018, the City welcomed Fleet Farm, a 219,000 square foot commercial center.

The Roundy's Distribution Center and Target Distribution Center are located in the City near Interstate 94 and State Highway 67 interchange. The Roundy's Distribution Center, located within Pabst Farms, was completed in 2005 and comprises 1.065 million square feet and employs approximately 500 people. Target Distribution Center opened in 1994 and underwent an expansion in 2002. The Target facility is 1.5 million square feet and employs about between 600-700 people.

The City's 2018 overall net property tax rate of \$15.10 per \$1,000 of estimated actual value ranks 184 out of all 190 Wisconsin cities. In 2019 the City's overall net property tax rate decreased to \$14.90. The decrease is primarily the result of an increase in property values outpacing increases in tax levy growth. Rankings are not available for 2019 but it is expected to be comparable to 2018.

As a public power community, the City is able to provide its residential customers with electric rates averaging approximately 20 percent lower than the rates charged by the large investor-owned utility that services the surrounding communities. Oconomowoc's average 2019 annual sewer and water charge per household was favorable compared to the average for area Wisconsin communities.

Local economic indicators continued their favorable trends. For example Waukesha County's unemployment rate continued to compare favorably to the state and national average rates as well as the City's adjusted gross income per tax return compared favorably to Wisconsin's average. We expect these trends to remain favorable in the future.

Long-term Financial Planning

The City continues to focus on how to improve Oconomowoc's services and vitality. The City has committed to improving Oconomowoc through various actions and continues to improve their long-term financial planning efforts.

The City uses both its Zoning Ordinance and 2050 Comprehensive Land Use Plan, adopted in 2019 to manage development until the year 2050. In addition to the Comprehensive Land Use Plan, the City has also adopted plans relating to Downtown revitalization, parking, waterfronts, the Southwest Summit Avenue area, and the River West Neighborhood. These plans focus on the applicable specific areas within the City and the unique characteristics each area encompasses. Together, these documents serve as guides to growth and development in the City and the surrounding area. As long range planning tools, these documents are concerned with a wide variety of environmental, economic and social factors for areas currently within the City's corporate limits and beyond. City officials use these land use plans as a policy guide to direct community development decisions, to assist with community facility budgeting, and to focus and stimulate private housing, business, and industrial investment decisions. These plans contain detailed recommendations for community character, land use, transportation, recreation, community facilities, and utilities, as well as extensive recommendations to ensure the implementation of the plans.

Since the closure of TIF No. 3 in 2014, the City continues to promote and encourage development within the Pabst Farms area. It is expected that the City will see future commercial and residential growth within the area. To further support development the City completed the highway 67 project with the Wisconsin Department of Transportation. This project adds supporting infrastructure to the area, including additional lanes for traffic flow and dedicated bicycle paths.

The City of Oconomowoc has established the revitalization of the downtown and adjoining neighborhoods as a top priority. It is a goal of the City to maintain the downtown as a healthy, vibrant area and a center of community activities. As a result of this effort the Common Council approved and created TIF No. 4 during 2003. The district was created to finance public works improvements, provide incentives to the private sector to assist in the elimination of blighted conditions and lastly to stimulate planned commercial, housing and mixed-use development within the district. In 2006 the Common Council amended TIF No. 4 to address the increased scope of the public infrastructure investments in the downtown. The TIF amendment changed the boundaries as well as increased the project costs. In 2012 the Common Council again amended TIF No. 4 to create consistent taxing jurisdictions with TIF No. 3. Overall the estimated costs within the district are estimated to be \$22.6 million with the district funding approximately \$13.2 million and the remaining funds to come from various other sources. When the district is terminated it is expected to bring approximately \$66.7 million of value onto the tax rolls. The final project in TIF 4 for the Collins St. parking lot reconstruction is anticipated to occur in 2020. In 2017, the City approved the creation of TIF districts No. 5 and 6, to finance public works improvements, provide incentives to the private sector to assist in the elimination of blighted conditions and lastly to stimulate planned commercial, housing and mixed-use development within the district, which will further enhance the downtown area. TIF 5 estimated costs within the districted are estimated to total \$6.0 million while TIF 6 estimated project costs total \$10.5 million. Private developers in both districts have created upscale housing with lakefront views that continues to strengthen the heart of the City's downtown.

Other examples in which the City continues to take an active role in the downtown development and redevelopment include the implementation of the downtown revitalization plan and market analysis in partnership with the CDA (Community Development Authority). This plan, which was approved in 2004, serves as a tool and vision for the future of Oconomowoc's downtown image. One of the key recommendations within the Plan was for the City to encourage additional rooftops in the Downtown. During the past several years the City has approved over 100 apartment units directly in the City's Downtown and an additional 55 units in the former Middle School, located just several blocks from the Downtown. The most recent downtown residential project included a land acquisition which gave the City additional land adjacent to our downtown park. This expanded park area has brought expanded use, programming and visitors into the heart of our downtown. Additionally during 2016 the created the Downtown Design Overlay District, which works in conjunction with the existing downtown

revitalization plans to provide further guidance relating to the design of projects within the Downtown. This new district will work in conjunction with the adopted plans to ensure developments fit comfortably within the existing fabric of the City, both now and for years to come.

In conjunction with these efforts the City adopted a redevelopment plan for a block within the downtown area. The redevelopment plan gives the CDA the ability to exercise certain powers to remove blight in the designated project area. In 2009, the City adopted the Downtown Waterfront and Parking Solutions plan. The Plan goal is to create the most compelling, memorable, and beloved waterfront destination in the Heart of Lake Country – Downtown Oconomowoc. Through the implementation of these efforts the downtown will continue to attract businesses, residents, and visitors to our community. In addition, the City is working with the Oconomowoc Area Chamber of Commerce, as well as independently, in soliciting new and appropriate retail to our downtown and in establishing initiatives to ensure the downtown vitality for years to come.

In addition to the efforts detailed above, the City annually updates and adopts a five-year long-term financial plan/capital improvement plan. This plan focuses on the strategic initiatives of the City and addresses the City's capital and operating needs over five years. This document assists the Council in setting the priorities of the City as well as determining how we will finance the needs of the City in the future.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Oconomowoc for its comprehensive annual financial report (CAFR) for the year ended December 31, 2018. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state or local government financial reports. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Oconomowoc received its first Certificate of Achievement in 1994, and has received it in all subsequent years except for 1997 when a report was not submitted. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible through the dedicated services of the Finance Department staff, other City departments, and our independent auditors. We express our appreciation to all the City staff that assisted and contributed to the preparation of this report. We also thank the Mayor, the City Council, and the City Administrator – without their leadership and continuing support, preparation of this report would not have been possible.

Sincerely,



Laurie Sullivan
Director of Finance and Administration



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Oconomowoc
Wisconsin**

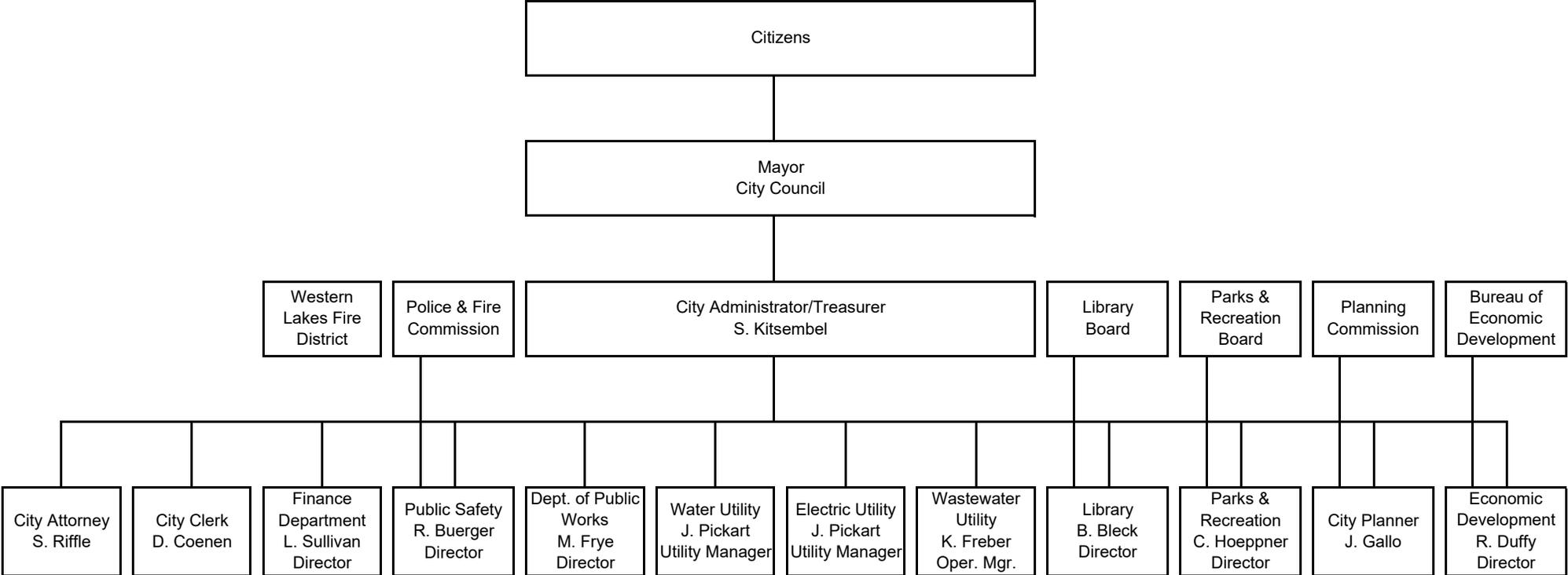
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

City of Oconomowoc Organizational Chart



CITY OF OCONOMOWOC, WISCONSIN

List of Elected and Appointed Officials

December 31, 2019

ELECTED OFFICIALS

Mayor		David Nold
Council Member	District 1	Derek Zwart
	District 1	Karen Spiegelberg
	District 2	Lou Kowieski
	District 2	Tom Strey
	District 3	Andy Rogers
	District 3	Matt Rosek
	District 4	Charlie Shaw
	District 4	Kevin Ellis
Municipal Court Judge		Timothy Kay

APPOINTED OFFICIALS

Administrator/Treasurer	Sarah Kitsembel
Attorney	Stan Riffle
Assistant Attorney	Jeffrey Ek
Clerk	Diane Coenen
Finance Director	Laurie Sullivan
Public Safety Director	Ron Buerger
Public Works Director	Mark Frye
City Engineer	Stanley Sugden
Library Director	Betsy Bleck
Parks and Recreation Director	Craig Hoepfner
Economic Development Director	Robert Duffy
City Planner	Jason Gallo
Wastewater Operations Manager	Kevin Freber
Electric & Water Operations Manager	Joe Pickart

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Oconomowoc
Oconomowoc, 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 City of Oconomowoc, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Oconomowoc's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Oconomowoc'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 City of Oconomowoc'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.

To the Mayor and City Council
City of Oconomowoc

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 City of Oconomowoc, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Special Revenue Fund - Park and Recreation Facilities Impact Fees for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, City of Oconomowoc adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

To the City Council
City of Oconomowoc

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oconomowoc's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
June 1, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Oconomowoc (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 4 – 7 of this report.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two 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 City is improving or deteriorating.

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

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, sanitation, health and human services, culture and recreation and conservation and development. Business-type activities include electric, water and wastewater utilities.

The government-wide financial statements include not only the City of Oconomowoc itself, but also any component units. Component units are legally separate entities for which a primary government is financially accountable. The City has not identified any component units that are required to be included.

The government-wide financial statements can be found on pages 24 – 25 of this report.

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 City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. All of the funds of the City can be divided into two categories: governmental funds and proprietary 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the 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*.

Budgetary comparison statements are included in the basic financial statements for the general fund and the parks and recreation facilities impact fees special revenue fund. Budgetary comparison schedules for all other special revenue funds and capital projects funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements can be found on pages 26 – 37 of this report.

Proprietary funds. Proprietary funds generally report services for which the City charges customers a fee. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Services such as the electric, water and wastewater utilities are provided to customers external to the City organization. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its technology, risk management, and fleet maintenance systems. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water and wastewater utilities, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 38 – 40 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Oconomowoc's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 41 – 42 of this report.

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 begin on page 43 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City of Oconomowoc's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 85 – 86 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds, as well as the individual fund statements and schedules are presented immediately following the required supplementary information on pension benefits. Combining and individual fund statements can be found on pages 87 – 111 of this report.

The City has also included a statistical section with 10 years of comparative financial, demographic, and operational data. This information can be found on pages 112 – 133 of this report.

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 City, assets and deferred outflows exceeded liabilities and deferred inflows by \$215,889,184 at the close of the most recent fiscal year.

City of Oconomowoc's Summary of Net Position						
	Governmental Activities		Business-type Activities		Total	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Assets:						
Non-Capital assets	\$ 27,091,553	\$ 29,861,232	\$ 37,963,186	\$ 36,445,766	\$ 65,054,739	\$ 66,306,998
Capital assets	76,579,046	74,226,757	106,173,540	103,165,058	182,752,586	177,391,815
Total assets	103,670,599	104,087,989	144,136,726	139,610,824	247,807,325	243,698,813
Deferred Outflows of Resources:						
Deferred outflows related						
to pension	4,066,180	2,281,134	1,817,075	1,053,619	5,883,255	3,334,753
Total deferred outflows	4,066,180	2,281,134	1,817,075	1,053,619	5,883,255	3,334,753
Liabilities:						
Current and other liabilities	5,045,803	5,608,872	2,444,190	2,474,365	7,489,993	8,083,237
Long-term liabilities	11,032,160	10,881,511	2,487,724	2,288,439	13,519,884	13,169,950
Total liabilities	16,077,963	16,490,383	4,931,914	4,762,804	21,009,877	21,253,187
Deferred Inflows of Resources:						
Deferred inflows related						
to pension	2,077,269	2,435,048	927,266	1,190,346	3,004,535	3,625,394
Property taxes	13,786,984	12,848,593	-	-	13,786,984	12,848,593
Total deferred inflows	15,864,253	15,283,641	927,266	1,190,346	16,791,519	16,473,987
Net Position:						
Net investment in						
capital assets	67,867,195	64,299,015	104,770,562	101,306,867	172,637,757	165,605,882
Restricted	686,295	1,884,766	10,755,602	10,365,961	11,441,897	12,250,727
Unrestricted	7,241,073	8,411,318	24,568,457	23,038,465	31,809,530	31,449,783
Total net position	\$ 75,794,563	\$ 74,595,099	\$ 140,094,621	\$ 134,711,293	\$ 215,889,184	\$ 209,306,392

The largest portion of the City's net position (80.0%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens and they are not available for future spending. Although the 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.

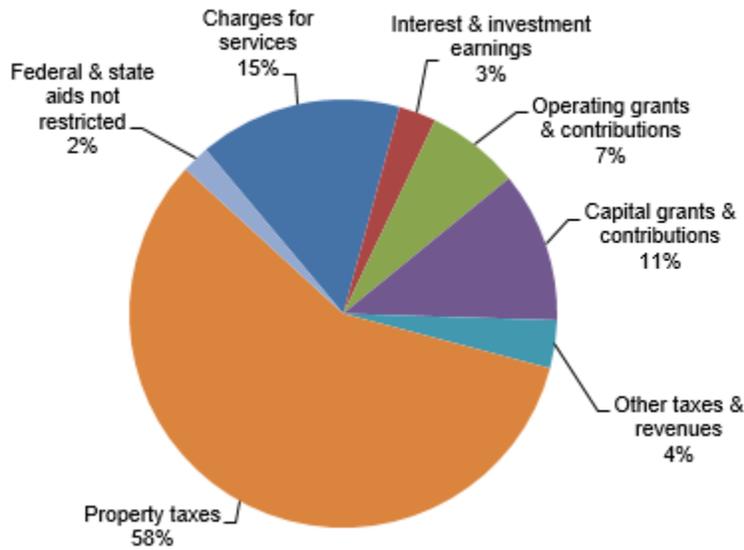
An additional portion of the City's net position (5.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$31,809,530) may be used to meet the government's ongoing obligations to citizens and creditors.

The following table provides a summary of the City's changes in net position.

City of Oconomowoc's Summary of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Revenues:						
Program Revenues						
Charges for services	\$3,182,461	\$3,362,245	\$30,686,160	\$32,278,271	\$33,868,621	\$35,640,516
Operating grants and contributions	1,459,573	1,622,369	-	-	1,459,573	1,622,369
Capital grants and contributions	2,360,151	1,923,410	3,052,401	2,445,154	5,412,552	4,368,564
General Revenues						
Property taxes	11,958,509	11,164,041	-	-	11,958,509	11,164,041
Other taxes	344,812	382,579	-	-	344,812	382,579
Federal & state aids not restricted to specific functions	432,046	347,595	-	-	432,046	347,595
Interest & investment earnings	584,767	375,086	846,964	702,496	1,431,731	1,077,582
Miscellaneous	404,623	866,595	-	-	404,623	866,595
Total Revenues	20,726,942	20,043,920	34,585,525	35,425,921	55,312,467	55,469,841
Expenses:						
General government	1,284,364	1,325,253	-	-	1,284,364	1,325,253
Public safety	6,856,581	6,647,153	-	-	6,856,581	6,647,153
Public works	6,298,089	6,133,012	-	-	6,298,089	6,133,012
Sanitation	976,400	924,498	-	-	976,400	924,498
Health and human services	90,956	83,153	-	-	90,956	83,153
Culture and recreation	4,057,068	5,295,255	-	-	4,057,068	5,295,255
Conservation and development	1,300,765	1,188,097	-	-	1,300,765	1,188,097
Interest and fiscal charges	388,991	370,526	-	-	388,991	370,526
Electric Utility	-	-	21,347,083	21,832,333	21,347,083	21,832,333
Water Utility	-	-	2,688,607	2,455,936	2,688,607	2,455,936
Wastewater Utility	-	-	3,440,771	3,254,637	3,440,771	3,254,637
Total Expenses	21,253,214	21,966,947	27,476,461	27,542,906	48,729,675	49,509,853
Increase (decrease) in net position						
before transfers	(526,272)	(1,923,027)	7,109,064	7,883,015	6,582,792	5,959,988
Transfers	1,725,736	1,622,389	(1,725,736)	(1,622,389)	-	-
Change in net position	1,199,464	(300,638)	5,383,328	6,260,626	6,582,792	5,959,988
Beginning net position	74,595,099	74,895,737	134,711,293	128,450,667	209,306,392	203,346,404
Ending net position	\$75,794,563	\$74,595,099	\$140,094,621	\$134,711,293	\$215,889,184	\$209,306,392

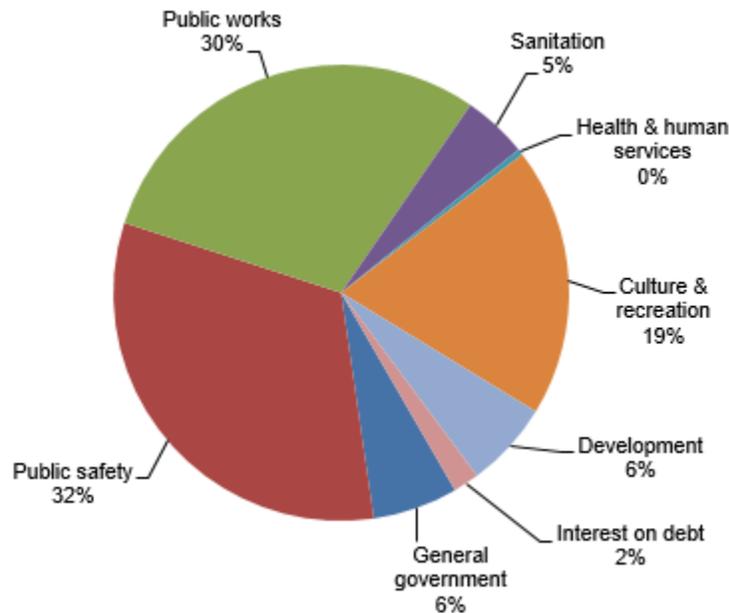
Governmental activities. Total net position for the governmental activities increased \$1,199,464 during the current fiscal year mainly due to general and capital levied funds not expended during 2019 but will be used in 2020. Net investment in capital assets increased 5.5%, or \$3,568,180. Capital assets purchased and contributed during the year totaled approximately \$6.3 million, of which \$1.1 million was contributed. Refer to the discussion regarding capital assets later in this analysis for further details. Restricted net position decreased approximately \$1.2 million due to the net pension asset in 2018 shifting to a net pension liability in 2019 as a result of the Wisconsin Retirement System actuarial valuation for 2019.

GOVERNMENTAL ACTIVITIES REVENUES



As graphically portrayed above, in 2019 the City received a significant amount of its revenue from property taxes (58%). Capital grants and contributions (11%) increased due to more activity from developer financed infrastructure compared to 2018. The City received 15% of its revenue from charges for services, which is a slight decrease compared to prior year. Other taxes and revenues (4%) decreased compared to prior year due to the sale of property in 2018.

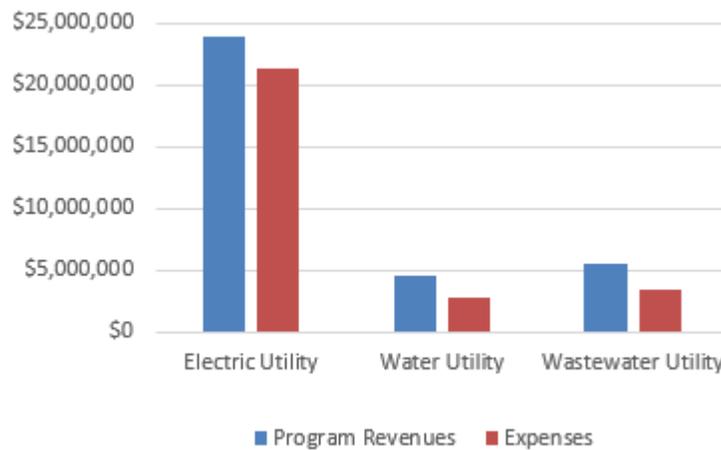
GOVERNMENTAL ACTIVITIES FUNCTIONAL EXPENSES



This graph shows the distribution by function of the total governmental activities cost of \$21,253,214. Of the total amount, public safety accounts for 32% in costs, public works 30%, and culture and recreation 19%. The cost of culture and recreation decreased from the prior year. This is primarily due to construction in progress from 2017 not capitalized in 2018. Public safety and public works percentages increased in compared to the prior year due to the decrease in culture and recreation expenditures. All other categories remained relatively comparable to the prior year.

Business-type activities. Total net position for the business-type activities increased approximately \$5.4 million during the current fiscal year. This increase was less than the prior year due to decreased collections of Sewer Availability Charges for the Wastewater Utility and reduced infrastructure contributions to the Water Utility. See the discussion regarding capital assets later in this analysis for further details.

BUSINESS TYPE ACTIVITIES
Program Revenues vs. Expenses



Business-type activities are shown above comparing costs to revenues generated by related services. Operating income from the electric, water and wastewater utilities totaled \$3,185,394. This is a decrease from 2018 which was primarily due to additional water tower maintenance expenses.

Financial Analysis of the Governmental Funds

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

Governmental funds. The focus of the City’s governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City’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 a fiscal year.

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$5.4 million. Of this amount \$488,636 is considered non-spendable based on form and \$686,295 is restricted by outside parties for specific purposes. The Council committed a total of \$1.3 million in fund balance for future projects and spending. These commitments are not legally obligated but can only be reversed by future Council action. The Council, City Administrator and/or Finance Director assigned \$1.0 million for future budget items, including carryovers of certain budget surpluses into the next year and various other projects.

Total unassigned fund balance for governmental funds totals \$2.0 million. The general fund portion of the unassigned fund balance is the largest segment at \$8.6 million. The City Council adopted a reserve policy that requires an emergency reserve of 25% of the general operating fund and levy funded capital projects fund expenditures. As of the end of the year, the fund balance required under the reserve policy was \$4.1 million; therefore the remaining unassigned fund balance was \$4.5 million. The general fund unassigned fund balance is offset by the negative fund balances in the TID #4 and TID #6 capital projects funds, the parks and recreation and transportation facilities impact fees special revenue funds, the debt service fund, and the capital improvements capital projects fund. These negative balances are the result of internal advances that will be paid with future revenues, except for the capital improvements capital projects fund that will issue long-term debt in 2020 for the construction of Public Safety facility.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the general fund was \$10.3 million, which is an increase of \$566,570 from the previous year. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 62% of total general fund expenditures, while total fund balance represents 74% of that same amount. Both of these percentages are also comparable to prior year.

The park and recreation facilities impact fees special revenue fund is used to account for the collection of park and recreation impact fees and the related project expenditures. During 2019 fund balance decreased \$83,159 to end at a deficit of \$956,323 due to the North East Region Park and completion of the Hickorywoods Playground. This deficit will be funded with future collections of impact fees.

The debt service fund is utilized to account for and report transactions relating to the issuance and payment of existing debt. The debt service fund balance increased \$34,670. The deficit balance is a result of an internal advance issuance to fund certain capital improvements during 2017. This internal advance will be paid of through future tax levy over the next eight years.

The capital improvements fund is used to account for general City capital improvement transactions. At the end of 2019 the fund balance of the capital improvements fund was a deficit of \$2,844,303, a decrease of \$2.4 million from the prior year. This decrease is due to the construction that began in 2019 for the new Public Safety Facility as well as planned infrastructure maintenance, both of which the City had planned to issue to long term debt for in 2019. A short-term construction draw loan of \$407,918 was issued in 2019 to offset the cash spent on construction of the Public Safety Facility. Long-term debt will be issued for both projects in 2020.

The transportation facilities impact fees special revenue fund is used to account for the collection of transportation impact fees and the related project expenditures. During 2019 fund balance decreased \$122,173 to end at a deficit of \$283,691 due to the planning phase of the Thackeray Trail Extension. This deficit will be funded with future collections of impact fees.

The TID #4 capital projects fund experienced an increase in fund balance of \$372,658 during the current year. This increase is due to increment collected in excess of capital expenditures. The TID #5 capital projects fund saw an increase in fund balance of \$95,522 and ended the year with a surplus. 2019 was the second year of increment for the district, and increment exceeded expenditures spent on administration. The TID #6 capital projects fund experienced a decrease in fund balance of \$525,199, which lead to a deficit balance of \$1.6 million. The decrease is due to capital expenditures in excess of increment collected. An internal advance was issued to TID #6 to fund current year expenditures.

Proprietary funds. The City'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 electric, water and wastewater utilities at the end of the year was \$24.6 million, which increased less than the prior year mainly due to decreased Sewer Availability Charge collections and a reduction in Water Utility contributed infrastructure. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The net revision of the original 2019 budget for the General Fund expenditures was \$442,789. Supplemental appropriations or authorized budget amendments were approved as follows:

- Increase in General Fund Expenditure Budget
 - The Council approved \$323,042 in continuing appropriations from the 2018 budget.
 - The Council approved revenue and expenditure budget adjustments of \$184,747 for donation and grant proceeds.
 - The Council approved use of contingency of \$15,000 for Wizard of Oz statues as part of the Yellow Brick Road project expended in the tourism special revenue fund.
 - The Council approved use of contingency of \$50,000 for the design and planning of the Thackeray Trail extension expended in the transportation facilities impact fees special revenue fund.

The General Fund ended the year with a budget surplus of \$1,252,926. The surplus is composed of favorable revenue and favorable expenditure variances. The significant items composing the revenue variance are as follows:

- Licenses and permits – building permits \$146,126 electrical permits \$8,537 and plumbing permits \$31,636 favorable variances: The City continued to experience increase in development activity with several large projects increasing related permit revenues.
- Public charges for services – park and recreation fees \$72,158 unfavorable variance: The City had less rentals at the Community Center. Also, poor weather in summer months lead to decreased waterfront revenue.
- Miscellaneous – interest on investments \$197,663 favorable variance: Increases in interest rates and improved market conditions during the year allowed revenues to surpass the budget.
- Other financing sources – transfer from other funds \$75,363 unfavorable variance: The variance relates to the transfers in from the capital improvements fund and the wastewater utility under budget for the Watershed Program. Transfers are based on actual expenditures for the Watershed Program, which were under budget.

The significant items included in the expenditure favorable variance include:

- General government – \$139,723 favorable variance: Legal activity will vary from year to year based on activity. General accounting was under budget due to department head wage and benefits being allocated to TID #5 and TID #6 and employee turnover, with new employee at a lower wage than budgeted for.
- Public safety – \$39,245 favorable variance: Police operations were less than budget as there were no major police events during 2019 resulting in less overtime and part time wages. Health insurance for Dispatch was lower than planned due to employee turnover. These variances were offset by the amount paid to the contracted building inspector based on the building permits received during the year. See related favorable variance in building permit revenue.
- Public works – \$19,360 unfavorable variance: Wages for the various public works divisions varied due crew workers spending more time on certain projects than budgeted for. A long, harsh winter utilized more resources than anticipated which lead to a larger snow and ice removal variance.
- Culture and recreation – \$234,164 favorable variance: Expenditures budgeted for parks and playgrounds engineering were not completed in 2019. A budgeted \$15,000 capital reserve for the Community Center was unused in 2019. Also, cold, rainy weather led to beach closings and part time wages less than anticipated contributed to the favorable variance.
- Conservation and development – \$189,086 favorable variance: Less grants were provided as part of the watershed project to local farmers to recoup their costs of not planting within a certain distance from the river. Also, approximately \$53,000 was unspent for the façade grant program, which will be carried over to 2020. The remaining variance is due to department head wages and benefits being allocated to TID #5 and TID #6 as well as unused budgeted funds for business marketing materials.
- Other financing uses - \$343,750 favorable variance: A budgeted transfer to the capital improvement fund for the City Beach boat launch development and parking did not occur, as the project was delayed until 2020.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to \$182,752,586 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery and equipment, and infrastructure such as roads, storm sewers, bridges, and utility mains. The following table provides a summary of the City's capital assets.

City of Oconomowoc's Capital Assets Net of Accumulated Depreciation						
	Governmental Activities		Business-type Activities		Total	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Land and land rights	\$14,023,165	\$14,016,165	\$242,294	\$242,294	\$14,265,459	\$14,258,459
Land improvements	3,530,755	3,548,990	-	-	3,530,755	3,548,990
Buildings	5,338,442	5,581,431	5,714,075	6,056,522	11,052,517	11,637,953
Machinery and equipment	3,821,320	3,049,618	18,948,324	18,960,212	22,769,644	22,009,830
Infrastructure	43,889,128	44,054,466	79,075,128	77,122,263	122,964,256	121,176,729
Construction in progress	5,976,236	3,976,087	2,193,719	783,767	8,169,955	4,759,854
	<u>\$76,579,046</u>	<u>\$74,226,757</u>	<u>\$106,173,540</u>	<u>\$103,165,058</u>	<u>\$182,752,586</u>	<u>\$177,391,815</u>

Major capital asset events during the current fiscal year are as follows:

- Construction began in 2019 for the Public Safety Facility, which is in progress as of year-end.
- Construction began in 2017 for Northeast Region infrastructure and park, in which \$1.5 million remained in progress as of year-end.
- Various streets and public works projects remained in progress as of year-end.
- Developer dedicated infrastructure for new neighborhoods totaled \$1.6 million in 2019.
- The Electric Utility added \$1,402,504 of infrastructure including cable replacement projects that will assist in further improving the reliability of the distribution system.
- The Water Utility added \$2,871,144 of infrastructure which was mostly underground distribution mains.
- The Wastewater Utility added \$1,484,119 of infrastructure which included both collection system additions and treatment.

Additional information on the City's capital assets can be found in Note IV(D) in the notes to the financial statements.

Long-term obligations. At the end of the current fiscal year, the City had total long term obligations of \$13,519,884. Of this amount, \$10,624,448 is comprised of debt backed by the full faith and credit of the government.

City of Oconomowoc's Long Term Obligations						
	Governmental Activities		Business-type Activities		Total	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
General obligation debt	\$9,035,168	\$10,302,379	\$1,589,280	\$2,071,885	\$10,624,448	\$12,374,264
Notes	-	9,634	-	-	-	9,634
Subtotal	9,035,168	10,312,013	1,589,280	2,071,885	10,624,448	12,383,898
Net pension liability	1,474,783	-	705,711	-	2,180,494	-
Vested compensated absences	359,350	374,394	169,755	183,363	529,105	557,757
Premium	162,859	195,104	22,978	33,191	185,837	228,295
Total	<u>\$11,032,160</u>	<u>\$10,881,511</u>	<u>\$2,487,724</u>	<u>\$2,288,439</u>	<u>\$13,519,884</u>	<u>\$13,169,950</u>

Debt payments were paid as scheduled during the year, except for the unsecured note of \$9,634 that was fully paid off in 2019.

The City participates in a cost sharing multiple employer defined benefit pension plan. The pension obligation from 2018 represented the City's proportionate share of the actuarial determined net pension asset. The actuarial study for the pension plan as of December 31, 2019 resulted in a net pension liability. Additional information on this can be found in Note V(A) in the notes to the financial statements.

City employees earn vacation for use in the following year. The vested compensated absences balance represents amounts earned and payable at December 31, 2019.

Wisconsin state statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its equalized valuation. The current debt limitation for the City of Oconomowoc is \$122,190,795 of which the City has used \$10,624,448 or 8.7%. The debt limitation increased slightly due to an increase in equalized values. The percentage of debt limitation decreased slightly from the prior year due to the increase in equalized values as well as scheduled principal payments and no long-term debt issuance in 2019.

The City maintains a bond rating of Aa2 from Moody's Investor Service for general obligation debt.

Additional information on the City's long-term debt can be found in Note IV(F) in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The nation continues to experience a slow recovery from the economic slowdown which continues to have affects locally. The City's overall value increased 3.8% in 2019. The City experienced increases in residential and commercial. The largest percentage increase was in the commercial classification, a change of 5.4%, which is primarily the result of increased development activity. The residential classification had an increase of 3.5%, which is primarily due to new construction. The City continues to see an increase in development and remains well positioned to grow in the future, as referenced in the transmittal letter.

The City is located within Waukesha County which enjoys a favorable unemployment rate of 2.9% in comparison to the State of Wisconsin's rate of 3.3% and the national average of 3.7%. The City's 2018 adjusted gross income per tax return of \$93,254 also compares favorably to Wisconsin's average of \$59,423. The data for 2019 is not yet available but it is expected to be comparable to 2018. Also the City's high school graduate rate for 2018-19 was 96.6%, which compares favorably to Wisconsin's average of 90.0%.

These economic factors were considered in preparing the City's budget for the 2020 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Oconomowoc's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City's Finance Department at 174 E. Wisconsin Avenue, Oconomowoc, Wisconsin 53066.

BASIC FINANCIAL STATEMENTS

CITY OF OCONOMOWOC

STATEMENT OF NET POSITION
As of December 31, 2019

	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash and investments	\$ 22,250,589	\$ 17,402,030	\$ 39,652,619
Receivables			
Taxes	7,155,143	-	7,155,143
Delinquent personal property taxes	381	-	381
Accounts (net)	2,286,619	2,375,895	4,662,514
Special assessments	28,785	1,130,399	1,159,184
Interest	120,338	26,377	146,715
Internal balances	(4,807,067)	4,807,067	-
Inventories and prepaid items	56,765	1,119,367	1,176,132
Restricted cash and investments	-	10,792,645	10,792,645
Other assets	-	309,406	309,406
Capital assets			
Land	14,023,165	242,294	14,265,459
Construction in progress	5,976,236	2,193,719	8,169,955
Land improvements	5,061,903	-	5,061,903
Buildings and improvements	10,904,799	14,227,371	25,132,170
Machinery and equipment	9,136,981	38,122,157	47,259,138
Infrastructure and other improvements	80,218,972	116,670,959	196,889,931
Less: Accumulated depreciation	<u>(48,743,010)</u>	<u>(65,282,960)</u>	<u>(114,025,970)</u>
Total Assets	<u>103,670,599</u>	<u>144,136,726</u>	<u>247,807,325</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	<u>4,066,180</u>	<u>1,817,075</u>	<u>5,883,255</u>
LIABILITIES			
Short term note payable	2,607,918	-	2,607,918
Accounts payable	1,301,100	2,036,436	3,337,536
Accrued and other current liabilities	650,392	33,439	683,831
Deposits	184,002	41,280	225,282
Accrued interest payable	76,852	9,085	85,937
Due to other governments	170,675	-	170,675
Unearned revenues	54,864	323,950	378,814
Long-term obligations			
Due within one year	1,471,561	657,360	2,128,921
Due in more than one year	<u>9,560,599</u>	<u>1,830,364</u>	<u>11,390,963</u>
Total Liabilities	<u>16,077,963</u>	<u>4,931,914</u>	<u>21,009,877</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for subsequent years	13,786,984	-	13,786,984
Pension related amounts	<u>2,077,269</u>	<u>927,266</u>	<u>3,004,535</u>
Total Deferred Inflows of Resources	<u>15,864,253</u>	<u>927,266</u>	<u>16,791,519</u>
NET POSITION			
Net investment in capital assets	67,867,195	104,770,562	172,637,757
Restricted for:			
Imagination station	7,411	-	7,411
Tourism	161,272	-	161,272
Police forfeitures	14,054	-	14,054
Plant replacement	-	10,755,602	10,755,602
Library trust	36,115	-	36,115
Law enforcement facilities impact fees	345,613	-	345,613
Woodcreek stormwater	101,667	-	101,667
Future improvements	20,163	-	20,163
Unrestricted	<u>7,241,073</u>	<u>24,568,457</u>	<u>31,809,530</u>
TOTAL NET POSITION	<u>\$ 75,794,563</u>	<u>\$ 140,094,621</u>	<u>\$ 215,889,184</u>

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental Activities							
General government	\$ 1,284,364	\$ 311,552	\$ 38,824	\$ -	\$ (933,988)	\$ -	\$ (933,988)
Public safety	6,856,581	948,943	128,433	46,395	(5,732,810)	-	(5,732,810)
Public works	6,298,089	449,056	837,753	1,774,613	(3,236,667)	-	(3,236,667)
Sanitation	976,400	885,187	46,023	-	(45,190)	-	(45,190)
Health and human services	90,956	32	-	-	(90,924)	-	(90,924)
Culture and recreation	4,057,068	560,069	408,540	539,143	(2,549,316)	-	(2,549,316)
Conservation and development	1,300,765	27,622	-	-	(1,273,143)	-	(1,273,143)
Interest and fiscal charges	388,991	-	-	-	(388,991)	-	(388,991)
Total Governmental Activities	21,253,214	3,182,461	1,459,573	2,360,151	(14,251,029)	-	(14,251,029)
Business-type Activities							
Electric utility	21,347,083	23,462,932	-	351,567	-	2,467,416	2,467,416
Water utility	2,688,607	3,438,835	-	1,013,199	-	1,763,427	1,763,427
Wastewater utility	3,440,771	4,617,695	-	854,333	-	2,031,257	2,031,257
Total Business-type Activities	27,476,461	31,519,462	-	2,219,099	-	6,262,100	6,262,100
Total	\$ 48,729,675	\$ 34,701,923	\$ 1,459,573	\$ 4,579,250	(14,251,029)	6,262,100	(7,988,929)
General Revenues							
Taxes							
Property taxes levied for general purposes					7,639,616	-	7,639,616
Property taxes levied for debt service					1,582,778	-	1,582,778
Property taxes levied for capital projects					2,736,115	-	2,736,115
Other taxes					344,812	-	344,812
Federal and state grants and other contributions not restricted to specific functions					432,046	-	432,046
Interest and investment earnings					584,767	846,964	1,431,731
Miscellaneous					404,623	-	404,623
Total general revenues					13,724,757	846,964	14,571,721
Change in net position before transfers					(526,272)	7,109,064	6,582,792
Transfers					1,725,736	(1,725,736)	-
Change in net position					1,199,464	5,383,328	6,582,792
NET POSITION - Beginning of Year					74,595,099	134,711,293	209,306,392
NET POSITION - END OF YEAR					\$ 75,794,563	\$ 140,094,621	\$ 215,889,184

CITY OF OCONOMOWOC

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	General	Special Revenue Fund Park & Recreation Facilities Impact Fees	Debt Service Fund
ASSETS			
Cash and investments	\$ 17,265,284	\$ 85,008	\$ 22,401
Receivables			
Taxes	7,155,143	-	-
Delinquent personal property taxes	381	-	-
Accounts (net)	522,283	-	-
Special assessments	28,785	-	-
Interest	120,338	-	-
Due from other funds	-	-	1,831,598
Advances to other funds	279,250	-	-
Inventories and prepaid items	34,005	-	-
TOTAL ASSETS	<u>\$ 25,405,469</u>	<u>\$ 85,008</u>	<u>\$ 1,853,999</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)			
Liabilities			
Short term note payable	\$ -	\$ -	\$ -
Accounts payable	230,617	14,231	-
Accrued and other current liabilities	644,781	-	9,975
Deposits	184,002	-	-
Due to other governments	170,675	-	-
Due to other funds	5,852,793	-	-
Advances from other funds	-	1,027,100	532,391
Unearned revenues	54,864	-	-
Total Liabilities	<u>7,137,732</u>	<u>1,041,331</u>	<u>542,366</u>
Deferred Inflows of Resources			
Unavailable revenues	28,785	-	-
Property taxes levied for subsequent years	7,946,867	-	1,831,598
Total Deferred Inflows of Resources	<u>7,975,652</u>	<u>-</u>	<u>1,831,598</u>
Fund Balances (Deficits)			
Nonspendable	488,636	-	-
Restricted	7,411	-	-
Committed	196,260	-	-
Assigned	976,548	-	-
Unassigned (Deficit)	8,623,230	(956,323)	(519,965)
Total Fund Balances (Deficits)	<u>10,292,085</u>	<u>(956,323)</u>	<u>(519,965)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ 25,405,469</u>	<u>\$ 85,008</u>	<u>\$ 1,853,999</u>

See accompanying notes to the financial statements.

<u>Capital Project Fund</u>		
<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 317,892	\$ 3,129,373	\$ 20,819,958
-	-	7,155,143
-	-	381
1,754,528	-	2,276,811
-	-	28,785
-	-	120,338
2,107,403	1,896,466	5,835,467
-	-	279,250
-	-	34,005
<u>\$ 4,179,823</u>	<u>\$ 5,025,839</u>	<u>\$ 36,550,138</u>
\$ 2,607,918	\$ -	\$ 2,607,918
837,145	172,625	1,254,618
2,178	806	657,740
-	-	184,002
-	-	170,675
-	-	5,852,793
-	3,509,500	5,068,991
-	-	54,864
<u>3,447,241</u>	<u>3,682,931</u>	<u>15,851,601</u>
1,469,482	-	1,498,267
2,107,403	1,901,116	13,786,984
<u>3,576,885</u>	<u>1,901,116</u>	<u>15,285,251</u>
-	-	488,636
-	678,884	686,295
-	1,090,761	1,287,021
-	-	976,548
<u>(2,844,303)</u>	<u>(2,327,853)</u>	<u>1,974,786</u>
<u>(2,844,303)</u>	<u>(558,208)</u>	<u>5,413,286</u>
\$ 4,179,823	\$ 5,025,839	\$ 36,550,138

See accompanying notes to the financial statements.

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CITY OF OCONOMOWOC

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2019

Total Fund Balances - Governmental Funds	\$ 5,413,286
Amounts reported for governmental activities in the statement of net position are different because different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds (Note II A).	76,175,250
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	1,498,267
Internal service funds are used by the City to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,817,886
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(1,474,783)
Deferred outflows of resources related to pension do not relate to current financial resources and are not reported in the governmental funds.	4,066,180
Deferred inflows of resources related to pension do not relate to current financial resources and are not reported in the governmental funds.	(2,077,269)
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds (Note II A).	<u>(9,624,254)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 75,794,563</u></u>

CITY OF OCONOMOWOC

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	General	Special Revenue Fund Park & Recreation Facilities Impact Fees	Debt Service Fund
REVENUES			
Taxes	\$ 7,895,305	\$ -	\$ 1,582,778
Special assessments	14,649	-	-
Intergovernmental	1,759,306	-	-
Licenses and permits	873,545	341,799	-
Fines, forfeitures and penalties	327,177	-	-
Public charges for services	600,813	-	-
Intergovernmental charges	482,487	-	-
Interdepartmental charges	4,495	-	-
Miscellaneous revenues	676,646	6,003	7,641
Total Revenues	12,634,423	347,802	1,590,419
EXPENDITURES			
Current			
General government	1,340,080	-	-
Public safety	6,019,737	-	-
Public works	2,526,315	-	-
Health and human services	90,257	-	-
Culture and recreation	2,739,187	-	-
Conservation and development	1,119,576	-	-
Capital Outlay	-	457,039	-
Debt Service			
Principal	-	-	1,267,211
Interest expense and fees	-	22,896	288,538
Total Expenditures	13,835,152	479,935	1,555,749
Excess (deficiency) of revenues over expenditures	(1,200,729)	(132,133)	34,670
OTHER FINANCING SOURCES (USES)			
Transfers in	1,856,874	48,974	-
Transfers out	(89,575)	-	-
Sale of capital assets	-	-	-
Total Other Financing Sources (Uses)	1,767,299	48,974	-
Net Change in Fund Balances	566,570	(83,159)	34,670
FUND BALANCES (DEFICITS) - Beginning of Year	9,725,515	(873,164)	(554,635)
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 10,292,085	\$ (956,323)	\$ (519,965)

See accompanying notes to the financial statements.

<u>Capital Project Fund</u>		
<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,094,814	\$ 820,791	\$ 12,393,688
-	7,450	22,099
3,980	64,246	1,827,532
-	76,609	1,291,953
-	-	327,177
-	893,057	1,493,870
-	-	482,487
-	-	4,495
<u>67,514</u>	<u>111,296</u>	<u>869,100</u>
<u>2,166,308</u>	<u>1,973,449</u>	<u>18,712,401</u>
-	23,086	1,363,166
-	5,784	6,025,521
-	991,432	3,517,747
-	-	90,257
-	189,538	2,928,725
-	164,638	1,284,214
4,711,184	650,330	5,818,553
-	-	1,267,211
<u>51,703</u>	<u>55,460</u>	<u>418,597</u>
<u>4,762,887</u>	<u>2,080,268</u>	<u>22,713,991</u>
<u>(2,596,579)</u>	<u>(106,819)</u>	<u>(4,001,590)</u>
309,134	-	2,214,982
(98,138)	(301,533)	(489,246)
19,005	-	19,005
<u>230,001</u>	<u>(301,533)</u>	<u>1,744,741</u>
(2,366,578)	(408,352)	(2,256,849)
<u>(477,725)</u>	<u>(149,856)</u>	<u>7,670,135</u>
<u>\$ (2,844,303)</u>	<u>\$ (558,208)</u>	<u>\$ 5,413,286</u>

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$	(2,256,849)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay reported in governmental fund statements		5,818,553
Some items reported as capital are not capitalized		(835,571)
Some items reported as operating are capitalized		81,879
Contributed capital assets		1,059,694
Depreciation is reported in the government-wide statements		(3,916,011)
Less: internal service funds depreciation included above		106,008
Net book value of assets retired		(3,000)

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

Principal repaid		1,267,211
Amortization of debt premium		32,245

Revenues are reported in the governmental funds when current financial resources are available, but are recognized when earned in the statement of activities.

178,464

Internal service funds are used by management to charge various internal costs to individual funds. The change in net position of the internal service fund is reported with governmental activities.

248,650

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

Compensated absences		15,044
Net pension liability		(2,722,988)
Deferred outflows related to pension		1,785,046
Deferred inflows related to pension		357,779
Accrued interest on debt		(2,639)

Revenues in the fund financial statements that are not revenues in the statement of activities but are a reduction to receivables.

(14,051)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 1,199,464

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Taxes				
General property	\$ 7,639,616	\$ 7,639,616	\$ 7,639,616	\$ -
General sales	50	50	60	10
Public accommodation	173,500	173,500	157,263	(16,237)
Payment in lieu of taxes				
Other tax exempt entities	66,700	66,700	66,700	-
Other taxes	-	-	8,060	8,060
Interest on taxes	21,000	21,000	23,606	2,606
Total Taxes	<u>7,900,866</u>	<u>7,900,866</u>	<u>7,895,305</u>	<u>(5,561)</u>
Special assessments				
Sidewalks	10,000	10,000	14,649	4,649
Intergovernmental				
Federal				
Other public safety	800	800	-	(800)
State				
Expenditure Restraint	29,500	29,500	29,498	(2)
Shared revenues	250,000	250,000	250,438	438
Fire insurance tax	77,500	77,500	88,367	10,867
Exempt computer aid	33,120	33,120	35,573	2,453
Person property aid	31,614	31,614	31,614	-
Municipal services	2,900	2,900	3,201	301
Transportation aids	850,000	850,000	836,385	(13,615)
Other state grants	11,500	36,163	35,683	(480)
Boat safety	4,300	4,300	3,844	(456)
County				
Library	407,880	407,880	407,880	-
Other county aid	-	36,823	36,823	-
Total Intergovernmental	<u>1,699,114</u>	<u>1,760,600</u>	<u>1,759,306</u>	<u>(1,294)</u>
Licenses and permits				
Licenses				
Liquor and malt beverages	40,100	40,100	40,562	462
Electric contractors	-	-	228	228
Cigarette	2,000	2,000	1,600	(400)
Operators	10,500	10,500	10,735	235
Sundry	3,200	3,200	3,605	405
Dog	3,000	3,000	4,141	1,141
Cable TV franchise payment	212,000	212,000	234,250	22,250

(Continued)

CITY OF OCONOMOWOC

STATEMENT OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES GENERAL FUND For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Licenses and permits (continued)				
Permits				
Building	\$ 281,500	\$ 281,500	\$ 427,626	\$ 146,126
Building plan review	2,000	2,000	2,990	990
Plat review fees	100	100	-	(100)
Electrical	35,000	35,000	43,537	8,537
Plumbing	45,000	45,000	76,636	31,636
Zoning and conditional use	5,000	5,000	11,275	6,275
Miscellaneous	7,500	7,500	16,360	8,860
Total Licenses and permits	<u>646,900</u>	<u>646,900</u>	<u>873,545</u>	<u>226,645</u>
Fines and forfeitures				
Court penalties and fines	249,500	249,500	253,401	3,901
Parking violations	50,000	50,000	53,298	3,298
Judgments and damages	2,000	2,000	20,478	18,478
Total Fines and forfeitures	<u>301,500</u>	<u>301,500</u>	<u>327,177</u>	<u>25,677</u>
Public charges for services				
License publication fees	1,300	1,300	1,005	(295)
Other general government	46,615	46,615	42,998	(3,617)
Vending machine commissions	2,000	2,000	9,297	7,297
Copying	12,100	12,100	12,672	572
Animal pound	-	-	32	32
Parking permits	3,800	3,800	4,765	965
Weed and nuisance control	1,500	1,500	201	(1,299)
Park and recreation fees	584,694	584,694	512,536	(72,158)
Planning review fees	20,000	20,000	17,307	(2,693)
Total Public charges for services	<u>672,009</u>	<u>672,009</u>	<u>600,813</u>	<u>(71,196)</u>
Intergovernmental charges for services				
Police service - CSO	10,000	10,000	17,463	7,463
Police service - radio	26,000	26,000	26,000	-
Police service - other	11,000	11,000	10,855	(145)
Police water patrol	2,600	2,600	1,428	(1,172)
Non-resident sanitary district	418,000	418,000	426,741	8,741
Total Intergovernmental charges for services	<u>467,600</u>	<u>467,600</u>	<u>482,487</u>	<u>14,887</u>

(Continued)

CITY OF OCONOMOWOC

STATEMENT OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES GENERAL FUND For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Interdepartmental charges for services				
Police service - radio	\$ 720	\$ 720	\$ 720	\$ -
Library plowing	3,775	3,775	3,775	-
Total Interdepartmental charges for services	<u>4,495</u>	<u>4,495</u>	<u>4,495</u>	<u>-</u>
Miscellaneous				
Interest on investments	180,000	180,000	377,663	197,663
Rent of city buildings	57,096	57,096	57,121	25
Rent of city land	850	850	850	-
Sale of city property	500	500	7,501	7,001
Donations from individuals/organizations	59,900	187,796	186,559	(1,237)
Donations - youth baseball	1,500	1,500	1,115	(385)
Donations - athletic fields	20,000	20,000	17,478	(2,522)
Donations - trees	3,000	3,000	300	(2,700)
Miscellaneous revenue	22,425	22,425	28,059	5,634
Total Miscellaneous	<u>345,271</u>	<u>473,167</u>	<u>676,646</u>	<u>203,479</u>
Total Revenues	<u>12,047,755</u>	<u>12,237,137</u>	<u>12,634,423</u>	<u>397,286</u>
Other financing sources				
Transfer from other funds	642,595	642,595	567,232	(75,363)
Transfer from municipal utility PILOT	1,285,000	1,285,000	1,289,642	4,642
Total Other financing sources	<u>1,927,595</u>	<u>1,927,595</u>	<u>1,856,874</u>	<u>(70,721)</u>
Total Revenue and Other financing sources	<u>\$ 13,975,350</u>	<u>\$ 14,164,732</u>	<u>\$ 14,491,297</u>	<u>\$ 326,565</u>

CITY OF OCONOMOWOC

STATEMENT OF BUDGETED AND ACTUAL EXPENDITURES AND OTHER FINANCING USES GENERAL FUND For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General government				
Council	\$ 108,837	\$ 32,787	\$ 29,821	\$ 2,966
Mayor	27,422	27,422	26,796	626
City administrator	121,641	121,641	111,681	9,960
Codification of ordinances	2,000	2,000	2,197	(197)
Legal	192,000	192,000	131,266	60,734
Clerk	228,078	231,399	225,226	6,173
Licenses and permits	26,592	26,592	26,667	(75)
Elections	66,367	66,367	56,295	10,072
General accounting	261,035	265,585	235,706	29,879
Payroll/human resources	105,559	106,069	97,772	8,297
Treasury	93,816	93,816	90,597	3,219
Property assessment	108,021	108,021	109,971	(1,950)
City buildings	206,104	206,104	196,085	10,019
Total General Government	<u>1,547,472</u>	<u>1,479,803</u>	<u>1,340,080</u>	<u>139,723</u>
Public safety				
Police				
Administration	789,243	790,361	781,166	9,195
Dispatch	638,319	645,147	620,489	24,658
Operations	2,384,502	2,418,871	2,313,260	105,611
Training and travel	18,555	19,865	15,099	4,766
Water and safety patrol	12,753	12,753	4,140	8,613
Fire				
Administration	1,110,425	1,110,425	1,117,698	(7,273)
Suppression/hydrants	820,610	820,610	820,606	4
Inspections	222,820	222,820	332,152	(109,332)
Sealer of weights and measures	6,400	6,400	6,400	-
Emergency government	465	465	1,312	(847)
Dam maintenance	11,265	11,265	7,415	3,850
Total Public safety	<u>6,015,357</u>	<u>6,058,982</u>	<u>6,019,737</u>	<u>39,245</u>
Public works				
DPW administration	530,303	530,303	541,039	(10,736)
Engineering administration	328,345	328,345	340,241	(11,896)
Municipal garage	118,745	137,309	120,732	16,577
Machine and equipment maintenance	30,009	30,009	68,141	(38,132)

(Continued)

CITY OF OCONOMOWOC

STATEMENT OF BUDGETED AND ACTUAL EXPENDITURES AND OTHER FINANCING USES GENERAL FUND For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public works (continued)				
Street maintenance	\$ 197,422	\$ 197,422	\$ 152,703	\$ 44,719
Bridges and culverts	5,986	5,986	1,727	4,259
Curb and gutter	9,122	9,122	7,441	1,681
Street cleaning	118,534	118,534	100,579	17,955
Snow and ice removal	480,010	480,010	546,370	(66,360)
Street signs and markings	92,236	108,530	82,683	25,847
Tree and brush control	133,089	133,089	183,671	(50,582)
Traffic control	4,779	4,779	2,084	2,695
Street lighting	270,000	270,000	249,791	20,209
Sidewalks and crosswalks	26,842	26,842	26,814	28
Storm sewers	102,421	102,421	81,045	21,376
Parking lots	24,254	24,254	21,254	3,000
Total Public works	<u>2,472,097</u>	<u>2,506,955</u>	<u>2,526,315</u>	<u>(19,360)</u>
Health and human services				
Animal pound	10,585	10,585	9,916	669
Elderly transportation	12,000	12,000	12,000	-
Cemetery	67,425	67,425	68,341	(916)
Total Health and human services	<u>90,010</u>	<u>90,010</u>	<u>90,257</u>	<u>(247)</u>
Culture and recreation				
Library	1,154,163	1,154,163	1,149,800	4,363
Community center	180,499	180,499	157,268	23,231
Parks and playgrounds	694,174	701,174	599,395	101,779
Recreation administration	565,327	565,327	515,633	49,694
Recreation programs	369,479	372,188	317,091	55,097
Total Culture and recreation	<u>2,963,642</u>	<u>2,973,351</u>	<u>2,739,187</u>	<u>234,164</u>
Conservation and development				
Weed control	23,537	23,537	17,108	6,429
Lakes	58,767	59,267	58,764	503
Planning and zoning	256,068	303,076	290,056	13,020
Watershed project	384,220	438,224	362,589	75,635
Economic development	163,804	484,558	391,059	93,499
Total Conservation and development	<u>886,396</u>	<u>1,308,662</u>	<u>1,119,576</u>	<u>189,086</u>
Total Expenditures	<u>13,974,974</u>	<u>14,417,763</u>	<u>13,835,152</u>	<u>582,611</u>
Other Financing Uses				
Transfer to other funds	<u>433,325</u>	<u>433,325</u>	<u>89,575</u>	<u>343,750</u>
Total Expenditures and Other financing uses	<u>\$ 14,408,299</u>	<u>\$ 14,851,088</u>	<u>\$ 13,924,727</u>	<u>\$ 926,361</u>

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - PARK AND RECREATION FACILITIES IMPACT FEES
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 157,800	\$ 157,800	\$ 341,799	\$ 183,999
Miscellaneous	-	-	6,003	6,003
Total Revenues	<u>157,800</u>	<u>157,800</u>	<u>347,802</u>	<u>190,002</u>
EXPENDITURES				
Capital Outlay	345,000	1,441,500	457,039	984,461
Debt Service				
Interest expense and fees	<u>2,650</u>	<u>2,650</u>	<u>22,896</u>	<u>(20,246)</u>
Total Expenditures	<u>347,650</u>	<u>1,444,150</u>	<u>479,935</u>	<u>964,215</u>
OTHER FINANCING SOURCES				
Transfers in	<u>48,400</u>	<u>48,400</u>	<u>48,974</u>	<u>574</u>
Net change in fund balance	<u>\$ (141,450)</u>	<u>\$ (1,237,950)</u>	<u>(83,159)</u>	<u>\$ 1,154,791</u>
Fund balance (deficit) - Beginning of year			<u>(873,164)</u>	
Fund balance (deficit) - End of year			<u>\$ (956,323)</u>	

CITY OF OCONOMOWOC

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Wastewater Utility	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and investments	\$ 11,435,315	\$ 2,143,977	\$ 3,822,738	\$ 17,402,030	\$ 1,430,631
Receivables					
Accounts	1,737,666	234,455	403,774	2,375,895	9,808
Interest	-	-	26,377	26,377	-
Due from other funds	12,385	2,005	2,936	17,326	-
Inventories and prepaid items	1,043,660	75,474	233	1,119,367	22,760
Current portion of advances	250,164	-	192,610	442,774	-
Restricted assets - cash and investments	37,043	-	-	37,043	-
Total Current Assets	<u>14,516,233</u>	<u>2,455,911</u>	<u>4,448,668</u>	<u>21,420,812</u>	<u>1,463,199</u>
NON-CURRENT ASSETS					
Restricted assets - cash and investments	-	273,674	10,481,928	10,755,602	-
Advance to other funds	891,621	-	5,904,091	6,795,712	-
Other assets					
Special assessments	-	332,474	797,925	1,130,399	-
Other	-	309,406	-	309,406	-
Capital Assets					
Land	123,062	58,625	60,607	242,294	-
Buildings	2,940,897	1,253,429	10,033,045	14,227,371	-
Improvements other than buildings	39,451,970	37,147,561	40,071,428	116,670,959	-
Machinery and equipment	17,118,409	9,127,566	11,876,182	38,122,157	702,257
Construction in progress	2,189,849	3,870	-	2,193,719	21,020
Less: Accumulated depreciation	(28,404,825)	(13,039,233)	(23,838,902)	(65,282,960)	(319,481)
Total Non-Current Assets	<u>34,310,983</u>	<u>35,467,372</u>	<u>55,386,304</u>	<u>125,164,659</u>	<u>403,796</u>
Total Assets	<u>48,827,216</u>	<u>37,923,283</u>	<u>59,834,972</u>	<u>146,585,471</u>	<u>1,866,995</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	<u>942,054</u>	<u>449,272</u>	<u>425,749</u>	<u>1,817,075</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
CURRENT LIABILITIES					
Accounts payable	1,679,054	279,701	77,681	2,036,436	46,482
Accrued and other current liabilities	22,606	4,157	6,676	33,439	2,627
Accrued interest	8,016	454	615	9,085	-
Deposits	37,043	100	4,137	41,280	-
Unearned revenues	280,170	36,419	7,361	323,950	-
Current portion:					
General obligation debt	469,205	7,820	10,580	487,605	-
Advances from other funds	-	381,374	-	381,374	-
Compensated absences	122,616	9,814	37,325	169,755	-
Total Current Liabilities	<u>2,618,710</u>	<u>719,839</u>	<u>144,375</u>	<u>3,482,924</u>	<u>49,109</u>
NON-CURRENT LIABILITIES					
Net pension liability	369,175	172,003	164,533	705,711	-
General obligation debt	1,040,653	35,700	48,300	1,124,653	-
Advances from other funds	-	2,067,371	-	2,067,371	-
Total Liabilities	<u>4,028,538</u>	<u>2,994,913</u>	<u>357,208</u>	<u>7,380,659</u>	<u>49,109</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	<u>480,521</u>	<u>226,043</u>	<u>220,702</u>	<u>927,266</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	32,016,384	34,551,819	38,202,359	104,770,562	403,796
Restricted for plant replacements	-	273,674	10,481,928	10,755,602	-
Unrestricted	<u>13,243,827</u>	<u>326,106</u>	<u>10,998,524</u>	<u>24,568,457</u>	<u>1,414,090</u>
TOTAL NET POSITION	<u>\$ 45,260,211</u>	<u>\$ 35,151,599</u>	<u>\$ 59,682,811</u>	<u>\$ 140,094,621</u>	<u>\$ 1,817,886</u>

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric Utility	Water Utility	Wastewater Utility	Total	
OPERATING REVENUES					
Charges for services	\$ 23,308,715	\$ 3,239,727	\$ 3,771,507	\$ 30,319,949	\$ 1,708,085
Other operating income	34,941	196,350	12,886	244,177	69,238
Total Operating Revenues	<u>23,343,656</u>	<u>3,436,077</u>	<u>3,784,393</u>	<u>30,564,126</u>	<u>1,777,323</u>
OPERATING EXPENSES					
Source of supply	-	2,896	-	2,896	-
Pumping	-	302,745	-	302,745	-
Purchased power	16,275,593	-	-	16,275,593	-
Water treatment	-	98,210	-	98,210	-
Collection	-	-	233,198	233,198	-
Treatment and disposal system	-	-	824,505	824,505	-
Transmission and distribution	1,262,712	600,735	-	1,863,447	-
Customer accounts	298,767	72,144	-	370,911	-
Sales	7,951	6,183	-	14,134	-
Administrative and general	1,474,074	652,112	1,073,781	3,199,967	1,450,522
Depreciation	1,796,214	846,272	1,300,635	3,943,121	106,008
Taxes	206,688	43,317	-	250,005	-
Total Operating Expenses	<u>21,321,999</u>	<u>2,624,614</u>	<u>3,432,119</u>	<u>27,378,732</u>	<u>1,556,530</u>
Operating income	<u>2,021,657</u>	<u>811,463</u>	<u>352,274</u>	<u>3,185,394</u>	<u>220,793</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	297,985	62,138	486,841	846,964	27,857
Sewer availability charge	-	-	833,302	833,302	-
Interest and fiscal charges	(25,084)	(63,993)	(8,652)	(97,729)	-
Merchandising and jobbing	119,276	2,758	-	122,034	-
Total Nonoperating Revenues (Expenses)	<u>392,177</u>	<u>903</u>	<u>1,311,491</u>	<u>1,704,571</u>	<u>27,857</u>
Income before contributions and transfers	2,413,834	812,366	1,663,765	4,889,965	248,650
CAPITAL CONTRIBUTIONS	351,567	1,013,199	854,333	2,219,099	-
TRANSFERS OUT	<u>(823,104)</u>	<u>(541,538)</u>	<u>(361,094)</u>	<u>(1,725,736)</u>	<u>-</u>
Change in Net Position	1,942,297	1,284,027	2,157,004	5,383,328	248,650
NET POSITION - Beginning of Year	<u>43,317,914</u>	<u>33,867,572</u>	<u>57,525,807</u>	<u>134,711,293</u>	<u>1,569,236</u>
NET POSITION - END OF YEAR	<u>\$ 45,260,211</u>	<u>\$ 35,151,599</u>	<u>\$ 59,682,811</u>	<u>\$ 140,094,621</u>	<u>\$ 1,817,886</u>

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

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

	Business Type Activities - Enterprise Funds			Totals	Governmental Activities-
	Electric Utility	Water Utility	Wastewater Utility		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 23,671,136	\$ 3,418,700	\$ 3,829,106	\$ 30,918,942	\$ 1,777,323
Paid to vendors for goods and services	(17,088,908)	(462,976)	(1,053,066)	(18,604,950)	(1,113,923)
Paid to employees for services	(2,315,098)	(1,012,766)	(991,027)	(4,318,891)	(331,677)
Net Cash Flows From Operating Activities	<u>4,267,130</u>	<u>1,942,958</u>	<u>1,785,013</u>	<u>7,995,101</u>	<u>331,723</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Repayment of advances to other funds	244,025	-	187,890	431,915	-
Repayment of advances from other funds	-	(372,015)	-	(372,015)	-
Interest paid on advances	-	(62,108)	-	(62,108)	-
Advances to other funds	-	-	(530,000)	(530,000)	-
Principal paid on unfunded pension liability bonds	(19,205)	(7,820)	(10,580)	(37,605)	-
Interest paid on unfunded pension liability bonds	(4,799)	(1,954)	(2,644)	(9,397)	-
Transfers to municipality	(823,104)	(541,538)	(361,094)	(1,725,736)	-
Net Cash Flows From Non-Capital Financing Activities	<u>(603,083)</u>	<u>(985,435)</u>	<u>(716,428)</u>	<u>(2,304,946)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	<u>297,985</u>	<u>62,138</u>	<u>490,967</u>	<u>851,090</u>	<u>27,857</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,387,062)	(1,857,701)	(645,509)	(4,890,272)	(145,445)
Principal paid on long term debt	(445,000)	-	-	(445,000)	(9,634)
Interest paid on long term debt	(32,891)	-	(6,100)	(38,991)	-
Payment of special assessments to developers	-	(335,018)	(793,456)	(1,128,474)	-
Collection of special assessments and other fees	-	30,691	838,974	869,665	-
Net Cash Flows From Capital and Related Financing Activities	<u>(2,864,953)</u>	<u>(2,162,028)</u>	<u>(606,091)</u>	<u>(5,633,072)</u>	<u>(155,079)</u>
Net Change in Cash and Cash Equivalents	<u>1,097,079</u>	<u>(1,142,367)</u>	<u>953,461</u>	<u>908,173</u>	<u>204,501</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>10,375,279</u>	<u>3,560,018</u>	<u>13,351,205</u>	<u>27,286,502</u>	<u>1,226,130</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 11,472,358</u>	<u>\$ 2,417,651</u>	<u>\$ 14,304,666</u>	<u>\$ 28,194,675</u>	<u>\$ 1,430,631</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income	\$ 2,021,657	\$ 811,463	\$ 352,274	\$ 3,185,394	\$ 220,793
Adjustments to reconcile operating income to net cash flows from operating activities					
Depreciation	1,796,214	846,272	1,300,635	3,943,121	106,008
Depreciation charged to other accounts	113,132	98,897	-	212,029	-
Merchandising and jobbing	119,276	2,758	-	122,034	-
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources					
Accounts receivable	168,630	(22,596)	41,196	187,230	-
Due from other funds	30,434	3,411	3,302	37,147	-
Inventories and prepaid items	164,408	(3,029)	(153)	161,226	(11,674)
Accounts payable	(319,649)	164,416	16,246	(138,987)	14,949
Accrued liabilities	23,424	(18,125)	1,603	6,902	1,647
Deposits	9,140	(950)	215	8,405	-
Pension related items and deferrals	140,464	60,441	69,695	270,600	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 4,267,130</u>	<u>\$ 1,942,958</u>	<u>\$ 1,785,013</u>	<u>\$ 7,995,101</u>	<u>\$ 331,723</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Unrestricted	\$ 11,435,315	\$ 2,143,977	\$ 3,822,738	\$ 17,402,030	\$ 1,430,631
Restricted	<u>37,043</u>	<u>273,674</u>	<u>10,481,928</u>	<u>10,792,645</u>	<u>-</u>
	<u>\$ 11,472,358</u>	<u>\$ 2,417,651</u>	<u>\$ 14,304,666</u>	<u>\$ 28,194,675</u>	<u>\$ 1,430,631</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Cost of utility plant installed and/or financed by developers	\$ 351,567	\$ 1,013,199	\$ 854,333	\$ 2,219,099	\$ -
Amortization	\$ 10,213	\$ -	\$ -	\$ 10,213	\$ -
Capital in accounts payable	\$ 296,187	\$ 71,019	\$ 45,147	\$ 412,353	\$ 1,300

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

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

	<u>Custodial Fund</u>
	Tax Collection Fund
ASSETS	
Cash and investments	\$ 12,818,289
Taxes receivable	<u>14,477,840</u>
Total Assets	<u>27,296,129</u>
LIABILITIES	
Due to other taxing unities	<u>27,296,129</u>
NET POSITION	
Total Net Position	<u>\$ -</u>

See accompanying notes to the financial statements.

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CITY OF OCONOMOWOC

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CITY OF OCONOMOWOC

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CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Oconomowoc, Wisconsin (the “City”), conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements

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

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

- General Fund – accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Special Revenue Fund – Park & Recreation Facilities Impact Fees – used to account for and report impact fee revenues legally restricted or committed to supporting expenditures for the park & recreation facilities of the City.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- Capital Project Fund – Capital Improvements – used to account for and report financial resources that are committed to expenditures for general capital improvements in the City.

The City reports the following major enterprise funds:

- Electric Utility – accounts for operations of the electric system.
- Water Utility – accounts for operations of the water system.
- Wastewater Utility – accounts for operation of the sanitary sewer system.

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

The City reports the following non-major governmental funds:

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

Ambulance	Law Enforcement Facilities Impact Fees
Garbage and Refuse	Police Forfeitures
Park Land Improvement	Tourism
Woodcreek Stormwater	Library Trust
Community Development Authority	
Transportation Facilities Impact Fees	

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

Tax Incremental District #4
Tax Incremental District #5
Tax Incremental District #6

In addition, the City reports the following fund types:

Internal service funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Data Processing
Risk Management
Fleet

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

Tax Collection Fund

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements

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

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

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

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

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

All Financial Statements

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

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Deposits and Investments

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

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

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

The City has adopted an investment policy. That policy follows the state statute for allowable investments. The policy requires collateralization on two types of investments: all repurchase agreements and certificates of deposit over five hundred thousand dollars (\$500,000). Furthermore, the policy states that in order to anticipate market changes and provide a level of security, the collateralization level shall be (102%) of market value of principal and accrued interest. Collateral is limited to U.S. Government or U.S. Government Agency securities. Lastly, the policy states that City funds may be invested in any corporate security which matures within not more than seven years of the date it is acquired, if that security has a rating which the highest or second highest rating category is assigned by Standard & Poors Corporation, Moody's Investors Service, or other similar nationally recognized rating agency.

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Deposits and Investments (continued)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note IV. A. Negotiable certificates of deposit are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average cash balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

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

See Note IV.A. for further information.

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. Property taxes are recorded in the year levied as receivables and deferred inflows of resources as unearned revenues. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar – 2019 tax roll:

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

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

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

It is the City's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. Receivables (continued)

Metered electric and water sales to consumers are billed at rates approved by the Public Service Commission of Wisconsin. Wastewater charges to consumers are billed at rates established by the City's Common Council. All customers are billed on a monthly basis, payable in 20 days. Delinquent balances at the time of the property tax lien date are placed on the customer's tax bill and collected through the normal tax collection process.

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

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

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. Capital Assets (continued)

Government–Wide Statements (continued)

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method over the range of estimated useful lives by type of asset or is computed under the straight-line method using rates approved by the Public Service Commission for the Electric and Water utilities.

The range of estimated useful lives by type of asset is as follows:

Buildings	12-47 Years
Land Improvements	15-20 Years
Machinery and Equipment	2-45 Years
Utility System	26-77 Years
Infrastructure	20-77 Years

Fund Financial Statements

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

6. Deferred Outflows of Resources

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

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of an employee resignation or retirement.

Employees earn vacation time after one year of continuous service to the City. Any amounts earned must be used by the employee's anniversary date. Sick leave is earned at the rate of one and one half days for each month of service and may be accumulated to a maximum of 90 days.

Vested compensated absences are recorded on the government-wide financial statements.

8. Long-Term Obligations/Conduit Debt

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

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

For the government-wide and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

From time to time, the City has issued Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019, there were seven series of Industrial Development Revenue Bonds outstanding totaling \$18,158,490.

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. *Deferred Inflows of Resources*

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

10. *Equity Classifications*

Government–Wide Statements

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

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

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendible form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. Equity Classifications (continued)

Fund Statements (continued)

- c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.
- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. The City Common Council has, by resolution, adopted a financial policy authorizing the City Administrator and Finance Director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed or assigned for those purposes.

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

The City has adopted a minimum fund balance policy. The policy establishes the minimum general fund balance equal to 25% of the subsequent year's budgeted expenditures of the General Fund and the Capital Project Fund – Capital Improvements. Based on the City's policy; a minimum fund balance of \$4,076,388 is required. As of December 31, 2019, the City is in compliance with their policy.

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

See Note IV. G, for further information.

Fiduciary fund net position is classified as restricted for pool participants, individuals, organizations, and other governments on the statement of fiduciary net position.

CITY OF OCONOMOWOC

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

11. Pension

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

12. Basis for Existing Rates

Electric Utility

Current electrical rates were approved by the Public Service Commission of Wisconsin effective on March 1, 2019.

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin effective on September 16, 2011.

Wastewater Utility

Current wastewater rates were approved by the City's City Council effective on January 31, 2019.

CITY OF OCONOMOWOC

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

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

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Capital assets, net of accumulated depreciation	\$ 76,579,046
Less: Internal Service Fund Capital Assets	<u>(403,796)</u>
Adjustment for Capital Assets	<u>\$ 76,175,250</u>

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

Bonds, notes payable and unamortized premium	\$ (9,198,027)
Compensated absences	(359,350)
Accrued interest	<u>(66,877)</u>
	<u>\$ (9,624,254)</u>

CITY OF OCONOMOWOC

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

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the General Fund, Special Revenue Fund - Park and Recreation Facilities Impact Fees, Capital Projects Fund – Capital Improvements, Special Revenues Funds – Ambulance, Garbage and Refuse, Park Land Improvement, Woodcreek Stormwater, Community Development, Transportation Facilities Impact Fees, Law Enforcement Facilities Impact Fees, and Tourism, Debt Service Fund and Capital Projects Funds – TID #4, TID #5 and TID #6. A budget has not been formally adopted for the Special Revenue Funds – Library Trust and Police Forfeitures. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Fund / Function	Actual Expenditure	Budgeted Expenditure	Excess
General Fund			
Public works	\$ 2,526,315	\$ 2,506,955	\$ 19,360
Health and human services	90,257	90,010	247
Capital Projects Fund - TID #4			
Conservation and development	135,715	85,000	50,715
Capital Projects Fund - TID #5			
General government	11,468	150	11,318
Public works	5,028	-	5,028
Capital Projects Fund - TID #6			
General government	11,468	150	11,318
Conservation and development	21,683	20,000	1,683
Interest expense and fees	15,287	12,000	3,287
Capital outlay	498,846	27,717	471,129
Special Revenue Fund - Park and Recreation Facilities Impact Fees			
Interest expense and fees	22,896	2,650	20,246
Capital Project Fund - Capital Improvements			
Interest expense and fees	51,703	-	51,703
Special Revenue Fund - Ambulance			
Public safety	5,062	-	5,062
Special Revenue Fund - Transportation Facilities Impact Fees			
Public works	1,415	921	494

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

CITY OF OCONOMOWOC

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

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

C. DEFICIT FUND BALANCES

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

As of December 31, 2019, the following funds had a deficit fund equity:

Fund	Amount	Reason
Special Revenue Fund - Transportation Facilities Impact Fees	\$ (283,691)	Facilities expenditures incurred ahead of collected impact fees
Special Revenue Fund - Park & Recreation Facilities Impact Fees	(956,323)	Facilities expenditures incurred ahead of collected impact fees
Debt Service Fund	(519,965)	Debt payments exceeded revenues
Capital Project Fund - Capital Improvements	(2,844,303)	Capital expenditures exceeded revenues
Capital Project Fund - TID #4	(827,438)	TID expenditures exceeded revenues
Capital Project Fund - TID #6	(1,216,724)	TID expenditures exceeded revenues

The Special Revenue Funds – Transportation Facilities Impact Fees and Park & Recreation Facilities Impact Fees deficits will be funded with future impact fee revenues.

The Debt Service Fund deficit will be funded with future tax revenues.

The Capital Project Fund – Capital Improvements deficit will be funded with future levy revenues.

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

D. LIMITATIONS ON THE CITY'S TAX LEVY

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

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

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

	Carrying Value	Bank Balance	Associated Risks
Petty cash and cash on hand	\$ 5,388	\$ 5,388	n/a
Deposits with financial institutions	53,446,599	53,501,960	Custodial credit
Local government investment pool	1,505,232	1,505,232	Credit
US agencies - explicitly guaranteed	459,710	459,710	Custodial credit, interest rate and investments highly sensitive to interest rate
US agencies - implicitly guaranteed	4,576,773	4,576,773	Credit, custodial credit, concentration of credit, interest rate and investments highly sensitive to interest rate
Negotiable certificates of deposit	2,968,697	2,968,697	Credit, custodial credit, concentration of credit, interest rate and investments highly sensitive to interest rate
Corporate bonds	200,368	200,368	Credit, custodial credit, concentration of credit, interest rate and investments highly sensitive to interest rate
Other external investment pools	100,786	100,786	Credit
Total Cash and Investments	\$ 63,263,553	\$ 63,318,914	

Reconciliation to financial statements:

Per statement of net position	
Unrestricted cash and investments	\$ 39,652,619
Restricted cash and investments	10,792,645
Per statement of assets and liabilities - agency fund	
Agency fund	12,818,289
Total Cash and Investments	\$ 63,263,553

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

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. CASH AND INVESTMENTS (continued)

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

The City maintains a collateral agreement with one of its banks. At December 31, 2019, the bank received a letter of credit for \$25,000,000 of which the city used to collateralize \$16,612,584 of City's deposits.

Custodial Credit Risk

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

The City does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

Credit Risk

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

As of December 31, 2019, the City's investments were rated as follows:

Investment Type	Moody's Investor Service	Not Rated
US agencies - implicitly guaranteed	---	Yes
Negotated certificates of deposits	---	Yes
Corporate bonds	Aaa	---
Local government investment pool	---	Yes
Other external investment pools	---	Yes

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At December 31, 2019, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLMC	US agencies - implicitly guaranteed	18%
FNMA	US agencies - implicitly guaranteed	15%

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. CASH AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. As of December 31, 2019, the City's investments were as follows:

Investment Type	Fair Value	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
US agencies - explicitly guaranteed	\$ 459,710	\$ -	\$ -	\$ -	\$ 459,710
US agencies - implicitly guaranteed	4,576,773	-	-	-	4,576,773
Negotiable certificate of deposits	2,968,697	1,727,627	1,241,070	-	-
Corporate bonds	200,368	200,368	-	-	-
	<u>\$ 8,205,548</u>	<u>\$ 1,927,995</u>	<u>\$ 1,241,070</u>	<u>\$ -</u>	<u>\$ 5,036,483</u>

Investments Highly Sensitive to Interest Rate Changes

At December 31, 2019, the City held \$459,710, \$4,576,773, \$2,968,697, and \$200,368 in US agencies – explicitly guaranteed, US agencies – implicitly guaranteed, negotiable certificates of deposit and corporate bonds respectively. With all fixed income securities, as interest rates rise, the values will fall. The longer the time to maturity, the more sensitive the value will be to a change in interest rates. The longest time to maturity on any holding is 30 years maturing August 20, 2049.

The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation method for recurring fair value measurements is as follows:

- > Institutional bond quotes based on various market and industry inputs

Investment	December 31, 2019			
	Level 1	Level 2	Level 3	Total
US agencies - explicitly guaranteed	\$ -	\$ 459,710	\$ -	\$ 459,710
US agencies - implicitly guaranteed	-	4,576,773	-	4,576,773
Negotiable certificate of deposits	-	2,968,697	-	2,968,697
Corporate bonds	-	200,368	-	200,368
Other external investment pools	-	100,786	-	100,786
Total investments by Fair value level	<u>\$ -</u>	<u>\$ 8,306,334</u>	<u>\$ -</u>	<u>\$ 8,306,334</u>

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

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

B. RECEIVABLES

Receivables consist of accounts, taxes, special assessments and delinquent taxes from residents and others. Receivables are reported in the aggregate for the government's individual major funds, nonmajor funds, proprietary funds and fiduciary fund, net of any uncollectible amounts. As of December 31, 2019, the City has no recorded allowance for uncollectible accounts. All of the receivables on the balance sheet are expected to be collected within one year except for special assessments of \$18,852, accounts receivable of \$175,000 and delinquent personal property taxes of \$381 all which are recorded in the General Fund.

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 13,786,984	\$ -
Special assessments receivable	-	28,785
Development receivable	-	1,469,482
Watershed contribution	10,767	-
Park and recreation fees	44,097	-
Total Unearned/Unavailable Revenue for Governmental Funds	\$ 13,841,848	\$ 1,498,267
Unearned revenue included in liabilities	\$ 54,864	
Unearned revenue included in deferred inflows	13,786,984	
Total Unearned Revenue for Governmental Activities on Statement of Net Position	\$ 13,841,848	

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

C. RESTRICTED ASSETS

The Electric Utility has restricted deposits of cash that will be returned to the customers in the future. The Water Utility and Wastewater Utility have restricted cash and investments in accordance with their applicable debt instruments.

Restricted assets consist of the following:

Electric Utility	
Customer deposits	\$ 37,043
Water Utility	
Expansion reserve	273,674
Wastewater Treatment	
Expansion reserve	10,198,250
Replacement reserve	<u>283,678</u>
Total	<u>\$ 10,792,645</u>

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

D. CAPITAL ASSETS

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

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 14,016,165	\$ 10,000	\$ 3,000	\$ 14,023,165
Construction in progress	<u>3,976,087</u>	<u>3,239,269</u>	<u>1,239,120</u>	<u>5,976,236</u>
Total Capital Assets Not Being Depreciated	<u>17,992,252</u>	<u>3,249,269</u>	<u>1,242,120</u>	<u>19,999,401</u>
Capital assets being depreciated/amortized				
Land improvements	4,865,087	196,816	-	5,061,903
Buildings	10,883,819	20,980	-	10,904,799
Machinery and equipment	7,863,522	1,348,627	75,168	9,136,981
Infrastructure	<u>77,524,244</u>	<u>2,694,728</u>	<u>-</u>	<u>80,218,972</u>
Subtotals	<u>101,136,672</u>	<u>4,261,151</u>	<u>75,168</u>	<u>105,322,655</u>
Less: Accumulated depreciation/amortization for				
Land improvements	1,316,097	215,051	-	1,531,148
Buildings	5,302,388	263,969	-	5,566,357
Machinery and equipment	4,813,904	576,925	(75,168)	5,315,661
Infrastructure	<u>33,469,778</u>	<u>2,860,066</u>	<u>-</u>	<u>36,329,844</u>
Subtotals	<u>44,902,167</u>	<u>3,916,011</u>	<u>(75,168)</u>	<u>48,743,010</u>
Total capital assets, being depreciated, net	<u>56,234,505</u>	<u>345,140</u>	<u>-</u>	<u>56,579,645</u>
Governmental activities capital assets, net	<u>\$ 74,226,757</u>	<u>\$ 3,594,409</u>	<u>\$ 1,242,120</u>	<u>\$ 76,579,046</u>

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

D. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions to the City as follows:

Governmental Activities	
General government	\$ 126,697
Public safety	105,305
Public works	3,177,114
Culture and recreation	<u>506,895</u>
Total depreciation expense	<u>\$ 3,916,011</u>

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

D. CAPITAL ASSETS (continued)

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 242,294	\$ -	\$ -	\$ 242,294
Construction in progress	783,767	2,035,429	625,477	2,193,719
Total Capital Assets Not Being Depreciated	<u>1,026,061</u>	<u>2,035,429</u>	<u>625,477</u>	<u>2,436,013</u>
 Capital assets being depreciated				
Buildings	14,209,576	17,795	-	14,227,371
Machinery and equipment	36,992,398	1,212,445	82,686	38,122,157
Utility system	112,234,957	4,527,527	91,525	116,670,959
Subtotals	<u>163,436,931</u>	<u>5,757,767</u>	<u>174,211</u>	<u>169,020,487</u>
 Less: Accumulated depreciation for				
Buildings	8,153,054	360,242	-	8,513,296
Machinery and equipment	18,032,186	1,224,333	(82,686)	19,173,833
Utility system	35,112,694	2,570,575	(87,438)	37,595,831
Subtotals	<u>61,297,934</u>	<u>4,155,150</u>	<u>(170,124)</u>	<u>65,282,960</u>
 Total Capital Assets Being Depreciated, net	<u>102,138,997</u>	<u>1,602,617</u>	<u>4,087</u>	<u>103,737,527</u>
 Business-type activities capital assets, net	<u>\$ 103,165,058</u>	<u>\$ 3,638,046</u>	<u>\$ 629,564</u>	<u>\$ 106,173,540</u>

Depreciation expense was charged to functions as follows:

	Depreciation Charge to Expense	Depreciation Charged to Operations	Total Depreciation
Business-Type Activities			
Electric	\$ 1,796,214	\$ 113,132	\$ 1,909,346
Water	846,272	98,897	945,169
Wastewater	1,300,635	-	1,300,635
 Total Business-Type Activities Depreciation Expense	<u>\$ 3,943,121</u>	<u>\$ 212,029</u>	<u>\$ 4,155,150</u>

Depreciation expense may be different from business-type activity capital asset additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

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

	Interfund Receivables	Interfund Payables
Tax Roll items to be Paid:		
Debt Service Fund	\$ 1,831,598	\$ -
Capital Projects Fund - Capital Improvements	2,107,403	-
Nonmajor Governmental Funds	1,896,466	-
Enterprise Funds		
Electric Utility	12,385	-
Water Utility	2,005	-
Wastewater Utility	2,936	-
General Fund	-	5,852,793
Totals	\$ 5,852,793	\$ 5,852,793
Long-term Advances:		
Governmental Funds		
General Fund	\$ 279,250	\$ -
Special Revenue Fund - Park & Recreation Facilities Impact Fees	-	1,027,100
Debt Service Fund	-	532,391
Nonmajor Governmental Funds	-	3,509,500
Enterprise Funds		
Electric Utility	1,141,785	-
Water Utility	-	2,448,745
Wastewater Utility	6,096,701	-
Totals	\$ 7,517,736	\$ 7,517,736

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ -
Business-type Activities	Governmental Activities	4,807,067
Total Government-Wide Financial Statements		\$ 4,807,067

The principal reason for the interfund amounts relates to a time lag between the dates the transactions are recorded and the dates payments are made between funds. All of the remaining amounts are due within one year except for long-term advances.

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (continued)

The following is a schedule of interfund transfers:

	Transfer to:			Totals
	General Fund	Capital Improvements Fund	Special Revenue Fund - Park and Recreation Facilities Impact Fees	
Transfer from:				
General Fund	\$ -	\$ 89,575	\$ -	\$ 89,575
Capital Improvements Fund	98,138	-	-	98,138
Nonmajor Governmental Funds	33,000	219,559	48,974	301,533
Electric Utility	823,104	-	-	823,104
Water Utility	541,538	-	-	541,538
Wastewater Utility	361,094	-	-	361,094
Totals	\$ 1,856,874	\$ 309,134	\$ 48,974	\$ 2,214,982

Fund Transferred To	Fund Transferred From	Amount
Governmental Activities	Business-type Activities	\$ 1,725,736
Business-type Activities	Governmental Activities	-
Total Government-wide Financial Statements		\$ 1,725,736

Transfers from the Enterprise Funds represent mainly the payments in lieu of taxes.

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

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General Obligation Debt					
Bonds	\$ 7,378,115	\$ -	\$ 797,395	\$ 6,580,720	\$ 812,395
Notes	2,924,264	-	469,816	2,454,448	299,816
Premium on bonds and notes	195,104	-	32,245	162,859	-
Subtotal	<u>10,497,483</u>	<u>-</u>	<u>1,299,456</u>	<u>9,198,027</u>	<u>1,112,211</u>
Other Liabilities					
WPPI note payable	9,634	-	9,634	-	-
Net pension liability	-	1,474,783	-	1,474,783	-
Vested compensated absences	374,394	359,350	374,394	359,350	359,350
Subtotal	<u>384,028</u>	<u>1,834,133</u>	<u>384,028</u>	<u>1,834,133</u>	<u>359,350</u>
Total Governmental Activities					
Long-Term Obligations	<u>\$ 10,881,511</u>	<u>\$ 1,834,133</u>	<u>\$ 1,683,484</u>	<u>\$ 11,032,160</u>	<u>\$ 1,471,561</u>
Business-Type Activities					
General Obligation Debt					
Bonds	\$ 246,885	\$ -	\$ 37,605	\$ 209,280	\$ 37,605
Notes	1,825,000	-	445,000	1,380,000	450,000
Premium on bonds and notes	33,191	-	10,213	22,978	-
Subtotal	<u>2,105,076</u>	<u>-</u>	<u>492,818</u>	<u>1,612,258</u>	<u>487,605</u>
Other Liabilities					
Net pension liability	-	705,711	-	705,711	-
Vested compensated absences	183,363	169,755	183,363	169,755	169,755
Subtotal	<u>183,363</u>	<u>875,466</u>	<u>183,363</u>	<u>875,466</u>	<u>169,755</u>
Total Business-Type Activities					
Long-Term Obligations	<u>\$ 2,288,439</u>	<u>\$ 875,466</u>	<u>\$ 676,181</u>	<u>\$ 2,487,724</u>	<u>\$ 657,360</u>

CITY OF OCONOMOWOC

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

F. LONG-TERM OBLIGATIONS (continued)

General Obligation Debt

The full faith credit and resources of the City have been irrevocably pledged to collateralize all of the general obligation notes and bonds. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service. Business-type activities general obligation debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2019, was \$122,190,795. Total general obligation debt outstanding at year end was \$10,624,448.

Bonds

\$2,525,000 street improvement bonds issued 7/7/11; \$145,000 to \$220,000 due annually through 2026; interest 0.45% to 3.75%	\$ 1,380,000
\$4,285,000 general obligation bonds issued 12/18/12; \$190,000 to \$275,000 due annually through 2031; interest 1.00% to 2.875%	2,885,000
\$1,270,000 general obligation bonds issued 8/21/13; \$100,000 to \$140,000 due annually through 2024; interest 3.00% to 4.50%	640,000
\$3,880,000 general obligation bonds issued 11/1/13; \$325,000 to \$400,000 due annually through 2024; interest 2.00% to 3.00%	<u>1,885,000</u>
Total Bonds	<u>6,790,000</u>

Notes

\$1,250,000 general obligation notes issued 8/21/13; \$115,000 to \$140,000 due annually through 2023; interest 1.50% to 3.00%	540,000
\$78,528 promissory notes issued 11/18/14; \$9,816 due annually through 2022; interest 0.0%	29,448
\$1,150,000 general obligation notes issued 12/16/14; \$105,000 to \$130,000 due annually through 2024; interest 1.50% to 2.50%	610,000
\$3,100,000 general obligation notes issued 5/20/15; \$420,000 to \$475,000 due annually through 2022; interest 2.00%	1,380,000
\$1,500,000 general obligation notes issued 12/18/18; \$45,000 - \$305,000 due annually through 2028; interest 3.0% - 4.0%	<u>1,275,000</u>
Total Notes	<u>3,834,448</u>

Total Outstanding General Obligation Debt	<u>\$ 10,624,448</u>
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CITY OF OCONOMOWOC

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

NOTE IV – Detailed Notes on All Funds (continued)

F. LONG-TERM OBLIGATIONS (continued)

General Obligation Debt (continued)

Debt service requirements to maturity are as follows:

	Governmental Activities Long-Term Debt		Business-Type Activities Long-Term Debt		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,112,211	\$ 252,812	\$ 487,605	\$ 31,181	\$ 1,599,816	\$ 283,993
2021	1,190,576	221,173	494,240	20,688	1,684,816	241,861
2022	1,212,306	186,662	517,510	9,700	1,729,816	196,362
2023	1,260,855	149,959	44,145	3,053	1,305,000	153,012
2024	1,164,220	112,570	45,780	1,030	1,210,000	113,600
2025-2029	2,550,000	246,154	-	-	2,550,000	246,154
2030-2031	545,000	15,741	-	-	545,000	15,741
Totals	<u>\$ 9,035,168</u>	<u>\$ 1,185,071</u>	<u>\$ 1,589,280</u>	<u>\$ 65,652</u>	<u>\$ 10,624,448</u>	<u>\$ 1,250,723</u>

WPPI Note Payable

The City entered into a loan agreement with WPPI Energy, a Wisconsin municipal electric company to upgrade the City's accounting software. The loan was paid off in 2019.

Other Debt Information

Estimated payments of vested compensated absences and net pension liability are not included in the debt service requirement schedules. The vested compensated absences and net pension liability will be liquidated by the general fund, electric utility, water utility and wastewater utility.

CITY OF OCONOMOWOC

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

NOTE IV – Detailed Notes on All Funds (continued)

G. NET POSITION/FUND BALANCES

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

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 14,023,165
Construction in progress	5,976,236
Other capital assets, net of accumulated depreciation	56,579,645
Less: Long-term debt outstanding	(9,035,168)
Less: Premium on long-term debt	(162,859)
Plus: Noncapital debt and premium	486,176
Total Net Investment in Capital Assets	<u>\$ 67,867,195</u>

Business Type Activities

Net Investment in Capital Assets	
Land	\$ 242,294
Construction in progress	2,193,719
Other capital assets, net of accumulated depreciation	103,737,527
Less: Long-term debt outstanding	(1,589,280)
Less: Premium on long-term debt	(22,978)
Plus: Noncapital debt and premium	209,280
Total Net Investment in Capital Assets	<u>\$ 104,770,562</u>

CITY OF OCONOMOWOC

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

NOTE IV – Detailed Notes on All Funds (continued)

G. NET POSITION/FUND BALANCES (continued)

Governmental Funds

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

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals
		Park & Recreation Facilities Impact Fees		Capital Improvements		
Nonspendable						
Delinquent personal property taxes	\$ 381	\$ -	\$ -	\$ -	\$ -	\$ 381
Inventories and prepaid items	34,005	-	-	-	-	34,005
Advance to other funds	279,250	-	-	-	-	279,250
Noncurrent receivables	175,000	-	-	-	-	175,000
Restricted						
Imagination station	7,411	-	-	-	-	7,411
Woodcreek stormwater	-	-	-	-	101,667	101,667
Police forfeitures	-	-	-	-	14,054	14,054
Law enforcement facilities impact fees	-	-	-	-	345,613	345,613
Tourism	-	-	-	-	161,272	161,272
Library Trust	-	-	-	-	36,115	36,115
Future improvements	-	-	-	-	20,163	20,163
Committed						
Health insurance	196,260	-	-	-	-	196,260
Subsequent year projects	-	-	-	-	1,090,761	1,090,761
Assigned						
Façade improvements	222,937	-	-	-	-	222,937
Fund balance designation	666,075	-	-	-	-	666,075
Carryovers and miscellaneous	87,536	-	-	-	-	87,536
Unassigned (deficit)	8,623,230	(956,323)	(519,965)	(2,844,303)	(2,327,853)	1,974,786
Total Fund Balances (Deficits)	<u>\$ 10,292,085</u>	<u>\$ (956,323)</u>	<u>\$ (519,965)</u>	<u>\$ (2,844,303)</u>	<u>\$ (558,208)</u>	<u>\$ 5,413,286</u>

H. SHORT TERM NOTES PAYABLE

The City issued a short term general obligation note on December 20, 2018 in the amount of \$2,200,000 for the purchase of 630 E Wisconsin Avenue property in anticipation of a new public safety facility. In 2019, the City's Common Council voted to move forward with the public safety facility project and issued a note anticipation note of \$7,200,000 to provide interim financing for the project. The City draws down on the note anticipation note until long term financing is issued. Total draws in 2019 were \$407,918. Short term borrowings were taken to provide the City flexibility in the future related to payback methods. The City issued long term borrowing in 2020 for the project.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
General obligation note	\$ 2,200,000	\$ -	\$ -	\$ 2,200,000
Note anticipation note	-	407,918	-	407,918
Total	<u>\$ 2,200,000</u>	<u>\$ 407,918</u>	<u>\$ -</u>	<u>\$ 2,607,918</u>

CITY OF OCONOMOWOC

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

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

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

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) 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 annual 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.

CITY OF OCONOMOWOC

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

NOTE V – OTHER INFORMATION

A. EMPLOYEES’ RETIREMENT SYSTEM (continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42)%
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

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

During the reporting period, the WRS recognized \$621,442 in contributions from the City.

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

	<u>Employee</u>	<u>Employer</u>
General	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

CITY OF OCONOMOWOC

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

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

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

At December 31, 2019, the City reported a liability of \$2,180,494 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the City's proportion was 0.06128967%, which was a decrease of 0.00066914% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized pension expense of \$1,473,941.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,698,274	\$ 3,001,939
Change in assumptions	367,551	-
Net difference between projected and actual earnings on pensions plan investments	3,184,462	-
Change in proportion and differences between employer contributions and proportionate share of contributions	5,620	2,596
Employer contributions subsequent to the measurement date	627,348	-
Totals	\$ 5,883,255	\$ 3,004,535

\$627,348 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflows/ Inflows of Resources
2020	\$ 816,792
2021	204,833
2022	356,979
2023	872,768
2024	-
Total	\$ 2,251,372

CITY OF OCONOMOWOC

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

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

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

Actuarial valuation date	December 31, 2017
Measurement date of net pension liability	December 31, 2018
Actuarial cost method	Entry Age
Asset valuation method	Fair Value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary increases	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.5	4.1
Total Core Fund	110	7.3	4.7

CITY OF OCONOMOWOC

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

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Variable Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return
U.S. Equities	70%	7.6%	5.0%
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

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

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

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net position liability (asset)	\$8,665,512	\$2,180,494	\$(2,641,619)

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

At December 31, 2019, the City reported a payable to the pension plan of \$91,001 which represents contractually required contributions outstanding as of the end of the year.

CITY OF OCONOMOWOC

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

NOTE V – OTHER INFORMATION (continued)

B. RISK MANAGEMENT

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

C. COMMITMENTS AND CONTINGENCIES

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

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

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

The City has active construction projects as of December 31, 2019. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Long-Term Contracts – WPPI Energy

The City of Oconomowoc Electric Utility purchases its electric requirements from WPPI Energy (WPPI). WPPI is a municipal electric company and political subdivision of the State of Wisconsin created by contract by its members on September 5, 1980 pursuant to the Municipal Electric Company Act, Sec. 66.0825 of the Wisconsin Statutes (the Act). WPPI's purposes include providing an adequate, economical and reliable supply of electric energy to its members.

The City of Oconomowoc Electric Utility is one of 51 members of WPPI located throughout the State of Wisconsin. On December 31, 1989, each initial WPPI member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

Forty-nine members, including the City of Oconomowoc Electric Utility, representing approximately 98% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining two members have long-term contracts through December 31, 2037.

CITY OF OCONOMOWOC

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

NOTE V – OTHER INFORMATION (continued)

C. COMMITMENTS AND CONTINGENCIES (continued)

Long-Term Contracts – WPPI Energy (continued)

Under the long-term contract, the City of Oconomowoc Electric Utility and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirement which includes power supply costs, administrative expenses and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its Board of Directors, which consists of representatives from each member municipality.

The City of Oconomowoc Electric Utility has agreed to charge rates to the retail ratepayers of its electric system sufficient to meet its obligations to WPPI. The Long-term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the City of Oconomowoc Electric Utility payable from any operating and maintenance fund established by the City of Oconomowoc Electric Utility.

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

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$324 million as of December 31, 2019.

Total purchases under this arrangement amounted to \$16,275,593 in 2019.

D. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

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

CITY OF OCONOMOWOC

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

NOTE V – OTHER INFORMATION (continued)

E. WESTERN LAKES FIRE DISTRICT

By agreement dated February 2, 2017, the Western Lakes Fire District (WLFD) was created. The WLFD, which provides a unified integrated fire and emergency medical service, began operations on March 2, 2017. The WLFD was created pursuant to the provisions of Wisconsin Statutes 61.65 and 66.30. Participants are the City of Oconomowoc, Village of Dousman, Village of Summit, and the Town of Ottawa. The Western Lakes Fire District is operated by a Fire Board consisting of seven citizen members appointed by the participating municipalities. The affirmative vote of a majority of the members of the Fire Board is required on most matters.

The powers of the Fire Board include developing and submitting the department's budget. The capital and operating budget of the department is approved by the Fire Board and the participating municipalities, any budget exceeding 104% of the current year's authorized expenditures must be approved by all participating municipalities.

Also established by the agreement is a Joint Fire Commission which is responsible for overseeing operational aspects of the district, including authorizing repair, maintenance and renewal of physical assets. In addition the Fire Commission has the powers related to appointments, promotions, suspensions, removals, dismissals, reemployment, compensation, rest days, etc. The City is obligated by the joint venture agreement to remit an amount annually to the district. The City made payments to the district in 2019 totaling \$1,545,558.

Financial information of the district is available directly from the district by request. Western Lakes Fire District, 1400 Oconomowoc Parkway, Oconomowoc, WI 53066.

F. SUBSEQUENT EVENTS

The Wastewater rates were increased by the City's City Council effective on January 31, 2020. Rates were increased by 5.6%, 6.4% and 4.5%-5.1% for residential customers, commercial customers and sanitary districts, respectively.

On May 19, 2020 the City issued general obligation promissory notes in the amount of \$9,755,000 with an interest rate of 2.0 – 3.0%. This amount will be used to fund street improvement projects, storm water projects, park projects, water projects and the acquisition of police dispatch equipment.

On May 19, 2020 the City issued general obligation refunding bonds in the amount of \$9,400,000 with an interest rate of 2.0 – 4.0%. The bonds were issued for the public purpose of refunding a \$2,200,000 general obligation promissory note issued in 2018 and a \$7,200,000 promissory note issued in 2019, both of which were issued as short term financing for the new Public Safety Facility.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF OCONOMOWOC

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

WRS Fiscal Year End Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.06297662%	\$ (1,546,877)	\$ 7,751,645	19.96%	102.74%
12/31/15	0.06248601%	1,015,387	7,845,958	12.94%	98.20%
12/31/16	0.06266673%	516,523	8,032,246	6.43%	99.12%
12/31/17	0.06195881%	(1,839,630)	7,978,650	23.06%	102.93%
12/31/18	0.06128967%	2,180,494	8,199,985	26.59%	96.45%

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

City's Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 615,410	\$ 615,410	\$ -	\$ 7,845,958	7.84%
12/31/16	601,843	601,843	-	8,032,246	7.49%
12/31/17	599,847	599,847	-	7,978,650	7.52%
12/31/18	623,178	623,178	-	8,199,985	7.60%
12/31/19	627,348	627,348	-	8,422,509	7.45%

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

CITY OF OCONOMOWOC

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and For the Year Ended December 31, 2019

WISCONSIN RETIREMENT SYSTEM

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

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

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

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

See independent auditors' report.

SUPPLEMENTARY INFORMATION

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 DEBT SERVICE FUND
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,582,778	\$ 1,582,778	\$ 1,582,778	\$ -
Miscellaneous	<u>52,002</u>	<u>52,002</u>	<u>7,641</u>	<u>(44,361)</u>
Total Revenues	<u>1,634,780</u>	<u>1,634,780</u>	<u>1,590,419</u>	<u>(44,361)</u>
EXPENDITURES				
Debt Service				
Principal	1,283,316	1,283,316	1,267,211	16,105
Interest and fiscal charges	<u>501,464</u>	<u>501,464</u>	<u>288,538</u>	<u>212,926</u>
Total Expenditures	<u>1,784,780</u>	<u>1,784,780</u>	<u>1,555,749</u>	<u>229,031</u>
Excess (deficiency) of revenues over expenditures	<u>(150,000)</u>	<u>(150,000)</u>	<u>34,670</u>	<u>184,670</u>
OTHER FINANCING SOURCES				
Premium on debt issued	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>34,670</u>	<u>\$ 34,670</u>
Fund balance (deficit) - Beginning of year			<u>(554,635)</u>	
Fund balance (deficit) - End of year			<u>\$ (519,965)</u>	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,094,814	\$ 2,094,814	\$ 2,094,814	\$ -
Special assessments	-	84,210	-	(84,210)
Intergovernmental	1,312,500	1,316,480	3,980	(1,312,500)
Miscellaneous	40,000	40,000	67,514	27,514
Total Revenues	<u>3,447,314</u>	<u>3,535,504</u>	<u>2,166,308</u>	<u>(1,369,196)</u>
EXPENDITURES				
Debt Service				
Interest and fiscal charges	-	-	51,703	(51,703)
Capital Outlay	<u>13,515,198</u>	<u>14,965,352</u>	<u>4,711,184</u>	<u>10,254,168</u>
Total Expenditures	<u>13,515,198</u>	<u>14,965,352</u>	<u>4,762,887</u>	<u>10,202,465</u>
Excess (deficiency) of revenues over expenditures	<u>(10,067,884)</u>	<u>(11,429,848)</u>	<u>(2,596,579)</u>	<u>8,833,269</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	652,884	652,884	309,134	(343,750)
Transfers out	(75,000)	(116,600)	(98,138)	18,462
Debt issued	9,185,000	9,185,000	-	(9,185,000)
Sale of capital assets	20,000	20,000	19,005	(995)
Total Other financing sources (uses)	<u>9,782,884</u>	<u>9,741,284</u>	<u>230,001</u>	<u>(9,511,283)</u>
Net change in fund balance	<u>\$ (285,000)</u>	<u>\$ (1,688,564)</u>	<u>(2,366,578)</u>	<u>\$ (678,014)</u>
Fund balance (deficit) - Beginning of year			<u>(477,725)</u>	
Fund balance (deficit) - End of year			<u>\$ (2,844,303)</u>	

CITY OF OCONOMOWOC

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

	Special Revenue Funds					
	Ambulance Fund	Garbage and Refuse Fund	Park Land Improvement Fund	Woodcreek Stormwater Fund	Community Development Fund	Transportation Facilities Impact Fees Fund
ASSETS						
Cash and investments	\$ 612,460	\$ 529,884	\$ -	\$ 105,412	\$ 45,367	\$ 186
Due from other funds	-	889,950	-	7,450	-	-
TOTAL ASSETS	<u>\$ 612,460</u>	<u>\$ 1,419,834</u>	<u>\$ -</u>	<u>\$ 112,862</u>	<u>\$ 45,367</u>	<u>\$ 186</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
Liabilities						
Accounts payable	\$ -	\$ 92,273	\$ -	\$ 3,745	\$ -	\$ 24,377
Accrued liabilities	-	27	-	-	-	-
Advance from other funds	-	-	-	-	-	259,500
Total Liabilities	<u>-</u>	<u>92,300</u>	<u>-</u>	<u>3,745</u>	<u>-</u>	<u>283,877</u>
Deferred Inflows of Resources						
Property taxes levied for subsequent years	-	894,600	-	7,450	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>894,600</u>	<u>-</u>	<u>7,450</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)						
Restricted	-	-	-	101,667	-	-
Committed	612,460	432,934	-	-	45,367	-
Unassigned (Deficits)	-	-	-	-	-	(283,691)
Total Fund Balances (Deficits)	<u>612,460</u>	<u>432,934</u>	<u>-</u>	<u>101,667</u>	<u>45,367</u>	<u>(283,691)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ 612,460</u>	<u>\$ 1,419,834</u>	<u>\$ -</u>	<u>\$ 112,862</u>	<u>\$ 45,367</u>	<u>\$ 186</u>

CITY OF OCONOMOWOC

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

	Special Revenue Funds (continued)				
	Law Enforcement Facilities Impact Fees Fund	Tourism Fund	Library Trust Fund	Police Forfeitures Fund	Total Special Revenue Funds
ASSETS					
Cash and investments	\$ 345,613	\$ 161,805	\$ 36,115	\$ 14,054	\$ 1,850,896
Due from other funds	-	-	-	-	897,400
TOTAL ASSETS	<u>\$ 345,613</u>	<u>\$ 161,805</u>	<u>\$ 36,115</u>	<u>\$ 14,054</u>	<u>\$ 2,748,296</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 120,395
Accrued liabilities	-	533	-	-	560
Advance from other funds	-	-	-	-	259,500
Total Liabilities	-	533	-	-	380,455
Deferred Inflows of Resources					
Property taxes levied for subsequent years	-	-	-	-	902,050
Total Deferred Inflows of Resources	-	-	-	-	902,050
Fund Balances (Deficits)					
Restricted	345,613	161,272	36,115	14,054	658,721
Committed	-	-	-	-	1,090,761
Unassigned (Deficits)	-	-	-	-	(283,691)
Total Fund Balances (Deficits)	<u>345,613</u>	<u>161,272</u>	<u>36,115</u>	<u>14,054</u>	<u>1,465,791</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ 345,613</u>	<u>\$ 161,805</u>	<u>\$ 36,115</u>	<u>\$ 14,054</u>	<u>\$ 2,748,296</u>

CITY OF OCONOMOWOC

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

	Capital Projects Fund			Total Capital Projects Funds	Total Nonmajor Governmental Funds
	TID #4 Fund	TID #5 Fund	TID #6 Fund		
ASSETS					
Cash and investments	\$ 1,235,062	\$ 42,431	\$ 984	\$ 1,278,477	\$ 3,129,373
Due from other funds	503,339	279,810	215,917	999,066	1,896,466
TOTAL ASSETS	<u>\$ 1,738,401</u>	<u>\$ 322,241</u>	<u>\$ 216,901</u>	<u>\$ 2,277,543</u>	<u>\$ 5,025,839</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
Liabilities					
Accounts payable	\$ 50,000	\$ 395	\$ 1,835	\$ 52,230	\$ 172,625
Accrued liabilities	-	123	123	246	806
Advance from other funds	2,012,500	21,750	1,215,750	3,250,000	3,509,500
Total Liabilities	<u>2,062,500</u>	<u>22,268</u>	<u>1,217,708</u>	<u>3,302,476</u>	<u>3,682,931</u>
Deferred Inflows of Resources					
Property taxes levied for subsequent years	503,339	279,810	215,917	999,066	1,901,116
Total Deferred Inflows of Resources	<u>503,339</u>	<u>279,810</u>	<u>215,917</u>	<u>999,066</u>	<u>1,901,116</u>
Fund Balances (Deficits)					
Restricted	-	20,163	-	20,163	678,884
Committed	-	-	-	-	1,090,761
Unassigned (Deficits)	(827,438)	-	(1,216,724)	(2,044,162)	(2,327,853)
Total Fund Balances (Deficits)	<u>(827,438)</u>	<u>20,163</u>	<u>(1,216,724)</u>	<u>(2,023,999)</u>	<u>(558,208)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ 1,738,401</u>	<u>\$ 322,241</u>	<u>\$ 216,901</u>	<u>\$ 2,277,543</u>	<u>\$ 5,025,839</u>

CITY OF OCONOMOWOC

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

	Special Revenue Funds					
	Ambulance Fund	Garbage and Refuse Fund	Park Land Improvement Fund	Woodcreek Stormwater Fund	Community Development Fund	Transportation Facilities Impact Fees Fund
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	7,450	-	-
Intergovernmental	-	46,023	-	-	-	-
License and permits	-	-	-	-	-	34,193
Public charges for services	8,757	884,300	-	-	-	-
Miscellaneous	13,796	21,361	154	2,327	973	1,002
Total Revenues	<u>22,553</u>	<u>951,684</u>	<u>154</u>	<u>9,777</u>	<u>973</u>	<u>35,195</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Public safety	5,062	-	-	-	-	-
Public works	-	976,400	-	8,589	-	1,415
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-
Debt Service						
Interest expense and fees	-	-	-	-	-	4,469
Capital Outlay	-	-	-	-	-	151,484
Total Expenditures	<u>5,062</u>	<u>976,400</u>	<u>-</u>	<u>8,589</u>	<u>-</u>	<u>157,368</u>
Excess (deficiency) of revenues over expenditures	<u>17,491</u>	<u>(24,716)</u>	<u>154</u>	<u>1,188</u>	<u>973</u>	<u>(122,173)</u>
OTHER FINANCING USES						
Transfers out	(252,559)	-	(48,974)	-	-	-
Net change in fund balances	<u>(235,068)</u>	<u>(24,716)</u>	<u>(48,820)</u>	<u>1,188</u>	<u>973</u>	<u>(122,173)</u>
FUND BALANCES (DEFICITS) - Beginning of Year	<u>847,528</u>	<u>457,650</u>	<u>48,820</u>	<u>100,479</u>	<u>44,394</u>	<u>(161,518)</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 612,460</u>	<u>\$ 432,934</u>	<u>\$ -</u>	<u>\$ 101,667</u>	<u>\$ 45,367</u>	<u>\$ (283,691)</u>

CITY OF OCONOMOWOC

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

	Special Revenue Funds (continued)				Total Special Revenue Funds
	Law Enforcement Facilities Impact Fees Fund	Tourism Fund	Library Trust Fund	Police Forfeitures Fund	
REVENUES					
Taxes	\$ -	\$ 179,489	\$ -	\$ -	\$ 179,489
Special assessments	-	-	-	-	7,450
Intergovernmental	-	-	-	-	46,023
License and permits	42,416	-	-	-	76,609
Public charges for services	-	-	-	-	893,057
Miscellaneous	6,876	36,791	1,591	300	85,171
Total Revenues	<u>49,292</u>	<u>216,280</u>	<u>1,591</u>	<u>300</u>	<u>1,287,799</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	722	-	-	-	5,784
Public works	-	-	-	-	986,404
Culture and recreation	-	189,538	-	-	189,538
Conservation and development	-	-	-	-	-
Debt Service					
Interest expense and fees	-	-	-	-	4,469
Capital Outlay	-	-	-	-	151,484
Total Expenditures	<u>722</u>	<u>189,538</u>	<u>-</u>	<u>-</u>	<u>1,337,679</u>
Excess (deficiency) of revenues over expenditures	<u>48,570</u>	<u>26,742</u>	<u>1,591</u>	<u>300</u>	<u>(49,880)</u>
OTHER FINANCING USES					
Transfers out	-	-	-	-	(301,533)
Net change in fund balances	<u>48,570</u>	<u>26,742</u>	<u>1,591</u>	<u>300</u>	<u>(351,413)</u>
FUND BALANCES (DEFICITS) - Beginning of Year	<u>297,043</u>	<u>134,530</u>	<u>34,524</u>	<u>13,754</u>	<u>1,817,204</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 345,613</u>	<u>\$ 161,272</u>	<u>\$ 36,115</u>	<u>\$ 14,054</u>	<u>\$ 1,465,791</u>

CITY OF OCONOMOWOC

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

	Capital Projects Funds			Total Capital Projects Funds	Total Nonmajor Governmental Funds
	TID #4 Fund	TID #5 Fund	TID #6 Fund		
REVENUES					
Taxes	\$ 500,813	\$ 118,722	\$ 21,767	\$ 641,302	\$ 820,791
Special assessments	-	-	-	-	7,450
Intergovernmental	18,223	-	-	18,223	64,246
License and permits	-	-	-	-	76,609
Public charges for services	-	-	-	-	893,057
Miscellaneous	24,706	1,021	398	26,125	111,296
Total Revenues	543,742	119,743	22,165	685,650	1,973,449
EXPENDITURES					
Current					
General government	150	11,468	11,468	23,086	23,086
Public safety	-	-	-	-	5,784
Public works	-	5,028	-	5,028	991,432
Culture and recreation	-	-	-	-	189,538
Conservation and development	135,715	7,240	21,683	164,638	164,638
Debt Service					
Interest expense and fees	35,219	485	15,287	50,991	55,460
Capital Outlay	-	-	498,846	498,846	650,330
Total Expenditures	171,084	24,221	547,284	742,589	2,080,268
Excess (deficiency) of revenues over expenditures	372,658	95,522	(525,119)	(56,939)	(106,819)
OTHER FINANCING USES					
Transfers out	-	-	-	-	(301,533)
Net change in fund balances	372,658	95,522	(525,119)	(56,939)	(408,352)
FUND BALANCES (DEFICITS) - Beginning of Year	(1,200,096)	(75,359)	(691,605)	(1,967,060)	(149,856)
FUND BALANCES (DEFICITS) - END OF YEAR	\$ (827,438)	\$ 20,163	\$ (1,216,724)	\$ (2,023,999)	\$ (558,208)

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - AMBULANCE
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ -	\$ -	\$ 8,757	\$ 8,757
Miscellaneous	12,000	12,000	13,796	1,796
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>22,553</u>	<u>10,553</u>
EXPENDITURES				
Public safety	-	-	5,062	(5,062)
Excess of revenues over expenditures	<u>12,000</u>	<u>12,000</u>	<u>17,491</u>	<u>5,491</u>
OTHER FINANCING USES				
Transfers out	(252,559)	(252,559)	(252,559)	-
Net change in fund balance	<u>\$ (240,559)</u>	<u>\$ (240,559)</u>	(235,068)	<u>\$ 5,491</u>
Fund balance - Beginning of year			<u>847,528</u>	
Fund balance - End of year			<u>\$ 612,460</u>	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - GARBAGE AND REFUSE
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 132,000	\$ 132,000	\$ 46,023	\$ (85,977)
Public charges for services	877,500	877,500	884,300	6,800
Miscellaneous	11,028	11,028	21,361	10,333
Total Revenues	<u>1,020,528</u>	<u>1,020,528</u>	<u>951,684</u>	<u>(68,844)</u>
EXPENDITURES				
Public works	<u>1,010,330</u>	<u>1,010,330</u>	<u>976,400</u>	<u>33,930</u>
Net change in fund balance	<u>\$ 10,198</u>	<u>\$ 10,198</u>	(24,716)	<u>\$ (34,914)</u>
Fund balance - Beginning of year			<u>457,650</u>	
Fund balance - End of year			<u>\$ 432,934</u>	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - PARK LAND IMPROVEMENT
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 154	\$ 154
EXPENDITURES				
Culture and recreation	-	-	-	-
Excess of revenues over expenditures	-	-	154	154
OTHER FINANCING USES				
Transfers out	(48,401)	(48,401)	(48,974)	(573)
Net change in fund balance	<u>\$ (48,401)</u>	<u>\$ (48,401)</u>	(48,820)	<u>\$ (419)</u>
Fund balance - Beginning of year			<u>48,820</u>	
Fund balance - End of year			<u>\$ -</u>	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - WOODCREEK STORMWATER
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Special assessments	\$ 7,450	\$ 7,450	\$ 7,450	\$ -
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>2,327</u>	<u>1,327</u>
Total Revenues	<u>8,450</u>	<u>8,450</u>	<u>9,777</u>	<u>1,327</u>
EXPENDITURES				
Public works	<u>18,138</u>	<u>18,138</u>	<u>8,589</u>	<u>9,549</u>
Net change in fund balance	<u>\$ (9,688)</u>	<u>\$ (9,688)</u>	1,188	<u>\$ 10,876</u>
Fund balance - Beginning of year			<u>100,479</u>	
Fund balance - End of year			<u>\$ 101,667</u>	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT AUTHORITY
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 400	\$ 400	\$ 973	\$ 573
EXPENDITURES				
Conservation and development	20,400	20,400	-	20,400
Net change in fund balance	\$ (20,000)	\$ (20,000)	973	\$ 20,973
Fund balance - Beginning of year			44,394	
Fund balance - End of year			\$ 45,367	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - TRANSPORTATION FACILITIES IMPACT FEES
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 13,920	\$ 13,920	\$ 34,193	\$ 20,273
Miscellaneous	200	200	1,002	802
Total Revenues	<u>14,120</u>	<u>14,120</u>	<u>35,195</u>	<u>21,075</u>
EXPENDITURES				
Current				
Public works	-	921	1,415	(494)
Debt Service				
Interest expense and fees	8,440	8,440	4,469	3,971
Capital Outlay	<u>1,231,500</u>	<u>1,231,500</u>	<u>151,484</u>	<u>1,080,016</u>
Total Expenditures	<u>1,239,940</u>	<u>1,240,861</u>	<u>157,368</u>	<u>1,083,493</u>
Net change in fund balance	<u>\$ (1,225,820)</u>	<u>\$ (1,226,741)</u>	(122,173)	<u>\$ 1,104,568</u>
Fund balance (deficit) - Beginning of year			<u>(161,518)</u>	
Fund balance (deficit) - End of year			<u>\$ (283,691)</u>	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - LAW ENFORCEMENT FACILITIES IMPACT FEES
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 20,990	\$ 20,990	\$ 42,416	\$ 21,426
Miscellaneous	-	-	6,876	6,876
Total Revenues	<u>20,990</u>	<u>20,990</u>	<u>49,292</u>	<u>28,302</u>
EXPENDITURES				
Public safety	-	5,940	722	5,218
Net change in fund balance	<u>\$ 20,990</u>	<u>\$ 15,050</u>	48,570	<u>\$ 33,520</u>
Fund balance - Beginning of year			<u>297,043</u>	
Fund balance - End of year			<u>\$ 345,613</u>	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - TOURISM
 For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 191,000	\$ 191,000	\$ 179,489	\$ (11,511)
Miscellaneous	1,200	33,635	36,791	3,156
Total Revenues	<u>192,200</u>	<u>224,635</u>	<u>216,280</u>	<u>(8,355)</u>
EXPENDITURES				
Culture and recreation	<u>186,535</u>	<u>224,530</u>	<u>189,538</u>	<u>34,992</u>
Net change in fund balance	<u>\$ 5,665</u>	<u>\$ 105</u>	26,742	<u>\$ 26,637</u>
Fund balance - Beginning of year			<u>134,530</u>	
Fund balance - End of year			<u>\$ 161,272</u>	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND - TID #4
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 494,100	\$ 494,100	\$ 500,813	\$ 6,713
Intergovernmental	17,140	17,140	18,223	1,083
Miscellaneous	4,000	4,000	24,706	20,706
Total Revenues	<u>515,240</u>	<u>515,240</u>	<u>543,742</u>	<u>28,502</u>
EXPENDITURES				
General government	150	150	150	-
Conservation and development	85,000	85,000	135,715	(50,715)
Debt Service				
Interest expense and fees	40,000	40,000	35,219	4,781
Capital Outlay	<u>600,000</u>	<u>1,200,000</u>	-	1,200,000
Total Expenditures	<u>725,150</u>	<u>1,325,150</u>	<u>171,084</u>	<u>1,154,066</u>
Net change in fund balance	<u>\$ (209,910)</u>	<u>\$ (809,910)</u>	372,658	<u>\$ 1,182,568</u>
Fund balance (deficit) - Beginning of year			(1,200,096)	
Fund balance (deficit) - End of year			<u>\$ (827,438)</u>	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND - TID #5
 For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 117,000	\$ 117,000	\$ 118,722	\$ 1,722
Miscellaneous	600	600	1,021	421
Total Revenues	<u>117,600</u>	<u>117,600</u>	<u>119,743</u>	<u>2,143</u>
EXPENDITURES				
General government	150	150	11,468	(11,318)
Public works	-	-	5,028	(5,028)
Conservation and development	20,000	20,000	7,240	12,760
Debt Service				
Interest expense and fees	4,300	4,300	485	3,815
Capital Outlay	<u>343,750</u>	<u>343,750</u>	<u>-</u>	<u>343,750</u>
Total Expenditures	<u>368,200</u>	<u>368,200</u>	<u>24,221</u>	<u>343,979</u>
Net change in fund balance	<u>\$ (250,600)</u>	<u>\$ (250,600)</u>	95,522	<u>\$ 346,122</u>
Fund balance (deficit) - Beginning of year			<u>(75,359)</u>	
Fund balance - End of year			<u>\$ 20,163</u>	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND - TID #6
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 21,400	\$ 21,400	\$ 21,767	\$ 367
Miscellaneous	-	-	398	398
Total Revenues	<u>21,400</u>	<u>21,400</u>	<u>22,165</u>	<u>765</u>
EXPENDITURES				
Current				
General government	150	150	11,468	(11,318)
Conservation and development	20,000	20,000	21,683	(1,683)
Debt service				
Interest expense and fees	12,000	12,000	15,287	(3,287)
Capital outlay	-	27,717	498,846	(471,129)
Total Expenditures	<u>32,150</u>	<u>59,867</u>	<u>547,284</u>	<u>(487,417)</u>
Net change in fund balance	<u>\$ (10,750)</u>	<u>\$ (38,467)</u>	(525,119)	<u>\$ (486,652)</u>
Fund balance (deficit) - Beginning of year			<u>(691,605)</u>	
Fund balance (deficit) - End of year			<u>\$ (1,216,724)</u>	

CITY OF OCONOMOWOC

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

	Data Processing	Risk Management	Fleet	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 525,837	\$ 461,691	\$ 443,103	\$ 1,430,631
Accounts receivable	-	9,808	-	9,808
Inventories and prepaid items	22,749	11	-	22,760
Total Current Assets	<u>548,586</u>	<u>471,510</u>	<u>443,103</u>	<u>1,463,199</u>
Non-Current Assets				
Machinery and equipment	702,257	-	-	702,257
Construction in progress	21,020	-	-	21,020
Less: Accumulated depreciation	(319,481)	-	-	(319,481)
Total Non-Current Assets	<u>403,796</u>	<u>-</u>	<u>-</u>	<u>403,796</u>
Total Assets	<u>952,382</u>	<u>471,510</u>	<u>443,103</u>	<u>1,866,995</u>
LIABILITIES				
Current Liabilities				
Accounts payable	23,143	566	22,773	46,482
Accrued liabilities	755	49	1,823	2,627
Total Current Liabilities	<u>23,898</u>	<u>615</u>	<u>24,596</u>	<u>49,109</u>
Total Liabilities	<u>23,898</u>	<u>615</u>	<u>24,596</u>	<u>49,109</u>
NET POSITION				
Net investment in capital assets	403,796	-	-	403,796
Unrestricted	<u>524,688</u>	<u>470,895</u>	<u>418,507</u>	<u>1,414,090</u>
TOTAL NET POSITION	<u>\$ 928,484</u>	<u>\$ 470,895</u>	<u>\$ 418,507</u>	<u>\$ 1,817,886</u>

CITY OF OCONOMOWOC

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2019

	<u>Data Processing</u>	<u>Risk Management</u>	<u>Fleet</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	\$ 779,590	\$ 457,555	\$ 470,940	\$ 1,708,085
Other	<u>3,292</u>	<u>60,827</u>	<u>5,119</u>	<u>69,238</u>
Total Operating Revenues	<u>782,882</u>	<u>518,382</u>	<u>476,059</u>	<u>1,777,323</u>
OPERATING EXPENSES				
Administrative and general	544,396	454,390	451,736	1,450,522
Depreciation	<u>106,008</u>	<u>-</u>	<u>-</u>	<u>106,008</u>
Total Operating Expenses	<u>650,404</u>	<u>454,390</u>	<u>451,736</u>	<u>1,556,530</u>
Operating Income	<u>132,478</u>	<u>63,992</u>	<u>24,323</u>	<u>220,793</u>
NONOPERATING REVENUES				
Investment income	<u>10,195</u>	<u>8,063</u>	<u>9,599</u>	<u>27,857</u>
Change in net position	142,673	72,055	33,922	248,650
NET POSITION - Beginning of Year	<u>785,811</u>	<u>398,840</u>	<u>384,585</u>	<u>1,569,236</u>
NET POSITION - END OF YEAR	<u>\$ 928,484</u>	<u>\$ 470,895</u>	<u>\$ 418,507</u>	<u>\$ 1,817,886</u>

CITY OF OCONOMOWOC

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

	Data Processing Fund	Risk Management Fund	Fleet	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 782,882	\$ 518,382	\$ 476,059	\$ 1,777,323
Payments to suppliers	(429,144)	(455,243)	(229,536)	(1,113,923)
Payments to and on behalf of employees	(124,917)	(7,757)	(199,003)	(331,677)
Net Cash Flows From Operating Activities	<u>228,821</u>	<u>55,382</u>	<u>47,520</u>	<u>331,723</u>
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES				
Net acquisition of capital assets	(145,445)	-	-	(145,445)
Principal paid on notes	(9,634)	-	-	(9,634)
Net Cash Flows From Capital and Financing Activities	<u>(155,079)</u>	<u>-</u>	<u>-</u>	<u>(155,079)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	<u>10,195</u>	<u>8,063</u>	<u>9,599</u>	<u>27,857</u>
Net change in cash and cash equivalents	83,937	63,445	57,119	204,501
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>441,900</u>	<u>398,246</u>	<u>385,984</u>	<u>1,226,130</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 525,837</u>	<u>\$ 461,691</u>	<u>\$ 443,103</u>	<u>\$ 1,430,631</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES				
Operating income	\$ 132,478	\$ 63,992	\$ 24,323	\$ 220,793
Adjustments to reconcile operating income to net cash flows from operating activities				
Depreciation	106,008	-	-	106,008
Change in assets and liabilities				
Inventories and prepaid items	(11,663)	(11)	-	(11,674)
Accounts payable	1,604	(8,624)	21,969	14,949
Accrued liabilities	394	25	1,228	1,647
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>\$ 228,821</u>	<u>\$ 55,382</u>	<u>\$ 47,520</u>	<u>\$ 331,723</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS				
Cash and investments	<u>\$ 525,837</u>	<u>\$ 461,691</u>	<u>\$ 443,103</u>	<u>\$ 1,430,631</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital in accounts payable	<u>\$ 1,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300</u>

CITY OF OCONOMOWOC

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCE As of December 31, 2019

Governmental Capital Assets	
Land	\$ 14,023,165
Land improvements	5,061,903
Buildings	10,904,799
Machinery and equipment	9,136,981
Infrastructure	80,218,972
Construction in progress	<u>5,976,236</u>
Total Governmental Capital Assets	<u>\$ 125,322,056</u>
Investment in Governmental Capital Assets by Source	
General fund	\$ 3,329,457
Special revenue funds	6,120,219
Capital projects funds	71,970,918
Contributions	<u>43,901,462</u>
Total Investment in Governmental Capital Assets	<u>\$ 125,322,056</u>

CITY OF OCONOMOWOC

SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY For the Year Ended December 31, 2019

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Function and Activity				
General government	\$ 2,842,245	\$ 396,036	\$ (265,392)	\$ 2,972,889
Public safety				
Police	3,415,035	1,076,695	(59,068)	4,432,662
Fire	210,763	-	-	210,763
Public works	88,105,377	5,256,936	(992,828)	92,369,485
Culture and recreation	23,008,073	752,540	-	23,760,613
Conservation and development	1,547,431	28,213	-	1,575,644
Total Governmental Capital Assets	\$ 119,128,924	\$ 7,510,420	\$ (1,317,288)	\$ 125,322,056

CITY OF OCONOMOWOC

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2019

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Total</u>
Function and Activity							
General government	\$ 205,959	\$ 287,755	\$ 1,710,840	\$ 747,314	\$ -	\$ 21,021	\$ 2,972,889
Public safety							
Police	525,819	-	313,608	927,961	-	2,665,274	4,432,662
Fire	210,763	-	-	-	-	-	210,763
Public works	1,796,924	2,116,994	647,550	4,780,030	80,164,340	2,863,647	92,369,485
Culture and recreation	9,806,742	2,657,154	8,232,801	2,582,990	54,632	426,294	23,760,613
Conservation and development	1,476,958	-	-	98,686	-	-	1,575,644
Total Governmental Capital Assets	<u>\$ 14,023,165</u>	<u>\$ 5,061,903</u>	<u>\$ 10,904,799</u>	<u>\$ 9,136,981</u>	<u>\$ 80,218,972</u>	<u>\$ 5,976,236</u>	<u>\$ 125,322,056</u>

STATISTICAL SECTION

CITY OF OCONOMOWOC, WISCONSIN

Table 1 - Net Position by Category

Last Ten Years

(accrual basis of accounting)

	2010		2011		2012		2013		2014	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Governmental Activities										
Net Investment in Capital										
Assets	\$ 45,061,189	85.8%	\$ 46,495,683	81.8%	\$ 49,653,615 ⁽²⁾	78.3%	\$ 51,289,093	77.2%	\$ 54,635,803 ⁽⁴⁾	80.6%
Restricted for										
Subsequent year projects	-	0.0%	15,000 ⁽¹⁾	0.0%	14,954 ⁽¹⁾	0.0%	13,278 ⁽¹⁾	0.0%	13,278 ⁽¹⁾	0.0%
Pension Benefits	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Unrestricted	7,445,919	14.2%	10,352,407	18.2%	13,758,833	21.7%	15,152,625	22.8%	13,162,985	19.4%
Total Governmental Activities										
Net Position	52,507,108	100.0%	56,863,090	100.0%	63,427,402	100.0%	66,454,996	100.0%	67,812,066	100.0%
Business-Type Activities										
Net Investment in Capital										
Assets	83,042,758	76.2%	83,382,106	76.0%	90,129,144 ⁽³⁾	80.4%	90,641,286	79.6%	92,159,016	78.8%
Restricted for										
Pension Benefits	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Plant Replacement	215,188	0.2%	277,451	0.3%	271,182	0.2%	295,227	0.3%	318,302	0.3%
Unrestricted	25,748,921	23.6%	26,075,528	23.8%	21,758,889 ⁽³⁾	19.4%	22,887,194	20.1%	24,503,798	20.9%
Total Business-Type Activities										
Net Position	109,006,867	100.0%	109,735,085	100.0%	112,159,215	100.0%	113,823,707	100.0%	116,981,116	100.0%
Primary Government										
Net Investment in Capital										
Assets	128,103,947	79.3%	129,877,789	78.0%	139,782,759	79.6%	141,930,379	78.7%	146,794,819	79.4%
Restricted for										
Subsequent Year Projects	-	0.0%	15,000	0.0%	14,954	0.0%	13,278	0.0%	13,278	0.0%
Pension Benefits	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Plant Replacement	215,188	0.1%	277,451	0.2%	271,182	0.2%	295,227	0.2%	318,302	0.2%
Unrestricted	33,194,840	20.6%	36,427,935	21.9%	35,517,722	20.2%	38,039,819	21.1%	37,666,783	20.4%
Total Primary Government										
Net Position	161,513,975	100.0%	166,598,175	100.0%	175,586,617	100.0%	180,278,703	100.0%	184,793,182	100.0%
	2015		2016		2017		2018		2019	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Governmental Activities										
Net Investment in Capital										
Assets	\$ 54,189,845	76.7%	\$ 57,822,336	78.9%	\$ 63,910,347	85.3%	\$ 64,299,015	86.2%	\$ 67,867,195	89.5%
Restricted for										
Subsequent year projects	7,661 ⁽¹⁾	0.0%	7,411 ⁽¹⁾	0.0%	7,411 ⁽¹⁾	0.0%	7,411 ⁽¹⁾	0.0%	7,411 ⁽¹⁾	0.0%
Tourism	-	0.0%	-	0.0%	89,865	0.1%	134,530	0.2%	161,272	0.2%
Police forfeitures	-	0.0%	-	0.0%	13,510	0.0%	13,754	0.0%	14,054	0.0%
Library Trust	-	0.0%	-	0.0%	38,047 ⁽⁷⁾	0.1%	34,524	0.0%	36,115	0.0%
Law enforcement facilities										
impact fee	-	0.0%	-	0.0%	204,625 ⁽⁷⁾	0.3%	297,043	0.4%	345,613	0.5%
Park land acquisition	-	0.0%	-	0.0%	2,462 ⁽⁷⁾	0.0%	-	0.0%	-	0.0%
Park land improvements	-	0.0%	-	0.0%	67,603 ⁽⁷⁾	0.1%	48,820	0.1%	-	0.0%
Woodcreek stormwater	-	0.0%	-	0.0%	92,952 ⁽⁷⁾	0.1%	100,479	0.1%	101,667	0.1%
Pension Benefits	2,237,533 ⁽⁵⁾	3.2%	-	0.0%	-	0.0%	1,248,205 ⁽⁵⁾	1.7%	-	0.0%
Future improvements	-	0.0%	-	0.0%	-	0.0%	-	0.0%	20,163	0.0%
Unrestricted	14,179,001	20.1%	15,426,040	21.1%	10,468,915	14.0%	8,411,318	11.3%	7,241,073	9.6%
Total Governmental Activities										
Net Position	70,614,040	100.0%	73,255,787	100.0%	74,895,737	100.0%	74,595,099	100.0%	75,794,563	100.0%
Business-Type Activities										
Net Investment in Capital										
Assets	94,129,414	77.3%	94,911,877	75.3%	98,170,860	76.4%	101,306,867	75.2%	104,770,562	74.8%
Restricted for										
Pension Benefits	924,921 ⁽⁵⁾	0.8%	-	0.0%	-	0.0%	591,425 ⁽⁵⁾	0.4%	-	0.0%
Plant Replacement	8,107,350 ⁽⁶⁾	6.7%	8,836,673	7.0%	9,431,803	7.3%	9,774,536	7.3%	10,755,602	7.7%
Unrestricted	18,585,144 ⁽⁶⁾	15.3%	22,299,956	17.7%	20,848,004	16.2%	23,038,465	17.1%	24,568,457	17.5%
Total Business-Type Activities										
Net Position	121,746,829	100.0%	126,048,506	100.0%	128,450,667	100.0%	134,711,293	100.0%	140,094,621	100.0%
Primary Government										
Net Investment in Capital										
Assets	148,319,259	77.1%	152,734,213	76.6%	162,081,207	79.7%	165,605,882	79.1%	172,637,757	80.0%
Restricted for										
Subsequent Year Projects	7,661	0.0%	7,411	0.0%	7,411	0.0%	7,411	0.0%	7,411	0.0%
Tourism	-	0.0%	-	0.0%	89,865	0.0%	134,530	0.1%	161,272	0.1%
Police Forfeitures	-	0.0%	-	0.0%	13,510	0.0%	13,754	0.0%	14,054	0.0%
Library Trust	-	0.0%	-	0.0%	38,047	0.0%	34,524	0.0%	36,115	0.0%
Law enforcement facilities										
impact fee	-	0.0%	-	0.0%	204,625	0.1%	297,043	0.1%	345,613	0.2%
Park land acquisition	-	0.0%	-	0.0%	2,462	0.0%	-	0.0%	-	0.0%
Park land improvements	-	0.0%	-	0.0%	67,603	0.0%	48,820	0.0%	-	0.0%
Plant Replacement	8,107,350	4.2%	8,836,673	4.4%	9,431,803	4.6%	9,774,536	4.7%	10,755,602	5.0%
Woodcreek stormwater	-	0.0%	-	0.0%	67,603	0.0%	100,479	0.0%	101,667	0.0%
Pension Benefits	3,162,454 ⁽⁵⁾	1.6%	-	0.0%	-	0.0%	1,839,630 ⁽⁵⁾	0.9%	-	0.0%
Future improvements	-	0.0%	-	0.0%	-	0.0%	-	0.0%	20,163	0.0%
Unrestricted	32,764,145	17.0%	37,725,996	18.9%	31,316,919	15.4%	31,449,783	15.0%	31,809,530	14.7%
Total Primary Government										
Net Position	192,360,869	100.0%	199,304,293	100.0%	203,321,055	100.0%	209,306,392	100.0%	215,889,184	100.0%

Notes:

- (1) Maintenance fund for Imagination Station playground funded by outside grantors.
- (2) Increase due to completion of new community center building in 2012 and construction of Southeast Arterial Road.
- (3) Wastewater Treatment Facility expansion project incurred \$6.1 million in spending in 2012.
- (4) Increase due to early redemption of TID #4 related debt.
- (5) Increase due to implementation of GASB 68 and recognition of the City's portion of the Net Pension Asset through WRS.
- (6) Increase due to reclassification of balances related to impact fees collected from unrestricted to restricted.
- (7) Increase due to change in presentation based on review of revenue sources and restrictions.

Table 2 - Changes in Net Position
Last Ten Years
(accrual basis of accounting)

Expenses	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
General Government	\$ 1,717,894	\$ 2,002,530	\$ 1,686,098	\$ 1,722,233	\$ 1,114,912	\$ 1,133,667	\$ 1,301,859	\$ 1,778,192	\$ 1,325,253	\$ 1,284,364
Public Safety	5,216,917	5,725,215	6,124,308	6,200,876	6,839,962	6,537,553	7,300,689 ⁽¹⁰⁾	7,004,271	6,647,153	6,856,581
Public Works	5,485,728	4,999,037	5,157,208	5,251,866	5,562,184	6,420,900 ⁽⁷⁾	4,313,368	7,152,335	6,133,012	6,298,089
Sanitation	1,059,573	1,145,997	1,187,665	1,206,549	1,238,375	921,556 ⁽⁸⁾	939,100	891,054	924,498	976,400
Health & Human Services	47,846	53,193	51,639	65,396	67,238	81,262	69,535	79,054	83,153	90,956
Culture & Recreation	2,657,723	2,769,148	2,956,094	3,037,207	2,694,682	3,102,567	3,318,525	2,424,466	5,295,255 ⁽¹⁴⁾	4,057,068
Conservation & Development	630,122	494,693	211,363	479,290	3,551,540 ⁽⁴⁾	739,394	991,179	915,791	1,188,097	1,300,765
Interest on Long-Term Debt	1,030,837	1,063,375	961,798	865,729	415,205 ⁽⁵⁾	297,667 ⁽⁵⁾	277,199	279,056	370,526	388,991
Total Governmental Activities Expenses	17,846,640	18,253,188	18,336,173	18,829,146	21,484,098	19,234,566	18,511,454	20,524,219	21,966,947	21,253,214
Business-Type Activities:										
Electric Utility	22,388,184	22,864,613	23,457,389	23,203,140	23,311,332	23,340,476	23,194,300	22,472,596 ⁽¹²⁾	21,832,333	21,347,083
Water Utility	2,147,650	2,408,769	2,269,042	2,288,830	2,495,848	2,467,765	2,476,278	2,604,895	2,455,936	2,688,607
Wastewater Utility	2,781,547	2,751,028	2,765,639	2,896,853	3,084,401	3,322,953	3,171,820	3,266,269	3,254,637	3,440,771
Total Business-Type Activities Expenses	27,317,381	28,024,410	28,492,070	28,388,823	28,891,581	29,131,194	28,842,398	28,343,760	27,542,906	27,476,461
Total Primary Government Expenses	\$ 45,164,021	\$ 46,277,598	\$ 46,828,243	\$ 47,217,969	\$ 50,375,679	\$ 48,365,760	\$ 47,353,852	\$ 48,867,979	\$ 49,509,853	\$ 48,729,675
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 788,228	\$ 864,551	\$ 877,816	\$ 862,810	\$ 405,750	\$ 383,964	\$ 432,358	\$ 387,904	\$ 392,056	\$ 311,552
Public Safety	1,418,359	1,687,187	1,559,019	1,829,378	1,604,617	1,713,420	1,842,484	1,078,173	1,113,785	948,943
Sanitation	1,033,112	1,046,298	1,142,594	1,164,153	1,173,835	840,976 ⁽⁸⁾	851,706	861,637	876,251	885,187
Other Activities	572,623	626,707	623,901	671,989	696,091	816,484	902,714	961,168	980,153	1,036,779
Operating Grants and Contributions	1,468,424	1,511,971	1,433,184	1,498,010	1,529,070	1,584,185	1,575,807	1,531,323	1,622,369	1,459,573
Capital Grants and Contributions	7,167,706 ⁽¹¹⁾	795,765	4,313,414 ⁽²⁾	715,030	2,015,696 ⁽⁶⁾	1,699,734	2,265,675 ⁽¹¹⁾	6,638,724 ⁽⁶⁾	1,923,410	2,360,151
Total Governmental Activities										
Program Revenues	12,448,452	6,532,479	9,949,928	6,741,370	7,425,059	7,038,763	7,870,744	11,458,929	6,908,024	7,002,185
Business-Type Activities:										
Charges For Services:										
Electric Utility	22,919,822	23,693,501	24,147,335	24,057,575	25,154,540	25,183,209	24,924,397	24,066,162	24,001,614	23,462,932
Water Utility	2,527,357	2,716,239	3,555,142	3,433,380	3,349,615	3,361,175	3,399,073	3,349,010	3,379,131	3,438,835
Wastewater Utility	3,061,843	3,177,237	3,349,799	3,516,994	3,522,210	3,726,990	4,041,408	3,852,615	4,897,526	3,784,393
Capital Grants and Contributions	2,265,051	2,298	811,825	275,745	1,261,085 ⁽⁶⁾	1,872,161 ⁽⁶⁾	2,075,942 ⁽⁶⁾	4,187,817	2,445,154	3,052,401
Total Business-Type Activities										
Program Revenues	30,774,073	29,589,275	31,864,101	31,283,694	33,287,450	34,143,535	34,440,820	35,455,604	34,723,425	33,738,561
Total Primary Government Program Revenues	43,222,525	36,121,754	41,814,029	38,025,064	40,712,509	41,182,298	42,311,564	46,914,533	41,631,449	40,740,746
Net (Expense)/Revenue:										
Governmental Activities	\$ (5,398,188)	\$ (11,720,709)	\$ (8,386,245)	\$ (12,087,776)	\$ (14,059,039)	\$ (12,195,803)	\$ (10,640,710)	\$ (9,065,290)	\$ (15,058,923)	\$ (14,251,029)
Business-type Activities	3,456,692	1,564,865	3,372,031	2,894,871	4,395,869	5,012,341	5,598,422	7,111,844	7,180,519	6,262,100
Total Primary Government Net Expense	\$ (1,941,496)	\$ (10,155,844)	\$ (5,014,214)	\$ (9,192,905)	\$ (9,663,170)	\$ (7,183,462)	\$ (5,042,288)	\$ (1,953,446)	\$ (7,878,404)	\$ (7,988,929)

CITY OF OCONOMOWOC, WISCONSIN

Table 2 - Changes in Net Position (cont)

Last Ten Years

(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 12,512,323	\$ 12,426,047	\$ 12,431,797	\$ 12,453,379	\$ 12,754,228	\$ 10,228,149 ⁽⁹⁾	\$ 10,540,331	\$ 10,844,325	\$ 11,164,041	\$ 11,958,509
Other Taxes	345,331	348,571	375,828	385,647	402,925	436,126	424,462	444,269	382,579	344,812
Unrestricted Grants and Contributions	374,457	361,378	325,804	336,336	412,679	317,364	321,041	334,229	347,595	432,046
Investment Earnings	144,420	119,388	116,693	99,425	100,417	92,685	144,675	231,009	375,086	584,767
Miscellaneous	281,827	317,154	305,072	299,351	189,023	238,144	230,792	370,008	866,595	404,623
Special item - loss on sale of asset	- ⁽³⁾	- ⁽³⁾	- ⁽³⁾	- ⁽³⁾	- ⁽³⁾	- ⁽³⁾	- ⁽³⁾	(3,058,976) ⁽¹³⁾	- ⁽³⁾	-
Transfers	1,152,893	1,324,306	1,395,363	1,541,232	1,556,837	1,500,376	1,621,147	1,855,873	1,622,389	1,725,736
Total Governmental Activities	<u>14,811,251</u>	<u>14,896,844</u>	<u>14,950,557</u>	<u>15,115,370</u>	<u>15,416,109</u>	<u>12,812,844</u>	<u>13,282,448</u>	<u>11,020,737</u>	<u>14,758,285</u>	<u>15,450,493</u>
Business-Type Activities:										
Investment Earnings	341,384	383,986	447,462	310,853	318,377	325,784	324,402	391,217	702,496	846,964
Miscellaneous	-	103,673	-	-	-	-	-	-	-	-
Transfers	(1,152,893)	(1,324,306)	(1,395,363)	(1,541,232)	(1,556,837)	(1,500,376)	(1,621,147)	(1,855,873)	(1,622,389)	(1,725,736)
Total Business-Type Activities	<u>(811,509)</u>	<u>(836,647)</u>	<u>(947,901)</u>	<u>(1,230,379)</u>	<u>(1,238,460)</u>	<u>(1,174,592)</u>	<u>(1,296,745)</u>	<u>(1,464,656)</u>	<u>(919,893)</u>	<u>(878,772)</u>
Total Primary Government	<u>13,999,742</u>	<u>14,060,197</u>	<u>14,002,656</u>	<u>13,884,991</u>	<u>14,177,649</u>	<u>11,638,252</u>	<u>11,985,703</u>	<u>9,556,081</u>	<u>13,838,392</u>	<u>14,571,721</u>
Change in Net Position										
Governmental Activities	\$ 9,413,063	\$ 3,176,135	\$ 6,564,312	\$ 3,027,594	\$ 1,357,070	\$ 617,041	\$ 2,641,738	\$ 1,955,447	\$ (300,638)	\$ 1,199,464
Business-Type Activities	2,645,183	728,218	2,424,130	1,664,492	3,157,409	3,837,749	4,301,677	5,647,188	6,260,626	5,383,328
Total Primary Government	<u>\$ 12,058,246</u>	<u>\$ 3,904,353</u>	<u>\$ 8,988,442</u>	<u>\$ 4,692,086</u>	<u>\$ 4,514,479</u>	<u>\$ 4,454,790</u>	<u>\$ 6,943,415</u>	<u>\$ 7,602,635</u>	<u>\$ 5,959,988</u>	<u>\$ 6,582,792</u>

Notes:

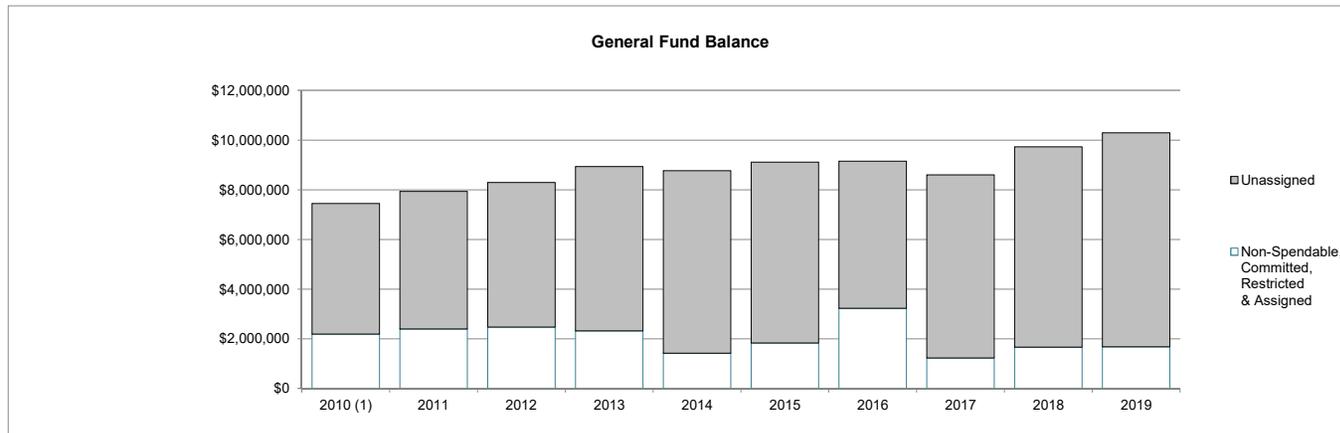
- (1) Jurisdictional transfer from the State of Wisconsin for STH 16 in 2010.
- (2) Increase due to \$2.4 million CDBG Grant for Community Center.
- (3) Sales of capital assets were not unusual nor infrequent; therefore they were not classified as a special item and instead included in miscellaneous.
- (4) Increase due to donation of property to developer as authorized in the TID #4 project plan.
- (5) Decrease due to early retirement of TID #4 related debt.
- (6) Increase due to dedication of infrastructure improvements for residential subdivisions.
- (7) Increase in maintenance projects as compared to capitalizable construction projects.
- (8) Decrease due to change in providers for garbage collection, reduction in expenses and corresponding charges to public.
- (9) Decrease relates to closure of TID #3 and resulting reduction in tax increment.
- (10) Increase due to dam repair and maintenance projects completed during 2016.
- (11) Increase due to dedication of Veterans Memorial Park.
- (12) Overall expenses for utilities decreased due to a combination of less electricity being sold and a lower average price per unit.
- (13) Loss due to creation of Western Lakes Fire District and transfer of related fire and ambulance assets to the district.
- (14) Increase due to Northeast Region development.

CITY OF OCONOMOWOC, WISCONSIN
 Table 3 - Fund Balances of Governmental Funds
 (modified accrual basis of accounting)

	2010 ⁽¹⁾	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$ 1,766,012	\$ 1,733,839	\$ 1,704,188	\$ 1,672,084	\$ 696,270 ⁽⁵⁾	\$ 683,782	\$ 1,232,994 ⁽⁶⁾	\$ 474,773 ⁽⁷⁾	\$ 412,405	\$ 488,636
Restricted	15,000	15,000	14,954	13,278	13,278	7,661	7,411	7,411	7,411	7,411
Committed	196,260	196,260	196,260	196,260	196,260	196,260	196,260	196,260	196,260	196,260
Assigned	213,898	445,473	558,828	434,030	517,419	946,589	1,790,709	546,776	1,041,519	976,548
Unassigned	5,251,092	5,542,777	5,820,027	6,623,734	7,343,839	7,275,444	5,928,342	7,373,176	8,067,920	8,623,230
Total General Fund	7,442,262	7,933,349	8,294,257	8,939,386	8,767,066	9,109,736	9,155,716	8,598,396	9,725,515	10,292,085
All Other Governmental Funds										
Nonspendable	-	-	20,449	367	-	-	985	1,395	-	-
Restricted										
TID #3 Capital Projects Fund	11,087,389	13,358,880	12,575,954	57,494 ⁽²⁾	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	33,690	45,476	46,487	-	-	-
Other	12,187	1,099,161	1,301,307	2,785,708 ⁽³⁾	1,433,373	1,326,759	1,342,823	509,064 ⁽⁹⁾	629,150	678,884
Committed										
Capital Improvements Funds	3,010,836	2,227,556	2,524,237	2,898,485	2,242,876	2,496,179	2,533,897	1,836,990	- ⁽¹⁰⁾	-
Other	1,028,549	1,133,483	1,153,078	1,218,123	1,271,203	1,450,417	1,365,764	1,485,060	1,349,572	1,090,761
Assigned	-	-	19,600	-	-	-	-	-	-	-
Unassigned										
Debt Service Fund	(2,767,809)	(2,719,310)	(76,117) ⁽⁴⁾	(25,243)	-	-	-	(605,912) ⁽⁸⁾	(554,635)	(519,965)
Parks and Recreation										
Facilities Impact Fees	-	-	-	-	-	-	-	(1,349,964) ⁽⁹⁾	(873,164)	(956,323)
Capital Improvements Fund	-	-	-	-	-	-	-	-	(477,725)	(2,844,303) ⁽¹¹⁾
Other	-	(812,416)	(1,436,068)	(151,270) ⁽³⁾	(272,601)	(300,561)	(1,099,150)	(1,797,919)	(2,128,578)	(2,327,853)
Total All Other Governmental Funds	12,371,153	14,287,354	16,082,440	6,783,664	4,708,541	5,018,270	4,190,806	78,714	(2,055,380)	(4,878,799)
Total Fund Balance for Governmental Funds	\$ 19,813,415	\$ 22,220,703	\$ 24,376,697	\$ 15,723,050	\$ 13,475,607	\$ 14,128,006	\$ 13,346,522	\$ 8,677,110	\$ 7,670,135	\$ 5,413,286

Notes:

- (1) 2010 restated in GASB 54 new fund categories for comparison purposes.
- (2) Decrease due to \$12.6 million TID #3 debt payoff and \$3 million transfer to TID #4.
- (3) \$3 million donor increment from TID #3 to TID #4, resulting in a reduction of unassigned deficit and an increase to restricted balance.
- (4) Decrease due to refinancing of internal advance for Community Center with external debt.
- (5) Decrease due to repayment of long term internal advance due from TID #4.
- (6) Increase due to long term internal advance due from TID #4 and Highway Impact Fee Fund.
- (7) Decrease due to refinancing of internal advance to TID #4.
- (8) Decrease due to issuance of internal advance for Western Lakes Fire District capital project.
- (9) Decrease due to completion of Fowler boardwalk and related capital projects.
- (10) Decrease due to deficit balance in Capital Improvement Fund for the purchase of a new Public Safety Facility.
- (11) Decrease due to budgeted long-term debt not issued in 2019 for the new Public Safety Facility and 2019 streets program.



CITY OF OCONOMOWOC, WISCONSIN
Table 4 - Changes in Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Taxes	\$ 12,923,744	\$ 12,842,742	\$ 12,872,762	\$ 12,904,809	\$ 13,218,761	\$ 10,720,026 ⁽⁸⁾	\$ 11,013,147	\$ 11,340,704	\$ 11,622,542	\$ 12,393,688
Special Assessments	23,545	22,338	25,941	20,038	18,062	23,054	17,814	20,347	16,024	22,099
Intergovernmental	1,812,448	1,924,108	4,216,408 ⁽¹⁾	1,900,262	1,902,444	1,870,907	2,200,213	1,833,033	2,029,693	1,827,532
Licenses & Permits	422,723	709,276	697,628	912,518	711,990	779,266	1,427,789	1,253,552	1,650,320	1,291,953
Fines & Forfeitures	360,099	363,598	374,446	463,488	366,454	303,950	295,801	318,331	350,120	327,177
Public Charges for Service	2,099,443	2,319,161	2,297,148	2,343,960	2,352,013	2,183,544	2,378,273	1,677,266	1,534,204	1,493,870
Intergovernmental Charges	479,167	480,039	490,910	528,929	555,865	579,805	647,117	481,992	457,230	482,487
Interdepartmental Charges	94,478	104,872	114,949	71,555	69,310	49,188	36,286	8,815	4,425	4,495
Miscellaneous	387,752	376,172	727,923	681,208	324,452	300,397	401,434	531,297	1,268,352 ⁽⁹⁾	869,100
Total Revenues	<u>18,603,399</u>	<u>19,142,306</u>	<u>21,818,115</u>	<u>19,826,767</u>	<u>19,519,351</u>	<u>16,810,137</u>	<u>18,417,874</u>	<u>17,465,337</u>	<u>18,932,910</u>	<u>18,712,401</u>
Expenditures										
General Government	1,193,865	1,443,477	1,049,020	1,137,436	1,190,042	1,247,000	1,281,584	1,602,268	1,388,922	1,363,166
Public Safety	5,109,713	5,453,505	5,742,408	5,922,656	6,188,561	6,127,844	6,449,923	5,839,697	6,079,545	6,025,521
Public Works	3,118,696	3,369,449	3,280,946	3,450,449	3,694,919	3,350,900	4,232,380	3,122,329	3,343,999	3,517,747
Health & Human Services	47,846	53,193	51,639	50,921	55,713	67,622	69,122	78,682	82,948	90,257
Culture & Recreation	2,444,583	2,441,651	2,411,125	2,753,605	2,544,598	2,645,274	2,903,744	2,883,686	2,915,758	2,928,725
Conservation & Development	474,845	458,803	534,042	460,342	550,767	634,238	780,772	750,883	1,054,063	1,284,214
Debt Service										
Principal Retirement	757,411	6,182,935 ⁽²⁾	6,048,840 ⁽³⁾	18,520,470 ⁽⁴⁾	5,808,935 ⁽⁷⁾	962,116	970,481	985,481	1,023,846	1,267,211
Interest & Fiscal Charges	1,114,762	1,109,532	1,151,035	1,011,776	463,088	322,512	307,459	310,004	342,568	417,347
Bond Issuance Costs	-	-	-	-	-	-	-	-	61,354	1,250
Capital Outlay	8,783,134	5,197,551	9,631,767 ⁽⁵⁾	3,342,920	4,085,781	2,300,608	3,825,040	8,429,727	6,873,076	5,818,553
Total Expenditures	<u>23,044,855</u>	<u>25,710,096</u>	<u>29,900,822</u>	<u>36,650,575</u>	<u>24,582,404</u>	<u>17,658,114</u>	<u>20,820,505</u>	<u>24,002,757</u>	<u>23,166,079</u>	<u>22,713,991</u>
Revenues Over/(Under)										
Expenditures	<u>(4,441,456)</u>	<u>(6,567,790)</u>	<u>(8,082,707)</u>	<u>(16,823,808)</u>	<u>(5,063,053)</u>	<u>(847,977)</u>	<u>(2,402,631)</u>	<u>(6,537,420)</u>	<u>(4,233,169)</u>	<u>(4,001,590)</u>
Other Financing Sources/(Uses)										
Long Term Debt Issued	-	7,510,000	8,650,000	6,400,000	1,228,528	-	-	-	1,500,000	-
Premium on Debt Issued	-	91,767	193,338	233,929	30,245	-	-	-	61,354	-
Transfers In	4,962,376 ⁽²⁾	8,035,795 ⁽²⁾	3,712,971	17,700,461 ⁽⁶⁾	10,746,677 ⁽⁷⁾	1,844,507	2,409,630	4,107,446	2,253,120	2,214,982
Transfers Out	(3,809,483)	(6,711,489)	(2,317,608)	(16,164,229) ⁽⁶⁾	(9,189,840) ⁽⁷⁾	(344,131)	(788,483)	(2,251,573)	(630,731)	(489,246)
Sale of Capital Asset	-	-	-	-	-	-	-	12,135	42,451	19,005
Total Other Financing Sources/(Uses)	<u>1,152,893</u>	<u>8,926,073</u>	<u>10,238,701</u>	<u>8,170,161</u>	<u>2,815,610</u>	<u>1,500,376</u>	<u>1,621,147</u>	<u>1,868,008</u>	<u>3,226,194</u>	<u>1,744,741</u>
Net Change in Fund Balances	<u>(3,288,563)</u>	<u>2,358,283</u>	<u>2,155,994</u>	<u>(8,653,647)</u>	<u>(2,247,443)</u>	<u>652,399</u>	<u>(781,484)</u>	<u>(4,669,412)</u>	<u>(1,006,975)</u>	<u>(2,256,849)</u>
Debt Service as a Percentage of Noncapital Expenditures	13.1%	35.6%	35.5% ⁽⁴⁾	58.6% ⁽⁷⁾	30.6% ⁽⁸⁾	8.2%	8.1%	7.5%	7.6%	9.5%

Notes:

- (1) Increase due to \$2.4 million CDBG Community Center grant.
- (2) Includes \$5 million transfer to refinance TID #4 NANs to debt service fund.
- (3) Includes refinancing of \$4.3 million Community Center debt.
- (4) Increase due to \$12.6 million TID #3 debt payoff.
- (5) Increase due to completion of new Community Center building in 2012 and construction of Southeast Arterial Road.
- (6) \$12.6 million TID #3 debt payoff and \$3 million transfer from TID #3 to TID #4.
- (7) Includes \$4.98 million early retirement of debt related to TID #4.
- (8) Decrease relates to closure of TID #3 and corresponding reduction to increment.
- (9) Includes sale of city land.

CITY OF OCONOMOWOC, WISCONSIN
Table 5 - Electric Charges for Service Revenue Base
 Last Ten Years

	2010	2011	2012	2013	2014 ⁽¹⁰⁾	2015	2016	2017	2018	2019 ⁽¹¹⁾
Residential										
kWh ⁽¹⁾	72,508	71,516	73,058	72,123	72,121	70,705	74,055	71,388 ⁽⁴⁾	76,388	74,568
Rate ⁽²⁾	\$ 108.22	\$ 113.46	\$ 113.76	\$ 115.10	\$ 122.76	\$ 124.48	\$ 122.74	\$ 124.58	\$ 119.52	\$ 121.09
Customers	7,576	7,682	7,716	8,040 ⁽⁶⁾	8,059	8,199	8,256	8,435	8,577	8,775
Commercial										
kWh ⁽¹⁾	27,859	27,472	27,710	26,670	25,421	23,133	23,766	22,509	24,213	23,865
Rate ⁽²⁾	\$ 103.84	\$ 109.35	\$ 111.08	\$ 112.25	\$ 119.49	\$ 120.31	\$ 118.42	\$ 119.25	\$ 114.81	\$ 115.32
Customers	1,038	1,026	1,009	1,168 ⁽⁷⁾	1,047	1,043	1,057	1,074	1,098	1,152
Small Power										
kWh ⁽¹⁾	23,014	22,900	23,474	23,755	22,357	25,159	24,935	25,423	26,592	26,351
Rate ⁽²⁾	\$ 98.63	\$ 102.18	\$ 103.79	\$ 105.27	\$ 111.69	\$ 111.88	\$ 110.67	\$ 112.06	\$ 108.12	\$ 105.16
Customers	68	63	67	84 ⁽⁷⁾	71	80	83	88	90	90
Large Power										
kWh ⁽¹⁾	50,700 ⁽⁸⁾	50,264 ⁽⁸⁾	51,514	63,419 ⁽⁹⁾	73,379	74,768	72,570	68,735 ⁽⁴⁾	69,176	67,760
Rate ⁽²⁾	\$ 90.34	\$ 95.20	\$ 95.58	\$ 94.90	\$ 96.18	\$ 95.93	\$ 94.55	\$ 96.44	\$ 91.14	\$ 90.00
Customers	33	33	32	41 ⁽⁹⁾	43	42	41	41	41	42
Industrial										
kWh ⁽¹⁾	59,820 ⁽⁸⁾	57,320 ⁽⁸⁾	55,881 ⁽⁸⁾	43,593 ⁽⁹⁾	35,756	34,744	32,896	29,267 ⁽⁴⁾	29,769	29,168
Rate ⁽²⁾	\$ 81.75	\$ 87.12	\$ 86.32	\$ 87.17	\$ 88.08	\$ 87.04	\$ 85.51	\$ 86.84	\$ 81.68	\$ 80.45
Customers	15	15	15	6 ⁽⁹⁾	5	5	5	4	4	4
Other ⁽³⁾										
kWh ⁽¹⁾	1,530	1,550	1,540	1,525	1,782	1,795	1,622	1,263 ⁽⁴⁾	803 ⁽⁵⁾	758
Rate ⁽²⁾	\$ 176.62	\$ 180.44	\$ 181.24	\$ 183.68	\$ 218.81	\$ 225.90	\$ 236.02	\$ 187.27	\$ 349.66	\$ 356.11
Customers	53	50	50	51	53	58	58	69	74	73
Totals										
kWh ⁽¹⁾	235,431	231,022 ⁽⁶⁾	233,177	231,085	230,816	230,304	229,845	218,585	226,941	222,470
Rate ⁽²⁾	\$ 96.63	\$ 101.80	\$ 102.29	\$ 103.40	\$ 108.25	\$ 108.56	\$ 107.56	\$ 109.04	\$ 104.88	\$ 104.59
Customers	8,783	8,869	8,889	9,390 ⁽⁷⁾	9,278	9,427	9,500	9,711	9,884	10,136

Notes:

- (1) kWh: Kilowatt Hours sold
- (2) Rate: Weighted Average Rate = total revenues by class divided by total kilowatt hours sold by class. Includes energy charge, customer charge, and various other applicable fixed charges.
- (3) Includes public street and highway lighting.
- (4) Usage decreased due to a slightly cooler than normal summer, economic slowdown, and an increase in energy efficiency programs.
- (5) Decrease due to multi-year project converting street lights from High Pressure Sodium to more efficient LED.
- (6) Several new apartment complexes resulted in many new residential customers with little or no usage (some vacant).
- (7) New reporting method used for customer counts in 2013.
- (8) Business usage has decreased as a result of an economic slowdown and energy efficiency programs.
- (9) Shift of customers from Industrial to Large Power.
- (10) Rate increases approved by Public Service Commission effective January 2014.
- (11) Rate increases approved by Public Service Commission effective March 2019.

Source: Wisconsin Public Service Commission Annual Report

CITY OF OCONOMOWOC, WISCONSIN
Table 6 - Electric Charges for Service Rates
 Last Ten Years

	2010	2011	2012	2013	2014 ⁽⁴⁾	2015 ⁽⁵⁾	2016	2017	2018	2019 ⁽⁶⁾
Residential										
kWh ⁽¹⁾	\$ 0.0868	\$ 0.0868	\$ 0.0868	\$ 0.0868	\$ 0.1169	\$ 0.1169	\$ 0.1169	\$ 0.1169	\$ 0.1169	\$ 0.1130
Fixed Charge - Single Phase	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	11.00
Fixed Charge - Three Phase ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	12.00	12.00	12.00	12.00	18.00
Residential - Time of Use										
kWh ⁽¹⁾ - on peak	0.1550	0.1550	0.1550	0.1550	0.2052	0.2052	0.2052	0.2052	0.2052	0.2000
kWh ⁽¹⁾ - off peak	0.0380	0.0380	0.0380	0.0380	0.0586	0.0586	0.0586	0.0586	0.0586	0.0600
Fixed Charge - Single Phase	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	11.00
Fixed Charge - Three Phase ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	12.00	12.00	12.00	12.00	18.00
General Service										
kWh ⁽¹⁾	0.0868	0.0868	0.0868	0.0868	0.1169	0.1169	0.1169	0.1169	0.1169	0.1125
Fixed Charge - Single Phase	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	13.00
Fixed Charge - Three Phase ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	12.00	12.00	12.00	12.00	21.00
Large General Service ⁽⁷⁾										
kWh ⁽¹⁾ - on peak	-	-	-	-	-	-	-	-	-	0.1150
kWh ⁽¹⁾ - off peak	-	-	-	-	-	-	-	-	-	0.0705
kW ⁽²⁾	-	-	-	-	-	-	-	-	-	5.0000
kW - Distribution ⁽²⁾	-	-	-	-	-	-	-	-	-	1.5000
Fixed Charge	-	-	-	-	-	-	-	-	-	30.00
Small Power ⁽³⁾										
kWh ⁽¹⁾	0.0555	0.0555	0.0555	0.0555	0.0803	0.0803	0.0803	0.0803	0.0803	-
kWh ⁽¹⁾ - on peak ⁽⁷⁾	-	-	-	-	-	-	-	-	-	0.1000
kWh ⁽¹⁾ - off peak ⁽⁷⁾	-	-	-	-	-	-	-	-	-	0.0530
kW ⁽²⁾	8.2500	8.2500	8.2500	8.2500	8.5000	8.5000	8.5000	8.5000	8.5000	9.5000
kW - Distribution ^{(2) (5)}	N/A	N/A	N/A	N/A	N/A	1.5000	1.5000	1.5000	1.5000	1.5000
Fixed Charge	40.00	40.00	40.00	40.00	50.00	50.00	50.00	50.00	50.00	50.00
Large Power ⁽³⁾										
kWh ⁽¹⁾ - on peak	0.0584	0.0584	0.0584	0.0584	0.0958	0.0958	0.0958	0.0958	0.0958	0.0865
kWh ⁽¹⁾ - off peak	0.0372	0.0372	0.0372	0.0372	0.0477	0.0477	0.0477	0.0477	0.0477	0.0475
kW ⁽²⁾	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000	10.5000
kW - Distribution ^{(2) (5)}	N/A	N/A	N/A	N/A	N/A	1.7500	1.7500	1.7500	1.7500	1.7500
Fixed Charge	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Industrial ⁽³⁾										
kWh ⁽¹⁾ - on peak	0.0569	0.0569	0.0569	0.0569	0.0917	0.0917	0.0917	0.0917	0.0917	0.0790
kWh ⁽¹⁾ - off peak	0.0363	0.0363	0.0363	0.0363	0.0458	0.0458	0.0458	0.0458	0.0458	0.0460
kW ⁽²⁾	9.5000	9.5000	9.5000	9.5000	10.0000	10.0000	10.0000	10.0000	10.0000	12.0500
kW - Distribution ^{(2) (5)}	N/A	N/A	N/A	N/A	N/A	1.7500	1.7500	1.7500	1.7500	1.7500
Fixed Charge	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00

Notes:

- (1) kWh: per kilowatt hour sold (usage).
- (2) kW: per kilowatt (demand).
- (3) Rates listed do not include optional discounts for primary metering (1.75 % of bill) nor transformer ownership (\$.60 / kWh).
- (4) Rate increase approved by Wisconsin Public Service Commission, effective January 2014.
- (5) Previously approved existing rates added to table beginning in 2015.
- (6) Rate increase approved by Wisconsin Public Service Commission, effective March 2019.
- (7) New classification effective 2019.

CITY OF OCONOMOWOC, WISCONSIN

Table 7 - Principal Electric Customers

Customer ⁽¹⁾	Type of Business	2010			2019		
		Usage in kilowatt hours	Rank	% of Total	Usage in kilowatt hours	Rank	% of Total
Customer 1	Distribution	17,781,120	1	7.6%	17,702,804	1	8.0%
Customer 2	Health Care	8,836,560	4	3.8%	8,551,616	2	3.8%
Customer 3 ⁽²⁾	Distribution	11,668,400	2	5.0%	7,788,676	3	3.5%
Customer 4 ⁽²⁾	Manufacturing	9,946,004	3	4.2%	6,195,390	4	2.8%
Customer 5	Education	4,725,118	8	2.0%	5,972,591	5	2.7%
Customer 6	Manufacturing	5,025,050	6	2.1%	5,517,437	6	2.5%
Customer 7	Municipality			0.0%	4,764,261	7	2.1%
Customer 8 ⁽²⁾	Retail	5,615,860	5	2.4%	4,460,945	8	2.0%
Customer 9	Health Care			0.0%	4,105,267	9	1.8%
Customer 10	Manufacturing	4,903,384	7	2.1%	4,030,953	10	1.8%
Customer 11	Manufacturing	4,463,000	9	1.9%			0.0%
Customer 12	Manufacturing	4,398,425	10	1.9%			0.0%
Total Principal Electric Customers		77,362,921		32.9%	69,089,940		31.1%
All Other Electric Customers		158,068,079		67.1%	153,379,943		68.9%
Total		235,431,000		100.0%	222,469,883		100.0%

Notes:

(1) Names omitted to protect customer privacy.

(2) Implemented various energy conservation programs which decreased usage.

Source: Oconomowoc Utility Billing Department

CITY OF OCONOMOWOC, WISCONSIN

Table 8 - Assessed and Estimated Actual Value of Taxable Property ⁽¹⁾
Last Ten Years

	2010		2011		2012		2013		2014	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Real Property Assessed Value ⁽²⁾										
Residential	\$ 1,332,361,000	65.2%	\$ 1,374,327,200	67.6%	\$ 1,379,126,600	69.1%	\$ 1,383,915,500	69.3%	\$ 1,386,608,100	69.8%
Commercial	599,495,600	29.3%	544,590,900 ⁽⁶⁾	26.8%	503,812,400	25.3%	496,780,000	24.9%	486,411,800	24.5%
Manufacturing	64,342,600	3.1%	62,611,200	3.1%	61,885,600	3.1%	67,815,100	3.4%	66,925,300	3.4%
Other	2,186,900	0.1%	5,457,600	0.3%	5,199,900	0.3%	3,917,700	0.2%	3,539,900	0.2%
Subtotal Real Property	1,998,386,100	97.7%	1,986,986,900	97.7%	1,950,024,500	97.7%	1,952,428,300	97.8%	1,943,485,100	97.9%
Personal Property Assessed Value ⁽²⁾	46,440,720	2.3%	47,402,309	2.3%	44,897,738	2.3%	43,642,499	2.2%	42,117,187	2.1%
Total Taxable Assessed Value	<u>2,044,826,820</u>	<u>100.0%</u>	<u>2,034,389,209</u>	<u>100.0%</u>	<u>1,994,922,238</u>	<u>100.0%</u>	<u>1,996,070,799</u>	<u>100.0%</u>	<u>1,985,602,287</u>	<u>100.0%</u>
Total City Direct Tax Rate ⁽³⁾	\$ 4.56		\$ 4.66 ⁽⁷⁾		\$ 4.83 ⁽⁷⁾		\$ 4.98 ⁽⁸⁾		\$ 5.13	
Estimated Actual Taxable Value ⁽⁴⁾	2,019,391,100		2,018,359,000		1,921,427,200		1,795,970,900		1,799,980,600	
Assessed Value as a Percentage of Actual Value ⁽⁵⁾	101.3%		100.8%		103.8%		111.1%		110.3%	
	2015		2016		2017		2018		2019	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Real Property Assessed Value ⁽²⁾										
Residential	\$ 1,301,260,400	68.7%	\$ 1,321,657,600	68.6%	\$ 1,343,956,800	68.9%	\$ 1,369,790,900	69.0%	\$ 1,403,953,800	68.5%
Commercial	487,318,700	25.7%	496,793,500	25.8%	496,791,000	25.5%	507,323,200	25.6%	546,037,100	26.7%
Manufacturing	59,411,600	3.1%	65,161,000	3.4%	61,733,600	3.2%	63,609,900	3.2%	61,597,000	3.0%
Other	3,513,300	0.2%	3,529,300	0.2%	3,529,400	0.2%	3,870,000	0.2%	3,845,400	0.2%
Subtotal Real Property	1,851,504,000	97.8%	1,887,141,400	97.9%	1,906,010,800	97.7%	1,944,594,000	98.0%	2,015,433,300	98.4%
Personal Property Assessed Value ⁽²⁾	41,951,895	2.2%	40,329,412	2.1%	44,446,768	2.3%	40,603,509	2.0%	32,713,475 ⁽⁹⁾	1.6%
Total Taxable Assessed Value	<u>1,893,455,895</u>	<u>100.0%</u>	<u>1,927,470,812</u>	<u>100.0%</u>	<u>1,950,457,568</u>	<u>100.0%</u>	<u>1,985,197,509</u>	<u>100.0%</u>	<u>2,048,146,775</u>	<u>100.0%</u>
Total City Direct Tax Rate ⁽³⁾	\$ 5.37		\$ 5.37		\$ 5.44		\$ 5.50		\$ 5.62	
Estimated Actual Taxable Value ⁽⁴⁾	1,860,351,900		1,918,686,500		2,010,432,900		2,093,799,100		2,238,627,100	
Assessed Value as a Percentage of Actual Value ⁽⁵⁾	101.8%		100.5%		97.0%		94.8%		91.5%	

Notes:

- (1) Information presented in the year for which taxes were levied.
- (2) Assessed values are prepared by the City of Oconomowoc assessor.
- (3) Tax rates are expressed in rate per \$1,000 in assessed value.
- (4) Estimated actual values (equalized values) are prepared by the Wisconsin Department of Revenue, Bureau of Property Tax and include TID values.
- (5) The Wisconsin Department of Revenue does not consider any amendments to the Statement of Assessment when calculating the equalized ratio. Therefore, the percentage of actual value calculated above may differ slightly from what was printed on the tax bills.
- (6) Decrease due to change in use for two large properties and a large Board of Review adjustment.
- (7) Increase in tax rate due to decrease in assessed value.
- (8) Increase in tax rate due to new debt for community center and street improvements.
- (9) Decrease due to some machinery and tools no longer classified as taxable.

CITY OF OCONOMOWOC, WISCONSIN

Table 9 - Property Tax Rates - Direct and Overlapping Governments ⁽¹⁾
 (Per \$1,000 of Assessed Valuation)
 Last Ten Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Direct Rates:										
General Fund	\$ 3.4204	\$ 3.4933	\$ 3.5871	\$ 3.4497	\$ 3.4454	\$ 3.5404	\$ 3.5685	\$ 3.7264	\$ 3.8492	\$ 3.7948
Community Development Authority	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	0.8235	0.8489	0.8258	0.9398	0.9524	1.0851	1.0777	0.9825	0.9646	1.0406
Debt Service Fund	0.3181	0.3226	0.4208	0.5929	0.6691	0.6775	0.6649	0.6548	0.6885	0.7862
Ambulance Special Revenue Fund	-	-	-	-	0.0673	0.0636	0.0627	0.0751	-	-
Total City Rate	4.5620	4.6648	4.8337	4.9824	5.1342	5.3666	5.3738	5.4388	5.5023	5.6216
Overlapping Rates ⁽²⁾:										
Waukesha County	1.8454	1.9547	1.9368	1.8941	1.9444	2.0448	2.0324	2.0578	2.0587	2.0658
State of Wisconsin	0.1676	0.1684	0.1635	0.1527	0.1538	0.1667	0.1689	0.1749	-	-
Waukesha County Technical College	1.1425	1.2238	1.2053	1.1702	1.1927	0.3823	0.3780	0.3797	0.3887	0.3957
Oconomowoc Area School District	9.0577	9.6241	9.5433	9.8697	9.5608	9.8394	10.0118	10.0581	10.1473	10.1886
Special Taxing Districts ⁽³⁾										
Lake District 1 - LaBelle	0.0601	0.0629	0.0617	0.0626	0.0628	0.1149	0.1127	0.0979	0.0953	0.0953
Lake District 2 - Fowler	-	-	-	-	0.0006	0.0034	0.0039	0.0050	0.0027	0.0552
Less: State School Tax Credit	(1.1879)	(1.2343)	(1.3163)	(1.3520)	(1.3921)	(1.4566)	(1.6721)	(1.6716)	(1.8666)	(1.8288)
Totals by Lake District:										
Lake District 1 - LaBelle	15.6474	16.4644	16.4280	16.7797	16.6566	16.4581	16.4055	16.5356	16.3257	16.5382
Lake District 2 - Fowler	15.5873	16.4015	16.3663	16.7171	16.5944	16.3466	16.2967	16.4427	16.2331	16.4981

Notes:

- (1) Information presented in the year for which taxes were levied.
- (2) Overlapping rates are those of local, county, and state governments that apply to property owners within the City.
- (3) Not all overlapping rates apply to all City property owners. The rates for special districts apply only to the portion of the City's property owners whose property is located within the geographic boundaries of the special district.

Source: City of Oconomowoc Treasurer's Office

CITY OF OCONOMOWOC, WISCONSIN

Table 10 - Principal Taxpayers ⁽¹⁾

Taxpayer	Taxes Payable 2010			Taxes Payable 2019		
	Taxable Assessed Value ⁽²⁾	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value ⁽²⁾	Rank	% of Total Taxable Assessed Value
Pabst Farms RDL LLC	\$ 81,731,200	2	4.0%	\$ 52,834,100	1	2.6%
Dayton Hudson Corp. (Target) ⁽³⁾	\$ 86,123,188	1	4.2%	45,307,700	2	2.2%
Pabst Farms Market Place LLC	15,984,300	5	0.8%	16,490,000	3	0.8%
ProHealth Care Medical Associates ⁽⁴⁾	17,284,600	4	0.8%	15,464,109	4	0.8%
Retreat at Prairie Creek LLC			0.0%	14,622,500	5	0.7%
Summit Center Market Place II LLC	10,336,400	6	0.5%	12,559,700	6	0.6%
PBJC Oconomowoc LLC (Fleet Farm) ⁽⁵⁾			0.0%	11,998,400	7	0.6%
Creekside North Partners LLC			0.0%	11,414,200	8	0.6%
LRJ Whitman Park I LLC			0.0%	9,812,700	9	0.5%
Creekside North Partners Phase I LLC			0.0%	9,641,400	10	0.5%
Stonebridge Capital Unit 1 LLC	24,000,000	3	1.2%			0.0%
Pabst Farms Land Co I LLC	9,959,800	7	0.5%			0.0%
Bonneywell Village Associates	9,908,900	8	0.5%			0.0%
Roundy's Supermarkets Inc	8,523,407	9	0.4%			0.0%
Pabst Farms Village Square	7,897,300	10	0.4%			0.0%
Total Principal Taxpayers	271,749,095		13.3%	200,144,809		9.8%
All Other Taxpayers	1,773,077,725		86.7%	1,848,001,966		90.2%
Total	\$ 2,044,826,820		100.0%	\$ 2,048,146,775		100.0%

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Assessed values include real and personal property.

(3) Assessed value decreased in 2011 due to tax assessment settlement agreement.

(4) Prior to 2018 two parcels were in the name of Waukesha Health Care. In 2018 the largest of those two parcels transferred ownership to ProHealth Care.

(5) New store built in 2018.

CITY OF OCONOMOWOC, WISCONSIN
 Table 11 - Property Tax Levies and Collections⁽¹⁾
 Last Ten Years

Year	Total Tax Levy ⁽²⁾	Collected Within the Year of the Levy ⁽³⁾		Collections in Subsequent Years ⁽⁴⁾	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2010	\$ 13,774,601	\$ 13,467,191	97.8%	\$ 2,066	\$ 13,469,256	97.8%
2011	13,831,290	13,588,507	98.2%	1,987	13,590,494	98.3%
2012	13,656,017	13,441,429	98.4%	1,309	13,442,737	98.4%
2013	13,690,528	13,539,531	98.9%	63	13,539,594	98.9%
2014	13,996,851	13,859,092	99.0%	468	13,859,560	99.0%
2015	11,128,679	11,064,869	99.4%	5,834	11,070,703	99.5%
2016	11,438,557	11,375,335	99.4%	327	11,375,662	99.5%
2017	11,751,413	11,664,448	99.3%	-	11,664,448	99.3%
2018	12,065,576	12,015,294	99.6%	558	12,015,851	99.6%
2019	12,905,157	12,825,632	99.4%	773	12,826,405	99.4%

Notes:

- (1) Information presented in the year for which taxes were levied.
- (2) Total tax levy includes only the City portion of tax levy, TID increment, special assessments and charges, and all omitted taxes for prior years.
- (3) Current tax collections include only those amounts collected directly by the City of Oconomowoc. The City collects all three installments of the real estate taxes through July 31. Delinquent real estate taxes are turned-over to the Waukesha County Treasurer for collection after July 31 of the fiscal year.
- (4) Responsibility for the collection of delinquent personal property taxes remains with the City. Collections in subsequent years include payments received by the City for delinquent personal property taxes only.

CITY OF OCONOMOWOC, WISCONSIN
 Table 12 - Ratios of Outstanding Debt by Type ⁽¹⁾
 Last Ten Years

Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Adjusted Gross Income ⁽²⁾	Per Capita ⁽²⁾
	General Obligation Bonds and Notes ⁽³⁾	Note Anticipation Notes	Notes	General Obligation Bonds and Notes ⁽³⁾	Revenue Bonds			
2010	\$ 20,457,360	\$ 5,000,000	\$ -	\$ 474,885	\$ 7,819,609	\$ 33,751,854	4.9%	2,142
2011	26,801,735 ⁽⁴⁾	-	33,433 ⁽⁵⁾	457,575	7,148,099	34,440,847	4.6%	2,179
2012	29,422,137 ⁽⁶⁾	-	30,033	438,333	6,457,783	36,348,286	4.8%	2,296
2013	17,553,607 ⁽⁷⁾	-	26,633	415,290	5,738,408	23,733,938	3.0%	1,483
2014	12,980,895 ⁽⁸⁾	-	23,233	384,225	4,994,714	18,383,067	2.3%	1,128
2015	11,993,137	-	19,834	3,515,355 ⁽⁹⁾	- ⁽⁹⁾	15,528,326	1.8%	943
2016	10,997,014	-	16,434	3,050,807	-	14,064,255	1.6%	844
2017	9,985,891	-	13,034	2,586,259	-	12,585,184	1.4%	747
2018	10,497,483	-	9,634	2,105,076	-	12,612,193	1.2%	747
2019	9,198,027	-	-	1,612,258	-	10,810,285	n/a ⁽¹⁰⁾	628

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) See the Table 17 - Demographic and Economic Statistics for adjusted gross income and population data.
- (3) Includes premium on long-term debt.
- (4) Increase due to street bonds issued for \$2,525,000 in July 2011 and refinanced TID #4 Note Anticipation Note in November 2011 for \$4,985,000.
- (5) Issued data processing note for \$34,000 in October 2011.
- (6) Increase due to \$4,285,000 bonds issued for community center in December 2012.
- (7) Decrease due to \$12,595,000 pay off of TID #3 debt in 2013.
- (8) Decrease due to \$4,985,000 pay off of TID #4 Note Anticipation Note in 2014.
- (9) Increase/Decrease due to refinancing Electric Revenue bonds with General Obligation Notes in 2015.
- (10) n/a - data not available

CITY OF OCONOMOWOC, WISCONSIN

Table 13 - Ratios of General Bonded Debt Outstanding ⁽¹⁾
Last Ten Years

Year	General Obligation Bonds ^{(2) (5)}	General Obligation Notes ^{(2) (5)}	Total General Obligation Debt ^{(2) (5)}	Percentage of Estimated Actual Taxable Value of Property ⁽³⁾	Per Capita ⁽⁴⁾
2010	\$ 20,932,245	\$ -	\$ 20,932,245	1.04%	1,430
2011	22,274,310 ⁽⁶⁾	4,985,000 ⁽⁷⁾	27,259,310	1.42%	1,725
2012	24,875,470 ⁽⁸⁾	4,985,000	29,860,470	1.66%	1,886
2013	11,733,897 ⁽⁹⁾	6,235,000 ⁽¹⁰⁾	17,968,897	1.00%	1,123
2014	10,966,481	2,398,639 ⁽¹¹⁾	13,365,120	0.72%	820
2015	10,069,065	5,451,341 ⁽¹²⁾	15,520,406	0.81%	943
2016	9,367,868	4,679,953	14,047,821	0.70%	843
2017	8,563,404	4,008,746	12,572,150	0.60%	746
2018	7,728,942	4,873,617	12,602,559	0.56%	746
2019	6,874,478	3,935,807	10,810,285	0.44%	628

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Includes governmental and business-type activities.
- (3) See Table 8 - Assessed and Estimated Actual Value of Taxable Property for property value data.
- (4) See Table 17 - Demographic and Economic Statistics for population.
- (5) Figures presented include related premiums.
- (6) Increase due to street bonds issued for \$2,525,000 in July 2011.
- (7) Refinanced TID #4 Note Anticipation Note.
- (8) Increase due to \$4,285,000 bonds issued for community center in December 2012.
- (9) Decrease due to \$12,595,000 pay off of TID #3 debt in 2013.
- (10) Increase due to \$1,250,000 in new street improvement debt.
- (11) Decrease due to \$4,985,000 pay off of TID #4 Note Anticipation Note in 2014.
- (12) Increase due to refinancing Electric Revenue bonds with General Obligation Notes in 2015.

CITY OF OCONOMOWOC, WISCONSIN

Table 14 - Computation of Direct and Overlapping Bonded Debt ⁽¹⁾
December 31, 2019

Jurisdiction	Total Governmental Activities Debt Outstanding	Estimated Percentage Applicable ⁽²⁾	Estimated Share of Overlapping Debt
Direct:			
City of Oconomowoc	\$9,035,168	100.00%	\$9,035,168
Overlapping ⁽³⁾ :			
Oconomowoc Area School District	88,195,000	39.22%	34,590,079
Waukesha County	79,330,000	3.89%	3,085,937
Waukesha County Technical College	23,960,000	3.68%	881,728
Subtotal Overlapping	<u>191,485,000</u>		<u>38,557,744</u>
Total Direct and Overlapping Debt	<u><u>\$200,520,168</u></u>		<u><u>\$47,592,912</u></u>

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) Applicable percentages were estimated by determining the portion of another government unit's equalized value that is within the City's geographic boundaries and dividing it by each government's total equalized valuation.

(3) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

CITY OF OCONOMOWOC, WISCONSIN
 Table 15 - Computation of Legal Debt Margin
 Last Ten Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 100,917,950	\$ 96,071,360	\$ 89,798,545	\$ 89,999,030	\$ 93,017,595
Total Net Debt Applicable to Limit	<u>20,932,245</u>	<u>27,259,310</u>	<u>29,860,470</u>	<u>17,740,000</u>	<u>13,094,838</u>
Legal Debt Margin	<u>\$ 79,985,705</u>	<u>\$ 68,812,050</u>	<u>\$ 59,938,075</u>	<u>\$ 72,259,030</u>	<u>\$ 79,922,757</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.74%	28.37%	33.25%	19.71%	14.08%
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 95,934,325	\$ 100,521,645	\$ 104,689,955	\$ 111,931,355	\$ 122,190,795
Total Net Debt Applicable to Limit	<u>15,188,236</u>	<u>13,762,409</u>	<u>12,369,080</u>	<u>12,374,266</u>	<u>10,624,448</u>
Legal Debt Margin	<u>\$ 80,746,089</u>	<u>\$ 86,759,236</u>	<u>\$ 92,320,875</u>	<u>\$ 99,557,089</u>	<u>\$ 111,566,347</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.83%	13.69%	11.81%	11.06%	8.69%

Legal Debt Margin Calculation for 2019:

Estimated Actual Value of Real and Personal Property	<u>\$ 2,443,815,900</u>
Debt Limit - 5 Percent of Estimated Actual Value	\$ 122,190,795 ⁽¹⁾
Debt Applicable to Debt Limit:	
Total Bonded Debt	\$ 10,810,285
Less:	
Unsecured Notes	
Premium on Long-Term Debt	<u>185,837</u>
Total Debt Applicable to Limitation	10,624,448
Less amount available in debt service fund	<u>-</u>
	<u>10,624,448</u>
Legal Debt Margin	<u>\$ 111,566,347</u>

Notes:

(1) Wisconsin State Statue 67.03 limits general obligation borrowing for general city purposes to 5% of the estimated actual value of real and personal property.

CITY OF OCONOMOWOC, WISCONSIN

Table 16 - Pledged-Revenue Coverage ⁽¹⁾

Last Ten Years

Year	Wastewater Revenue Bonds ⁽⁶⁾						Water Revenue Bonds ^{(2) (3)}					
	Wastewater Charges for Services	Less: Operating Expenses ⁽⁴⁾	Net Available Revenue	Debt Service		Cover-age	Amount Available in Special Redemption Fund	Amount Available in Reserve Fund	Total Funds Available for Payment	Debt Service		Cover-age
				Principal	Interest					Principal	Interest	
2010	\$ 2,797,316	\$ 1,730,943	\$ 1,066,373	\$ 306,510	\$ 62,814	2.89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2011	2,844,485	1,718,535	1,125,950	315,316	53,881	3.05	-	-	-	-	-	-
2012	2,937,920	1,757,746	1,180,174	324,375	44,692	3.20	-	-	-	-	-	-
2013	3,070,358	1,790,857	1,279,501	333,694	35,239	3.47	-	-	-	-	-	-
2014	3,132,218	1,866,323	1,265,895	343,281	25,514	3.43	-	-	-	-	-	-
2015	3,240,584	2,084,937	1,155,647	353,144	15,510	3.13	-	-	-	-	-	-
2016	3,306,648	1,932,799	1,373,849	363,289	5,219	3.73	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

Year	Electric Revenue Bonds ^{(2) (5)}					
	Amount Available in Special Redemption Fund	Amount Available in Reserve Fund	Total Funds Available for Payment	Debt Service		Cover-age
				Principal	Interest	
2010	\$ 328,962	\$ 588,448	\$ 917,409	\$ 365,000	\$ 213,548	1.59
2011	332,812	588,448	921,259	375,000	198,748	1.61
2012	344,062	588,448	932,509	395,000	183,348	1.61
2013	351,362	588,448	939,810	410,000	167,248	1.63
2014	358,512	588,448	946,959	425,000	133,148	1.70
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-

Notes:

(1) Details regarding the government's outstanding debt can be found in the notes to the financial statements.

(2) Each month, the pledged portion of the utility revenues are segregated into a separate fund (special redemption fund) and the cash is reserved for the upcoming debt payment. A reserve fund was also established when the debt was issued and is intended to subsidize any future decrease in revenues that results in an inability to make a debt payment. Throughout the life of the debt, the reserve fund was not needed.

(3) The water revenue bonds were satisfied in April 2007.

(4) Operating expenses do not include depreciation.

(5) The electric revenue bonds were issued in December 2007 and refunded during 2015.

(6) The Wastewater revenue bonds were satisfied in 2017.

CITY OF OCONOMOWOC, WISCONSIN
 Table 17 - Demographic and Economic Statistics
 Last Ten Years

Year	Population ⁽¹⁾	Adjusted Gross Income ⁽²⁾	Per Capita Adjusted Gross Income	School Enrollment ⁽³⁾	Waukesha County Unemployment Rate ⁽⁴⁾
2010	15,759	682,233,465	43,292	5,023	7.4% ⁽⁵⁾
2011	15,805	744,123,110	47,082	5,088	6.5%
2012	15,834	759,187,130	47,947	5,168	6.0%
2013	16,004	786,146,550	49,122	5,278	5.9%
2014	16,293	795,452,140	48,822	5,339	4.5%
2015	16,464	849,007,258	51,567	5,362	3.8%
2016	16,656	892,449,096	53,581	5,505	3.6%
2017	16,842	904,770,148	53,721	5,610	2.9%
2018	16,889	1,034,648,219	61,262	5,571	2.7%
2019	17,212	n/a ⁽⁶⁾	n/a ⁽⁶⁾	5,396	2.9%

Notes:

- (1) The 2010 population is the official U.S. Census. Population estimates for the other years are prepared by the Wisconsin Department of Administration, Demographic Services Center.
- (2) Wisconsin Department of Revenue, Division of Research and Policy.
- (3) Oconomowoc Area School District.
- (4) Wisconsin Department of Workforce Development.
- (5) Declining economy and unstable job market resulted in lower gross incomes and higher unemployment.
- (6) n/a - data not available

Year	Median Age	Percent High School Graduates	Percent College Graduates
1980	32.1	74.4%	19.0%
1990	34.6	84.1%	21.1%
2000	38.0	88.9%	30.7%
2010	38.5	96.0%	36.6%

Source: U.S. Bureau of the Census.

CITY OF OCONOMOWOC, WISCONSIN

Table 18 - Principal Employers
Current Year and Nine Years Ago

Employer	2010 ⁽¹⁾			2019 ⁽¹⁾		
	Employees	Rank	Percent of Total City Employment ⁽²⁾	Employees	Rank	Percent of Total City Employment ⁽²⁾
Roundy's Inc	500-999	3	4.76%	500-999	1	4.36%
Target Stores	500-999	2	4.76%	500-999	2	4.36%
Oconomowoc Memorial Hospital	500-999	1	4.76%	500-999	3	4.36%
Oconomowoc Area School District	500-999	4	4.76%	500-999	4	4.36%
YMCA at Pabst Farms	250-499	5	2.38%	250-499	5	2.18%
Lutheran Homes of Oconomowoc Inc	250-499	7	2.38%	250-499	6	2.18%
City of Oconomowoc	250-499	6	2.38%	250-499	7	2.18%
Bruno Independent Living Aids	250-499	8	2.38%	250-499	8	2.18%
ORBIS			0.00%	250-499	9	2.18%
Ace Precision			0.00%	250-499	10	2.18%
CL & D Graphics Inc	100-249	9	1.11%			0.00%
Orco/Olympia Resort & Spa	100-249	10	1.11%			0.00%
Total	<u>4,850</u>		<u>30.78%</u>	<u>5,250</u>		<u>30.50%</u>

Notes:

(1) Information only available in employee range format.

(2) The percent of employment and total employees is calculated from the median of the employee range and city population.

Source: Wisconsin Department of Workforce Development and SEWRPC

CITY OF OCONOMOWOC, WISCONSIN

Table 19 - Full-Time Equivalent City Government Employees by Function ⁽¹⁾
Last Ten Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Non-Union	8.09	8.61	8.67	8.57	8.29	7.92	8.01	7.92	8.86 ⁽⁷⁾	8.85
Union	0.06	0.06	0.06	0.06	- ⁽⁵⁾	-	-	-	-	-
Public Safety										
Police										
Officers	19.70	19.95	20.00	19.94	19.83	19.48	19.90	20.66	20.57	20.57
Civilians	11.68	11.59	11.59	11.59	11.39	11.41	11.41	12.07	11.98	12.07
Fire										
Full-Time Firefighters	7.03	6.51	6.56	6.56	6.56	6.65	6.36	1.06 ⁽⁶⁾	-	-
Paid On Call Firefighters	5.06	3.65	3.67	10.80 ⁽²⁾	12.58 ⁽²⁾	12.59	12.59	2.10 ⁽⁶⁾	-	-
Civilians	0.45	0.50	0.45	0.45	0.45	0.45	0.45	0.08 ⁽⁶⁾	-	-
Public Works										
Non-Union	5.46	6.20	6.20	6.20	14.61	14.42	14.74	14.73	14.73	14.73
Union	9.85	9.77	9.81	8.79 ⁽³⁾	- ⁽⁵⁾	-	-	-	-	-
Culture & Recreation										
Non-Union	19.37	19.40	19.12	19.40	24.99	24.40	23.27	23.75	23.73	23.74
Union	5.30	5.31	5.13	5.30	- ⁽⁵⁾	-	-	-	-	-
Conservation & Development	3.30	3.25	3.25	3.06	3.46	3.46	3.49	3.51	3.36	3.36
Fleet										
Non-Union	-	-	-	1.93 ⁽³⁾	2.07	1.96	1.96	2.04	2.04	2.04
Wastewater										
Non-Union	3.44	4.34 ⁽⁴⁾	4.35	4.12	10.87	10.49	10.53	10.39	10.50	10.20
Union	6.38	6.42	6.43	6.41	- ⁽⁵⁾	-	-	-	-	-
Water										
Non-Union	3.55	4.23 ⁽⁴⁾	4.24	4.00	9.75	9.59	10.11	10.37	10.07	10.42
Union	5.91	5.77	5.92	5.67	- ⁽⁵⁾	-	-	-	-	-
Electric										
Non-Union	7.78	8.48 ⁽⁴⁾	8.49	8.47	20.23	21.14	19.38	20.30	20.67	20.47
Union	13.51	12.75	12.68	11.61 ⁽³⁾	- ⁽⁵⁾	-	-	-	-	-
Total	135.92	136.79	136.62	142.93	145.08	143.96	142.20	128.98	126.51	126.45

Notes:

(1) FTEs are based on budget account allocations.

(2) Implementation of Ambo Coverage hours during 2013; 2014 first full year of coverage hours.

(3) Two employees (from Public Works & Electric) were transferred to newly created Fleet Department in 2013.

(4) New full-time Utility Engineer position was created.

(5) Effective January 2014 the AFSCME, IBEW and Dispatch Unions termed.

(6) Effective March 2017 the City's Fire and Ambulance departments joined the Western Lakes Fire District. All City employees became employees of the District upon completion of the consolidation.

(7) 2018 is the first full year incorporating the addition of one full time technology position and one part time HR Assistant.

Source: City adopted budget.

Note: The FTE's presented are the approved number of positions and may not agree to the number of positions filled. Schedule does not include seasonal part-time employees.

CITY OF OCONOMOWOC, WISCONSIN
 Table 20 - Operating Indicators by Function ⁽¹⁾
 Last Ten Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Number of Assessable Parcels	6,148	6,154	6,157	6,161	6,164	6,282	6,342	6,985	7,054	7,226
Number of Public Hearings	42	47	29	21	25	16	21	24	22	24
Number of Licenses and Permits	599	560	533	631	591	508	511	510	887 ⁽²⁰⁾	869
Public Safety										
Calls for Police Service	31,987	34,519	36,554	35,221	35,644	38,589	43,654 ⁽¹⁶⁾	37,349 ⁽¹⁶⁾	39,535	37,350
Speed Enforcement	1,903	1,962	2,117 ⁽⁵⁾	2,482 ⁽⁵⁾	2,015	1,845	2,782	1,877	2,030	1,652
Total Arrests	5,099	6,094	6,443	6,862	7,231	6,023	5,126	7,442 ⁽¹⁹⁾	7,438	6,284
Fire Responses ⁽²⁾	374	384	409	436	433	457	458	n/a ⁽¹⁸⁾	n/a	n/a
Fire Inspections ⁽²⁾	1,284	1,428	1,470	1,485	1,555	1,617	1,614	n/a ⁽¹⁸⁾	n/a	n/a
Ambulance Responses ⁽²⁾	1,448	1,428	1,116 ⁽⁶⁾	1,024	1,099	1,155	1,301	n/a ⁽¹⁸⁾	n/a	n/a
Public Works										
Number of Building Permits Issued	256	263	241	309	342	361	387	346	441 ⁽²⁰⁾	453
Number of Inspections by Building Inspector	2,498	3,427	3,344	3,594	4,057	4,498	5,443	5,544	6,325 ⁽²⁰⁾	6,345
Brush and Yard Waste (ton)	952	1,211	908	1,038	1,048	1,057	1,192	993	1,128	1,326
Asphalt Placed by City Crew (ton)	287	1,090 ⁽⁴⁾	208	211	203	268	249	241	215	195
Miles of Streets	80	81	84	84	85	86	85 ⁽¹⁷⁾	87	89	90
Culture and Recreation										
Library Items Circulated	307,526	297,367	281,568	276,794	269,282	264,716	275,992	280,030	295,526	307,112
Library Card Holders	18,503	18,324	19,119	20,387	21,523	22,564	17,209 ⁽¹⁵⁾	16,484	17,033	17,583
Summer Reading Program Registrants	1,700	1,800	1,918	2,264	2,023	1,854	1,961	1,922	2,125	2,149
Recreation Program Participants	3,577	4,795	4,412	4,896	3,992 ⁽¹²⁾	4,251	4,086	4,897	3,914	3,847
Park Land Acreage	337	337	337	337	337	337	337	337	343	410 ⁽²¹⁾
Conservation and Development										
Total Planning/Zoning Applications	10	12	5 ⁽⁷⁾	4	5	1	4	3	5	5
Wastewater Utility										
Average Number of Customers ⁽³⁾	7,388	7,459	7,516	7,623	7,667	7,765	7,848	7,920	8,048	8,242
Sewerage Treated (million gallons)	1,005	916	806 ⁽⁸⁾	993	855	806	945	1,006	1,034	1,012
Average Daily Flow (million gallons)	2.75	2.50	2.21	2.73	2.34	2.21	2.58	2.76	2.83	2.77
Water Utility										
Average Number of Customers	5,713	5,713	5,762	6,094	6,023 ⁽¹³⁾	5,800 ⁽¹³⁾	5,907	5,918	6,013	6,220
Total Pumped (million gallons)	720	690	751 ⁽⁹⁾	693	697	631 ⁽¹⁴⁾	591	557	554	552
Average Daily Consumption (million gallons)	1.97	1.89	2.06 ⁽⁹⁾	1.90	1.91	1.73	1.62	1.53	1.52	1.51
Electric Utility										
Average Number of Customers	8,783	8,869	8,889	9,390 ⁽¹⁰⁾	9,278 ⁽¹³⁾	9,462	9,500	9,711	9,884	10,136
Total Kilowatt Hours Purchased	243,633,000	238,113,000 ⁽¹¹⁾	240,070,000	238,527,000	236,646,000	234,568,000	236,148,400	222,259,919	232,550,300	228,532,200
Average Daily Consumption (kilowatt hours)	667,488	652,365 ⁽¹¹⁾	657,726	653,499	648,345	642,652	646,982	608,931	637,124	626,116

Notes:

- (1) Indicators are not available for the Health & Welfare function.
- (2) Includes contract agencies.
- (3) Including sanitary districts.
- (4) Increase in potholes and street repairs due to harsh winter weather.
- (5) City received speed grants in 2012-2013 to cover costs associated with monitoring and improving traffic safety during peak times.
- (6) Decrease in runs due to change in contract areas - loss of Village of Oconomowoc Lake and Village of Summit as of 1/1/12.
- (7) Zoning code amended August 2012. Many process and procedures were streamlined resulting in less applications and requiring less formal review.
- (8) Drought conditions in 2012 led to less infiltration.
- (9) Increase due to drought conditions in summer 2012.
- (10) New reporting method used for customer counts in 2013.
- (11) Increase in energy efficiency programs and decrease in manufacturing production.
- (12) Prior years included WPPA ticket promotions and boat moorings which have since been excluded from the participant counting method.
- (13) Reduction due to adjustment for customers with multiple meters.
- (14) Reduction due to discovery and repairs of various water main leaks both by the city and a significant customer.
- (15) Reduction due to planned purging of inactive cards during 2016
- (16) Increase in 2016 due to more all inclusive method of tracking. Decrease in 2017 due to overall lower call volume and activity in the city.
- (17) Decrease due to portion of street vacated to developer during 2016
- (18) Effective March 2017 the Fire & Ambulance departments left the city and merged with Western Lakes Fire Department.
- (19) Higher volume of citations issued due to traffic grants.
- (20) Increase due to increased development in the City.
- (21) Increases due to NE Region land, Hickorywood Farm Park and Outlot, Hidden Ridge Park

CITY OF OCONOMOWOC, WISCONSIN
Table 21 - Capital Asset Statistics by Function
Last Ten Years

<u>Function</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public Safety										
Police:										
Patrol Units	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	-	-
Ambulances	3	3	3	3	3	3	3	3	-	-
Public Works										
Streets (miles)	80.26	80.98	83.56 ⁽³⁾	83.84	84.89	85.58	85.48	87.23	88.95	90.07
Storm Sewer (miles)	41.50	47.30	55.55 ⁽³⁾	56.14	57.40	57.95	58.94	60.11	61.90	62.31
Culture and Recreation										
Park Acreage	337	337	337	337	337	337	337	337	343 ⁽⁶⁾	410 ⁽⁶⁾
Parks	47	47	47	47	47	47	47	47	47	49 ⁽⁶⁾
Beaches	3	3	3	3	3	3	3	3	3	3
Community Centers	1	-	1 ⁽¹⁾	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1	1	1
Wastewater Utility										
Lift Stations	1	1	1	1	1	1	1	1	1	1
Sewer Main (feet)	555,234	556,045	564,387 ⁽³⁾	564,387	570,955	573,676	575,476	594,678	603,468	614,192
Manholes	2,065	2,069	2,093	2,093	2,116	2,129	2,131	3,412	3,491	3,635
Pump Stations	19	19	19	19	19	19	19	19	19	19
Water Utility										
Wells	6	6	6	6	6	6	6	6	6	6
Watermain (feet)	504,906	508,356	510,890	513,290	523,573	530,151	537,641	555,702	569,743	584,686
Fire Hydrants	1,117	1,130	1,141	1,147	1,176	1,197	1,125	1,199	1,234	1,269
Valves	1,499	1,518	1,381	1,381	1,415	1,437	1,665	1,739	1,827	1,878
Electric Utility										
Substations	6	6	6	6	6	6	6	6	6	5
Primary Wire (miles)	375	375	387	387	388	389	389	393	396	398
Transformers	1,687	1,591 ⁽²⁾	1,635	1,589 ⁽²⁾	1,615	1,678	1,701	1,745	1,590	1,613
Street Lights	1,006	1,005	1,005	1,012	1,452 ⁽⁴⁾	1,457	1,795 ⁽⁴⁾	1,806	1,820	1,837

Notes:

- (1) Community center demolished in March 2011. Staff moved to temporary offices during 2011 and 2012. New community center substantially complete in 2012.
- (2) Fluctuations due to timing of purchases and disposals. 2011 and 2013 counts appear lower as a result of disposals of multiple years. (i.e 2010 retirements disposed in 2011).
- (3) Addition of Southeast Arterial and Old School House Road, as well as city wide storm water infrastructure assessment which led to additional footage.
- (4) The City conducted a street light audit, resulting in positive adjustment.
- (5) Ownership transferred to WLFDD after March 2017 fire merger.
- (6) Increases due to NE Region land, Hickorywood Farm Park and Outlot, Hidden Ridge Park.

Note: Indicators are not available for the General Government, Health & Welfare, or Conservation and Development functions.

Source: Various City departments.