

Village of Sussex, Wisconsin

Sussex, Wisconsin

Annual Financial Report

December 31, 2021

Village of Sussex, Wisconsin

Year Ended December 31, 2021

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Independent Auditor's Report

To the Village Board
Sussex, Wisconsin

Report on the Financial Statements

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and the budgetary comparison information and pension information on pages 73 through 75 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Sussex, Wisconsin's basic financial statements as a whole. The combining balance sheet-nonmajor governmental funds and combining statement of revenues, expenditures, and changes in fund balances-nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wipfli LLP

Wipfli LLP
April 22, 2022
Madison, Wisconsin

Management's Discussion and Analysis



Management's Discussion and Analysis (Unaudited) As of and for the Year Ended December 31, 2021

As management of the Village of Sussex, we offer readers of the Village of Sussex's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal years ended December 31, 2021 and 2020.

Financial Highlights

- The assets and deferred outflows of resources of the Village of Sussex exceeded its liabilities and deferred inflows of resources at the close of 2021 by \$91.2 million compared to the 2020 excess of \$81.6 million (net position).
- Restricted net position represents amounts held for future debt service expenditures, unexpended reserve capacity assessments, amounts held for equipment replacement and depreciation, park impact fees received and pension benefits.
- The government's total net position increased by about \$9.6 million in 2021 compared to an increase of \$1.3 million in 2020. The main reasons for the increase are acquisition of capital assets and collection of impact fees and reserve capacity assessments.
- As of the close of the current fiscal year, the Village of Sussex's governmental funds reported combined ending fund balances of \$5.7 million, the same as the prior year. An increase of \$1.1 million in the General Fund was a result of favorable operations and transfers to the equipment replacement fund that were budgeted for 2021. All other major funds decreased with the General Debt Service Fund showing a decrease of \$182,762 through a budgeted use of fund surplus. The General Capital Projects Fund decreased \$697,933 due to spending previously held from borrowed funds for the 2021 road program. The TIF #7 fund decreased \$0.6 million due to spending related to the project plan amendment. All non-major funds showed increases in fund balance for a combined increase of \$0.4 million. The increases were a result of the collection of Park Impact Fees and tax increment.
- The Village Board adopted a formal fund balance policy in 2011 and updated in 2015 which includes standards to maintain specific levels within the General Fund. In addition, it directs any surplus to be set aside for future equipment and building replacement. At December 31, 2021 the combined balance of General Fund assigned and unassigned funds is \$6,924,618 and represents 65.5% of the 2022 budgeted expenditures as defined in the policy.
- The Village of Sussex's total debt showed a net decrease of \$1.8 million during the current fiscal year. All borrowing is in accordance with the approved Capital Improvement Plan.
- The Village's proportionate share of the Wisconsin Retirement System (WRS) is a pension asset that was \$1,110,943 as of December 31, 2021 after reporting a pension asset of \$537,981 as of December 31, 2020. This change was due primarily to improved investment returns in 2020. The difference between expected and actual investment returns for WRS is reported as a deferred outflow in the Village's financial statements.

**Village of Sussex
Management's Discussion and Analysis
(Unaudited)
As of and for the Year Ended December 31, 2021**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Sussex's basic financial statements. The Village of Sussex's basic financial statements comprise 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 Village of Sussex's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village of Sussex's assets, liabilities, and deferred outflows/inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Sussex 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 the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village of Sussex that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Sussex include general government, protection of persons and property, public works, health and sanitation, parks and recreation, library, and conservation and development. The business-type activities of the Village of Sussex include a Water Utility, a Sewer Utility, a Stormwater Utility and the Community Development Authority.

The government-wide financial statements include the Village of Sussex which is known as the *primary government*. The Water, Sewer and Stormwater Utilities function for all practical purposes as departments of the Village of Sussex, and therefore have been included as an integral part of the primary government. In addition, the Pauline Haass Public Library is included in the government-wide financial statements as a *component unit*.

The government-wide financial statements can be found on pages 16 - 18 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 Village of Sussex, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Sussex can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

**Village of Sussex
Management's Discussion and Analysis
(Unaudited)
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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*.

The Village of Sussex maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the general obligation debt service fund, and the TIF #7 capital projects fund, all of which are considered to be major funds. The general capital projects fund is not considered a major fund but is also included in the governmental fund financial statements. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19 - 23 of this report.

The Village of Sussex adopts an annual appropriated budget for the general fund and various other funds as required by state statute. The budgetary comparison statement found on page 72 has been included with the basic financial statements for the budgeted fund to demonstrate compliance with the adopted budget.

Proprietary funds. The Village of Sussex maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village of Sussex uses enterprise funds to account for its Water, Sewer, and Stormwater Utilities and Community Development Authority.

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 Water, Sewer, and Stormwater Utilities, which are considered to be major funds of the Village of Sussex. The Community Development Authority is not considered a major fund but is also included in the proprietary fund financial statements

The basic proprietary fund financial statements can be found on pages 24 - 28 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 statements because the resources of those funds are *not* available to support the Village of Sussex's own programs. The only fiduciary fund maintained by the Village of Sussex is the Tax Collection Fund which records the tax roll and tax collections for other taxing jurisdictions within the Village of Sussex.

The basic fiduciary fund financial statement can be found on pages 29 and 30 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 can be found on pages 31 - 71 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining statements and schedules can be found on pages 76 - 78 of this report.

**Village of Sussex
Management's Discussion and Analysis
(Unaudited)
As of and for the Year Ended December 31, 2021**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position.

VILLAGE OF SUSSEX NET POSITION

	Governmental Activities		Business-type Activities		Total	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current and other assets	\$ 19,094,059	\$ 17,319,945	\$ 13,819,262	\$ 10,903,866	\$ 32,913,321	\$ 28,223,811
Capital assets	51,806,885	53,641,523	85,084,071	78,627,262	136,890,956	132,268,785
Total assets	70,900,944	70,961,468	98,903,333	89,531,128	169,804,277	160,492,596
Deferred outflows of resources						
Pension benefits	1,257,586	828,095	616,180	450,104	1,873,766	1,278,199
Current and other liabilities	5,159,132	4,115,885	1,930,310	1,835,448	7,089,442	5,951,333
Long-term liabilities	41,143,146	43,797,486	19,593,169	19,219,848	60,736,315	63,017,334
Total liabilities	46,302,278	47,913,371	21,523,479	21,055,296	67,825,757	68,968,667
Deferred inflows of resources						
Property taxes	9,218,131	8,628,953	-	-	9,218,131	8,628,953
Other	459,564	439,424				
Pension benefits	1,621,121	1,030,777	811,534	582,495	2,432,655	1,613,272
Special assessments	-	-	497,500	497,500	497,500	497,500
Total deferred inflows	11,298,816	10,099,154	1,309,034	1,079,995	12,607,850	11,179,149
Net position						
Net investment in capital assets	22,666,822	23,325,413	62,564,079	54,497,139	84,683,756	77,228,858
Restricted	1,046,317	666,790	7,921,902	7,464,714	8,968,219	8,131,504
Unrestricted	(9,155,703)	(10,215,165)	6,201,019	5,884,088	(2,407,539)	(3,737,383)
Total net position	\$ 14,557,436	\$ 13,777,038	\$ 76,687,000	\$ 67,845,941	\$ 91,244,436	\$ 81,622,979

The Village of Sussex's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding as \$84.7 million. The Village of Sussex uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village of Sussex's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village of Sussex's net position, \$9.0 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is \$(2.4) million.

The government's net position increased by about \$9.6 million during the current fiscal year. There was an increase of about \$780,000 in the governmental activities, while the business-type activities had an increase in net position of about \$8.8 million.

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(Unaudited)
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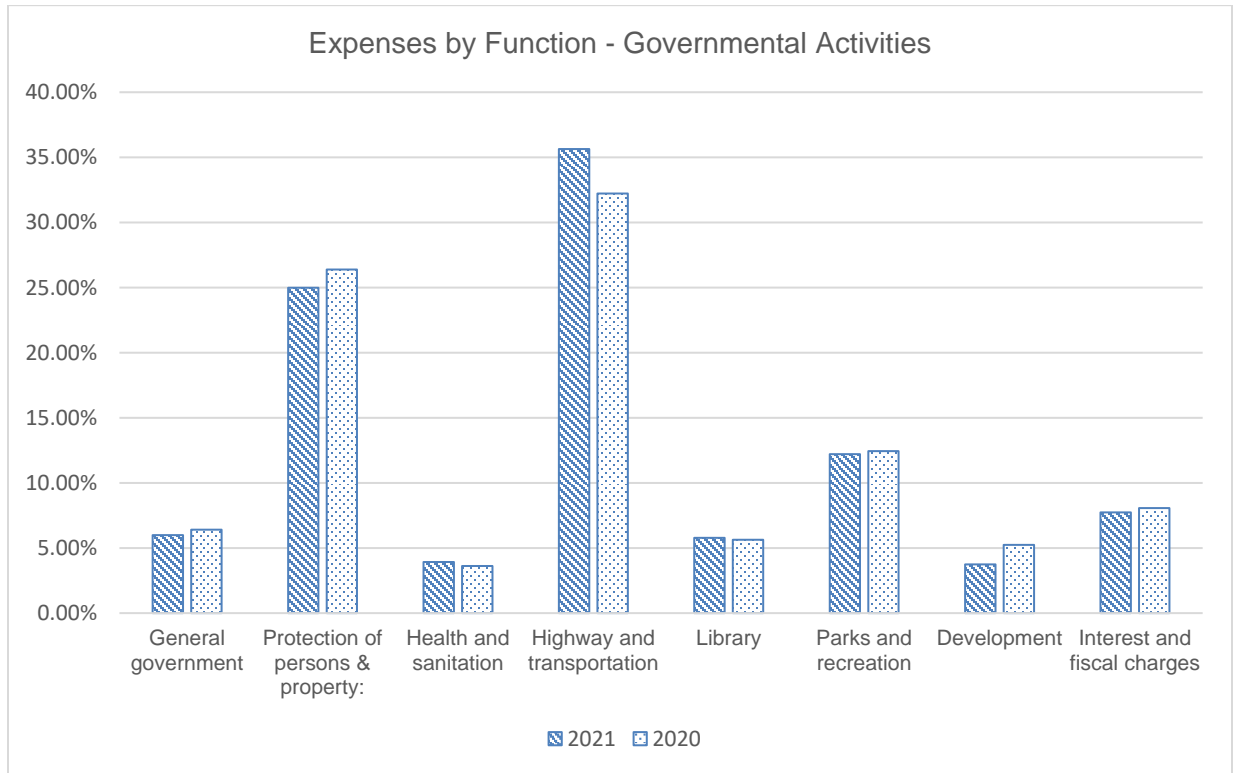
Governmental activities. Governmental activities often show a decrease in the Village of Sussex's net position as a result of depreciation of capital assets; however, 2021 resulted in an increase of \$780,398 compared to a decrease for 2020 of \$539,367.

The following table provides a summary of the Village's change in net position.

VILLAGE OF SUSSEX'S CHANGES IN NET POSITION

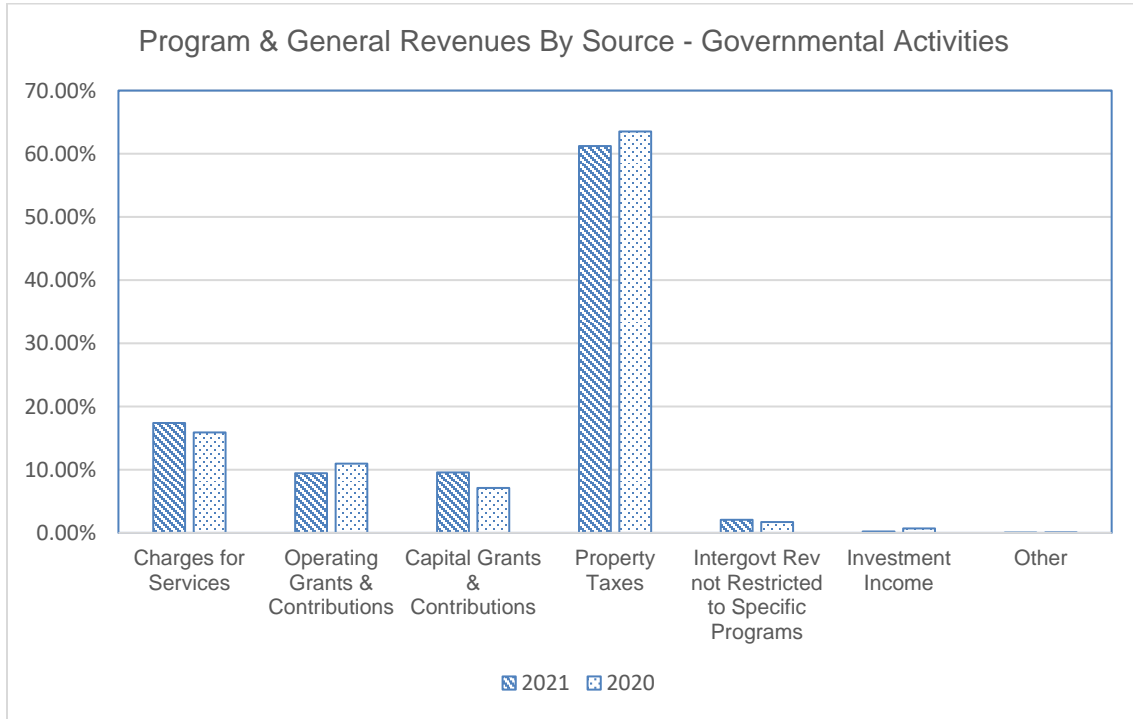
	Governmental Activities		Business-type Activities		Total	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenues						
Program revenues						
Charges for services	\$ 2,455,359	\$ 2,109,539	\$ 6,474,198	\$ 6,083,989	\$ 8,929,557	\$ 8,193,528
Operating grants and contributions	1,331,601	1,452,820	-	-	1,331,601	1,452,820
Capital grants and contributions	1,351,916	943,216	8,905,678	2,920,774	10,257,594	3,863,990
General revenues						
Property taxes	8,639,541	8,426,250	-	-	8,639,541	8,426,250
Intergovernmental revenues not restricted to specific programs	293,280	227,380	-	-	293,280	227,380
Investment income	33,908	95,493	129,358	161,157	163,266	256,650
Other	7,722	8,851	-	-	7,722	8,851
Total revenues	<u>14,113,327</u>	<u>13,263,549</u>	<u>15,509,234</u>	<u>9,165,920</u>	<u>29,622,561</u>	<u>22,429,469</u>
Expenses						
General government	845,414	927,116	-	-	845,414	927,116
Public safety	3,529,599	3,820,946	-	-	3,529,599	3,820,946
Highway and transportation	5,035,608	4,664,785	-	-	5,035,608	4,664,785
Health and sanitation	554,237	523,438	-	-	554,237	523,438
Library	816,332	815,933	-	-	816,332	815,933
Parks and recreation	1,724,465	1,800,846	-	-	1,724,465	1,800,846
Development	528,379	758,131	-	-	528,379	758,131
Interest and fiscal charges	1,093,356	1,167,598	-	-	1,093,356	1,167,598
Water	-	-	2,612,366	2,684,800	2,612,366	2,684,800
Sewer	-	-	2,502,476	2,872,579	2,502,476	2,872,579
Stormwater	-	-	796,198	615,613	796,198	615,613
Community Development Authority	-	-	15,000	10,500	15,000	10,500
Total expenses	<u>14,127,390</u>	<u>14,478,793</u>	<u>5,926,040</u>	<u>6,183,492</u>	<u>20,053,430</u>	<u>20,662,285</u>
Increase (Decrease) in net position before special items and transfers	(14,063)	(1,215,244)	9,583,194	2,982,428	9,569,131	1,767,184
Special items	-	-	52,326	(169,795)	52,326	(169,795)
Transfers	794,461	675,877	(794,461)	(675,877)	-	-
Increase (decrease) in net position	780,398	(539,367)	8,841,059	2,136,756	9,621,457	1,597,389
Net position - January 1	<u>13,777,038</u>	<u>14,316,405</u>	<u>67,845,941</u>	<u>65,709,185</u>	<u>81,622,979</u>	<u>80,025,590</u>
Net position - December 31	<u>\$ 14,557,436</u>	<u>\$ 13,777,038</u>	<u>\$ 76,687,000</u>	<u>\$ 67,845,941</u>	<u>\$ 91,244,436</u>	<u>\$ 81,622,979</u>

**Village of Sussex
Management's Discussion and Analysis
(Unaudited)
As of and for the Year Ended December 31, 2021**

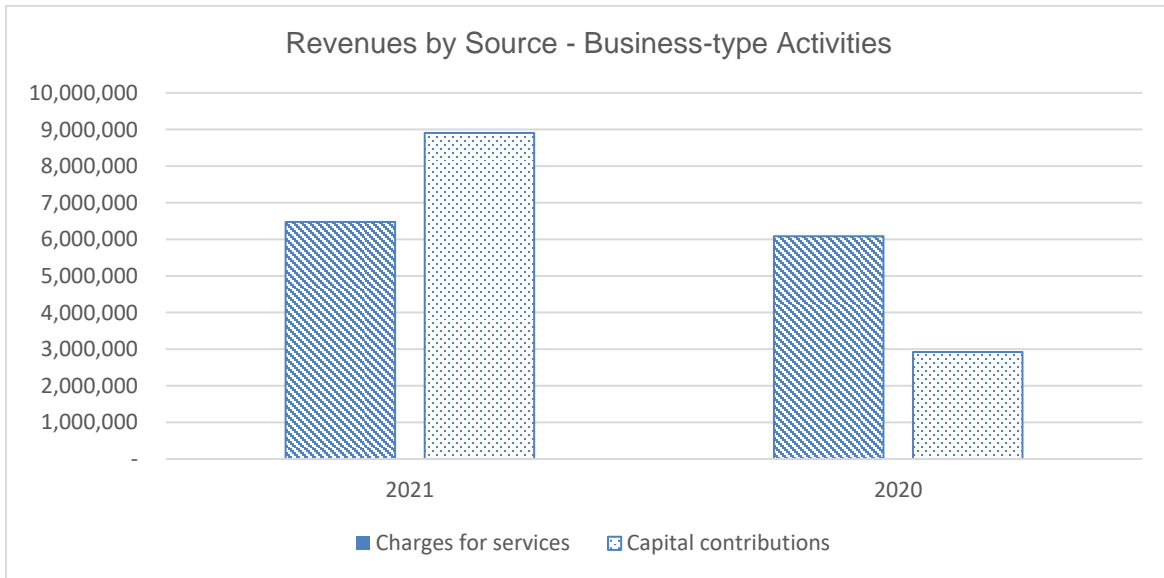


The largest increase is in the area of Highway and Transportation as a result of depreciation on the significant asset additions in the past two years and because the 2021 road program mainly consisted of maintenance. All other areas remained fairly stable between 2020 and 2021.

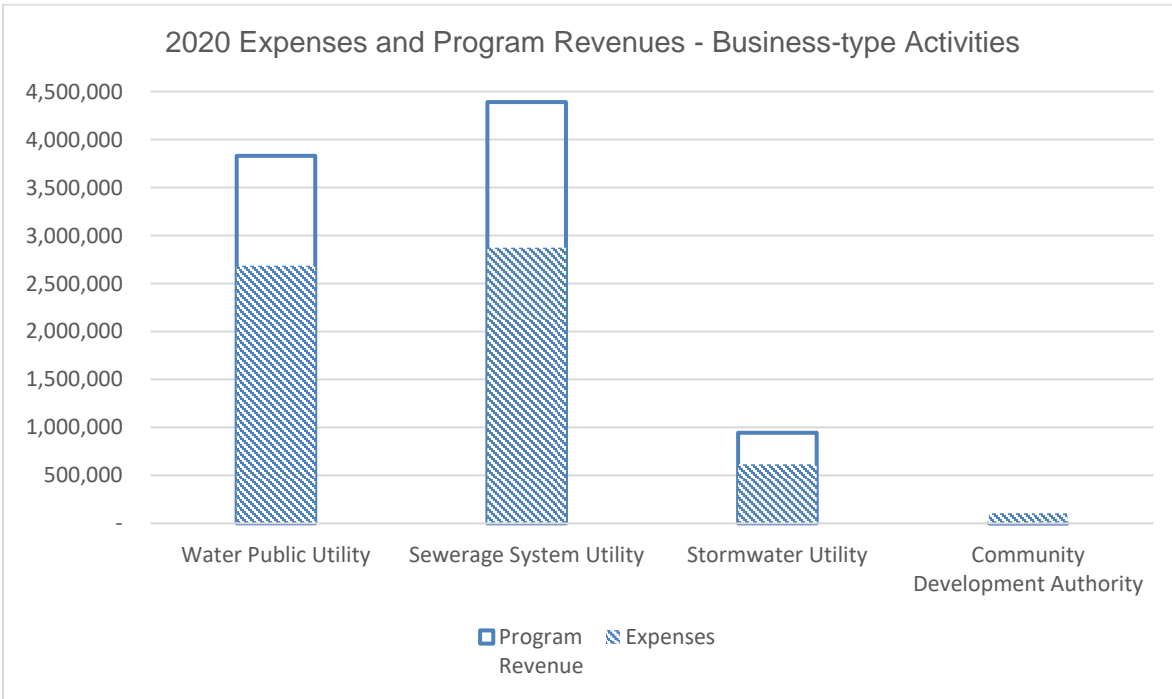
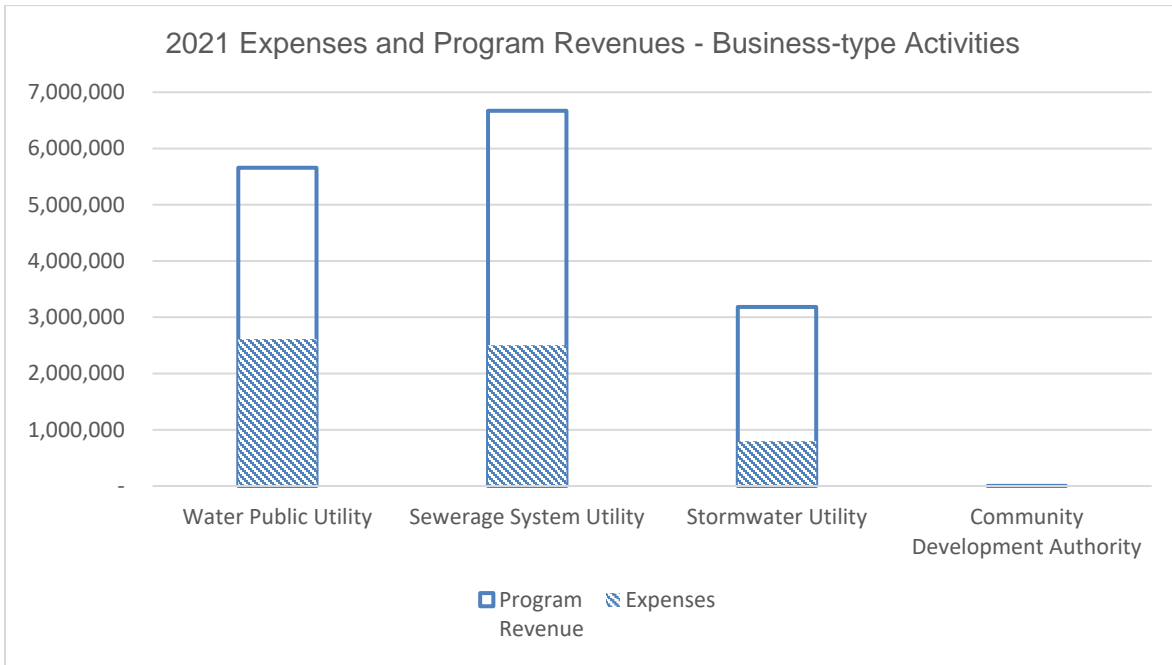
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Business-type activities. Business-type activities increased the Village of Sussex's net position by \$8,841,059 in 2021 compared to an increase of \$2,136,756 in 2020. Increases in the Water, Sewer and Stormwater Utilities and the CDA were \$2,653,791, \$3,786,147, \$2,369,722 and \$31,399 respectively. The utility increases were mainly a result of capital contributions from developers. The increase in the CDA was mainly a result of a transfer from the Sewer Utility of a share of interest earned on the advance to TIF #7 to provide funding for future development.



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(Unaudited)
As of and for the Year Ended December 31, 2021**



**Village of Sussex
Management's Discussion and Analysis
(Unaudited)
As of and for the Year Ended December 31, 2021**

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Village of Sussex's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unassigned plus assigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of 2021, the Village of Sussex's governmental funds reported combined ending fund balances of \$5.72 million compared to the 2020 ending balance of \$5.68 million. Fund balances are segregated into five categories in accordance with accounting standards with details provided in the footnotes beginning on page 64. A summary of the categories are:

- Nonspendable – the balance of \$185,366 represents assets that are not readily convertible to cash, the majority in the form of inventory and prepaid expenses. The balance is unusually large at the end of 2021 because a vehicle was partially paid for but not received in 2021.
- Restricted – the balance of \$1,764,619 represents funds that have constraints on them by third parties such as creditors, grantor, laws or enabling legislation.
- Committed – the balance of \$89,326 consists of funds that can be used for specific purposes based on constraints imposed by formal action of the Village Board.
- Assigned – the balance of \$6,222,295 represents funds that have been set aside for specific purposes.
- Unassigned – these are residual funds available. At December 31, 2021 this balance was (\$2,538,406) and includes funds that are for working capital purposes in case of emergency as well as deficit fund balances in the TIF #6 and TIF #7 Capital Projects Funds that will be restored with future tax increments.

The general fund is the chief operating fund of the Village of Sussex. At the end of 2021, the balance was \$7,199,821 compared to the ending balance of \$6,060,790 in 2020.

The fund balance of the Village of Sussex's general fund increased on a budgetary basis by \$408,733 during the current fiscal year compared to an original budgeted use of surplus of \$1,800. Revenues credited and expenditures charged to assigned funds resulted in a total increase of \$1,139,031 in the general fund. Key factors in the final outcome are as follows:

Village departments made concerted efforts during the year to continue with spending reductions and increased efficiency which resulted in departmental expenditures less than the budget. All departments showed expenditures less than budgeted for a total of \$669,270 under budget. In addition, revenues were \$65,684 over the final budget. Revenues over budget were mainly for licenses and permits and fines and forfeitures.

The Village Board has approved a fund balance policy. During the 2016 budget process, the Village Board approved that all future surplus will increase the equipment replacement reserves unless other needs are brought forward.

Payments were made from assigned funds totaling \$268,127. The payments and transfers were mainly to cover equipment purchases for parks and public works. Appropriations of \$947,970 were made to the reserve funds. Most were set aside for future equipment purchases with a small amount being set aside for post-employment health plan payments. Revenues credited to reserve funds were \$50,455 which was interest earned, insurance proceeds and public improvement revenues for tree preservation.

**Village of Sussex
Management's Discussion and Analysis
(Unaudited)
As of and for the Year Ended December 31, 2021**

There are two debt service funds with a total fund balance of about \$329,000, all of which is restricted for the payment of debt service.

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

Unrestricted net position of the Water Utility, Sewer Utility, Stormwater Utility and Community Development Authority at the end of 2021 amounted to \$0.63 million, \$5.05 million, \$223,055 and \$290,528 respectively compared to \$0.67 million, \$4.54 million, \$408,488 and \$259,129 respectively for 2020. The changes in the total net position for the funds were increases of \$2,653,791, \$3,786,147 \$2,369,722 and \$31,399 for the Water, Sewer, Stormwater Utilities and CDA respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the Village of Sussex's business-type activities.

Utility rates increased for the Sewer and Stormwater Utilities on January 1, 2021. It is the Village Board policy to review rates on an annual basis in order to keep increases to manageable levels. During 2020, rate studies were performed for the Sewer and Stormwater Utilities. Both recommended rate increases and the Board approved a resolution to implement those increases over four years for the Sewer Utility and five years for the Stormwater Utility.

General Fund Budgetary Highlights

One budget amendment was adopted relating to the 2021 budget of the General Fund. The General Fund amendment was made to account for reduced revenues from Water Utility taxes, cable revenue and commercial revenues and increases to all other revenue categories. The General Fund expenditure budget was amended to show additional expenditures related to general government for increased legal costs, Public Works costs related engineering fees (the majority are recovered with charges to the developers) and Parks and Recreation to cover additional building costs and costs for programming which are offset by user charges.

Capital Asset and Debt Administration

Capital assets. The Village of Sussex's net investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$136.8 million compared to \$132.3 million at December 31, 2020. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park facilities, construction in progress, utility infrastructure and street infrastructure.

**Village of Sussex
Management's Discussion and Analysis
(Unaudited)
As of and for the Year Ended December 31, 2021**

Major capital assets include the following:

VILLAGE OF SUSSEX'S NET INVESTMENT IN CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Land	\$ 2,477,995	\$ 2,477,995	\$ 483,992	\$ 501,492	\$ 2,961,987	\$ 2,979,487
Construction in progress	39,618	88,177	30,497	-	70,115	88,177
Buildings	15,102,700	15,493,590	7,033,890	7,262,886	22,136,590	22,756,476
Land improvements	2,482,414	2,628,317	-	-	2,482,414	2,628,317
Machinery & equipment	4,129,232	4,351,427	9,267,167	9,786,765	13,396,399	14,138,192
Infrastructure	<u>27,574,926</u>	<u>28,602,017</u>	<u>68,268,525</u>	<u>61,076,119</u>	<u>95,843,451</u>	<u>89,678,136</u>
Total	<u>\$ 51,806,885</u>	<u>\$ 53,641,523</u>	<u>\$ 85,084,071</u>	<u>\$ 78,627,262</u>	<u>\$ 136,890,956</u>	<u>\$ 132,268,785</u>

Additional information on the Village of Sussex's capital assets can be found in Note 7 on pages 49 -51 of this report.

Long-term debt. At the end of the current fiscal year, the Village of Sussex had total debt outstanding of \$64.9 million. Of this amount, \$43.9 million comprises debt backed by the full faith and credit of the government. The remainder of the Village of Sussex's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds, bond anticipation notes). About \$1.5 million of the balance of the revenue bonds will be paid with payments from other governmental units.

VILLAGE OF SUSSEX'S OUTSTANDING OBLIGATIONS

	Governmental Activities		Business-type Activities		Totals	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
General obligation bonds & notes	\$ 41,654,614	\$ 43,754,229	\$ 2,235,000	\$ 2,550,000	\$ 43,889,614	\$ 46,304,229
State Infrastructure Bank Loan	755,101	780,374	-	-	755,101	780,374
Revenue bonds	-	-	13,454,464	12,723,619	13,454,464	12,723,619
Bond Anticipation Notes	-	-	5,105,000	5,105,000	5,105,000	5,105,000
Compensated absences	283,390	284,828	98,157	93,415	381,547	378,243
Unamortized (discount)/premium	<u>1,067,839</u>	<u>1,262,420</u>	<u>252,446</u>	<u>180,352</u>	<u>1,320,285</u>	<u>1,442,772</u>
Total	<u>\$ 43,760,944</u>	<u>\$ 46,081,851</u>	<u>\$ 21,145,067</u>	<u>\$ 20,652,386</u>	<u>\$ 64,906,011</u>	<u>\$ 66,734,237</u>

The Village of Sussex's total debt decreased by \$1.8 million during the current fiscal year.

**Village of Sussex
Management's Discussion and Analysis
(Unaudited)
As of and for the Year Ended December 31, 2021**

The Village of Sussex maintained its bond rating by Moody's for its general obligation debt at Aa2. The revenue bonds of the Water Utility have ratings between AA and A1 because of the purchase of insurance. The revenue bonds of the Sewer and Stormwater Utilities are Aa3.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized valuation. The current debt limitation for the Village of Sussex is \$83.1 million which is significantly in excess of the Village of Sussex's outstanding general obligation debt of \$43.9 million.

Additional information on the Village of Sussex's long-term debt can be found in note 8 on pages 51 – 56 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for Waukesha County at December 31, 2021 is 1.5%. This compares favorably to the state's December unemployment rate of 3.1%. In general, the Village's population has a higher median family income and per capita income than the rest of the state. Also, the Village is home to several large companies which provide local employment to many of the Village residents.

The Village's population increased slightly in 2021.

The Village's 2022 adopted budget increased by approximately \$732,000 compared to the 2021 budget of approximately 5.9%. Excluding the increase to the capital outlay budget offset with a corresponding increase to the revenue budget to use previously accumulated funds, the budget increased about \$967,000. In the 2022 budget, the Fire Department continues to add funding for staff to be in the station around the clock. Funding continues to increase for Police Services to plan for the next staffing increase. Debt service increased about \$111,000. All other areas of the budget showed minor increases as well.

During 2021, the Village experienced an increase in state transportation aid of about \$109,000 from the prior budget. The 2022 transportation aid is anticipated to increase almost \$126,000 as a result of the past spending on road projects. Other state aids are expected to remain at or slightly higher than the 2021 levels.

The Water Utility last increased its rates in January, 2020 as the second of a two-step increase approved by the Public Service Commission of Wisconsin. The Village had rate studies prepared for both the Sewer and Stormwater Utilities in 2020. As a result of those studies, the Village Board approved a series of increases to be implemented over the next four to five years which took effect January 1, 2021.

Interest rates have seen a decrease as a result of the Covid pandemic and all funds' interest earnings were below their budgets for 2021. There are very few options for investing at more than nominal rates, although the Village continues to explore the self-funding of projects as a way for funds with excess cash to earn a higher interest rate while reducing the borrowing costs for the funds needing cash.

During the past ten fiscal years, the general fund balance has increased from \$1,859,326 in 2010 to \$7,199,821 in 2021. The majority of these funds have been used to begin saving for equipment replacement and reflect the Village Board's commitment to this purpose. This effort continues to reduce long-term borrowing needs of the Village as evidenced in 2021. During 2021, funds were available for the annual road program to supplement the remaining borrowed funds from 2020 so no additional borrowing was needed.

Requests for Information

This financial report is designed to provide a general overview of the Village of Sussex's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Village of Sussex Finance Director, Village of Sussex, N64W23760 Main Street, Sussex, Wisconsin 53089.

Financial Statements

VILLAGE OF SUSSEX, WISCONSIN

STATEMENT OF NET POSITION
December 31, 2021

	Governmental Activities	Business Type Activities	Total	Component Unit
ASSETS				
Cash and investments	\$ 15,121,815	\$ 2,493,912	\$ 17,615,727	\$ 1,271,362
Receivables (net of allowance for uncollectible accounts)	5,747,921	609,392	6,357,313	132,744
Inventories and prepaid items	183,692	6,532	190,224	31
Restricted assets	-	6,861,581	6,861,581	1,304,237
Internal balances	(2,830,302)	2,830,302	-	-
Other assets				
Special assessments receivable	130,601	497,500	628,101	-
Extraordinary property loss	-	149,432	149,432	-
Net pension asset	740,332	370,611	1,110,943	219,052
Capital assets (net of accumulated depreciation):				
Land	2,477,995	483,992	2,961,987	-
Construction in progress	39,618	30,497	70,115	-
Other capital assets	49,289,272	84,569,582	133,858,854	473,949
 TOTAL ASSETS	 70,900,944	 98,903,333	 169,804,277	 3,401,375
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	1,257,586	616,180	1,873,766	363,490
LIABILITIES				
Accounts payable and other current liabilities	851,480	255,390	1,106,870	52,865
Accrued interest payable	343,603	8,586	352,189	-
Payable from restricted assets:				
Current portion of long-term debt	-	1,195,085	1,195,085	-
Accounts payable and accrued interest payable	-	57,566	57,566	-
Due to other governments	705,927	-	705,927	7,341
Unearned revenue	640,324	56,870	697,194	-
Noncurrent liabilities:				
Due within one year	2,617,798	356,813	2,974,611	52,209
Due in more than one year	41,143,146	19,593,169	60,736,315	14,918
TOTAL LIABILITIES	46,302,278	21,523,479	67,825,757	127,333
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	9,218,131	-	9,218,131	-
Other	459,564	-	459,564	-
Deferred inflows related to pension	1,621,121	811,534	2,432,655	479,663
Deferred special assessments	-	497,500	497,500	-
TOTAL DEFERRED INFLOWS OF RESOURCES	11,298,816	1,309,034	12,607,850	479,663
NET POSITION				
Net investment in capital assets	22,666,822	62,564,079	84,683,756	485,138
Restricted:				
Reserve Capacity Assessments	-	2,297,783	2,297,783	-
Debt Service	-	2,242,230	2,242,230	-
Equipment Replacement and Depreciation	-	3,206,632	3,206,632	-
Pension Benefits	376,797	175,257	552,054	102,879
Park Impact Fees	669,520	-	669,520	-
Future Expansion	-	-	-	1,280,286
Library Books and Equipment	-	-	-	19,837
Unrestricted	(9,155,703)	6,201,019	(2,407,539)	1,269,729
TOTAL NET POSITION	\$ 14,557,436	\$ 76,687,000	\$ 91,244,436	\$ 3,157,869

VILLAGE OF SUSSEX, WISCONSIN

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 845,414	\$ 58,090	\$ 60,173	\$ -
Protection of persons & property:				
Police	1,858,395	326,784	3,124	-
Fire	1,486,435	264,642	77,066	1,000
Other protection	184,769	403,489	-	-
Health and sanitation	554,237	486,154	30,423	-
Highway and transportation	5,035,608	2,650	838,798	1,340,523
Library	816,332	-	-	-
Parks and recreation	1,724,465	561,573	306,599	10,393
Development	528,379	351,977	15,418	-
Interest and fiscal charges	<u>1,093,356</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>14,127,390</u>	<u>2,455,359</u>	<u>1,331,601</u>	<u>1,351,916</u>
Business type activities				
Water	2,612,366	2,995,149	-	2,659,428
Sewer	2,502,476	2,784,491	-	3,758,917
Stormwater	796,198	694,558	-	2,487,333
Community Development Authority	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business type activities	<u>5,926,040</u>	<u>6,474,198</u>	<u>-</u>	<u>8,905,678</u>
Total	<u>\$ 20,053,430</u>	<u>\$ 8,929,557</u>	<u>\$ 1,331,601</u>	<u>\$ 10,257,594</u>
Component unit				
Pauline Haass Public Library	<u>\$ 1,195,949</u>	<u>\$ 16,421</u>	<u>\$ 1,581,132</u>	<u>\$ 147,545</u>

General revenues:
Taxes
Intergovernmental revenues not restricted to specific programs
Investment income
Miscellaneous
Special item - disposal of property
Transfers
Total general revenues and transfers
Change in net position
Net Position - Beginning of Year
Net Position - End of Year

See accompanying notes to financial statements.

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business Type Activities	Totals	Component Unit
\$ (727,151)	\$ -	\$ (727,151)	\$ -
(1,528,487)	-	(1,528,487)	-
(1,143,727)	-	(1,143,727)	-
218,720	-	218,720	-
(37,660)	-	(37,660)	-
(2,853,637)	-	(2,853,637)	-
(816,332)	-	(816,332)	-
(845,900)	-	(845,900)	-
(160,984)	-	(160,984)	-
(1,093,356)	-	(1,093,356)	-
<u>(8,988,514)</u>	<u>-</u>	<u>(8,988,514)</u>	<u>-</u>
-	3,042,211	3,042,211	-
-	4,040,932	4,040,932	-
-	2,385,693	2,385,693	-
-	(15,000)	(15,000)	-
<u>-</u>	<u>9,453,836</u>	<u>9,453,836</u>	<u>-</u>
<u>(8,988,514)</u>	<u>9,453,836</u>	<u>465,322</u>	<u>-</u>
-	-	-	<u>549,149</u>
8,639,541	-	8,639,541	-
293,280	-	293,280	-
33,908	129,358	163,266	8,832
7,722	-	7,722	11,102
-	52,326	52,326	-
<u>794,461</u>	<u>(794,461)</u>	<u>-</u>	<u>-</u>
<u>9,768,912</u>	<u>(612,777)</u>	<u>9,156,135</u>	<u>19,934</u>
780,398	8,841,059	9,621,457	569,083
<u>13,777,038</u>	<u>67,845,941</u>	<u>81,622,979</u>	<u>2,588,786</u>
<u>\$ 14,557,436</u>	<u>\$ 76,687,000</u>	<u>\$ 91,244,436</u>	<u>\$ 3,157,869</u>

VILLAGE OF SUSSEX, WISCONSIN

BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2021

	General	General Obligation Debt Service Fund
ASSETS		
Cash and investments	\$ 11,065,833	\$ 1,637,641
Receivables		
Taxes	3,105,720	1,253,875
Accounts	195,063	-
Special assessments	130,601	-
Notes	-	-
Due from other funds	-	-
Inventories and prepaid items	183,346	-
TOTAL ASSETS	\$ 14,680,563	\$ 2,891,516
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 337,353	\$ -
Accrued payroll	100,139	-
Due to other funds	-	-
Due to other governments	705,927	-
Unearned revenue	65,641	-
Total liabilities	1,209,060	-
Deferred Inflows of Resources		
Property taxes levied for subsequent year	5,812,118	2,562,261
Other	459,564	-
Total deferred inflows of resources	6,271,682	2,562,261
Fund Balances		
Nonspendable	185,366	-
Restricted	36,095	329,255
Committed	53,742	-
Assigned	6,176,740	-
Unassigned	747,878	-
Total fund balances	7,199,821	329,255
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,680,563	\$ 2,891,516

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

- Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.
- Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements
- The Village's proportionate share of the Wisconsin Retirement System pension plan is not an available resource; therefore, it is not reported in the fund financial statements
- Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds.

NET POSITION OF GOVERNMENTAL ACTIVITIES

General Capital Projects Fund	TIF #7 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 654,285	\$ 53,888	\$ 1,710,168	\$ 15,121,815
-	44,951	367,950	4,772,496
25,261	-	-	220,324
-	-	-	130,601
-	755,101	-	755,101
161,127	-	-	161,127
-	-	346	183,692
<u>\$ 840,673</u>	<u>\$ 853,940</u>	<u>\$ 2,078,464</u>	<u>\$ 21,345,156</u>

\$ 78,225	\$ 335,735	\$ 7	\$ 751,320
-	-	21	100,160
-	1,730,302	1,261,127	2,991,429
-	-	-	705,927
-	-	574,683	640,324
<u>78,225</u>	<u>2,066,037</u>	<u>1,835,838</u>	<u>5,189,160</u>

-	91,855	751,897	9,218,131
-	755,101	-	1,214,665
-	846,956	751,897	10,432,796

-	-	-	185,366
729,749	-	669,520	1,764,619
-	-	35,584	89,326
32,699	-	12,856	6,222,295
-	(2,059,053)	(1,227,231)	(2,538,406)
<u>762,448</u>	<u>(2,059,053)</u>	<u>(509,271)</u>	<u>5,723,200</u>

<u>\$ 840,673</u>	<u>\$ 853,940</u>	<u>\$ 2,078,464</u>
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51,806,885

755,101

376,797

(44,104,547)

\$ 14,557,436

VILLAGE OF SUSSEX, WISCONSIN

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

For the Year Ended December 31, 2021

	General Fund	General Obligation Debt Service Fund	General Capital Projects Fund	TIF #7 Capital Projects Fund
REVENUES				
Taxes	\$ 5,447,965	\$ 2,451,114	\$ -	\$ 21,443
Intergovernmental	1,237,368	-	25,357	-
Public improvement revenues	22,000	-	4,500	40,691
Licenses and permits	533,550	-	-	-
Fines, forfeitures and penalties	315,504	-	-	-
Public charges for services	1,478,155	-	-	-
Commercial revenues	98,283	988	3,221	31
Miscellaneous revenues	136,274	-	-	-
Total Revenues	9,269,099	2,452,102	33,078	62,165
EXPENDITURES				
Current				
General government	805,495	-	-	1,896
Protection of persons & property				
Police	1,825,348	-	-	-
Fire	1,377,639	-	-	-
Other protection	232,038	-	-	-
Health and sanitation	543,211	-	-	-
Highway and transportation	1,130,745	-	-	-
Library	740,547	-	-	-
Parks and recreation	1,316,920	-	-	-
Capital outlay	306,270	-	1,301,011	528,379
Debt service				
Principal retirement	4,616	1,740,000	-	25,272
Interest and fiscal charges	-	955,801	-	84,624
Total Expenditures	8,282,829	2,695,801	1,301,011	640,171
Excess (deficiency) of revenues over expenditures	986,270	(243,699)	(1,267,933)	(578,006)
OTHER FINANCING SOURCES (USES)				
Transfers in	832,861	60,937	570,000	-
Transfers out	(680,100)	-	-	-
Total other financing sources (uses)	152,761	60,937	570,000	-
Net change in fund balances	1,139,031	(182,762)	(697,933)	(578,006)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	6,060,790	512,017	1,460,381	(1,481,047)
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 7,199,821	\$ 329,255	\$ 762,448	\$ (2,059,053)

Nonmajor Governmental Funds	Total Governmental Funds
\$ 719,019	\$ 8,639,541
9,934	1,272,659
269,186	336,377
-	533,550
-	315,504
9,289	1,487,444
1,127	103,650
2,935	139,209
<u>1,011,490</u>	<u>12,827,934</u>
150	807,541
-	1,825,348
-	1,377,639
-	232,038
14,434	557,645
-	1,130,745
-	740,547
1,828	1,318,748
-	2,135,660
355,000	2,124,888
290,009	1,330,434
<u>661,421</u>	<u>13,581,233</u>
<u>350,069</u>	<u>(753,299)</u>
643,981	2,107,779
<u>(633,218)</u>	<u>(1,313,318)</u>
<u>10,763</u>	<u>794,461</u>
360,832	41,162
<u>(870,103)</u>	<u>5,682,038</u>
<u>\$ (509,271)</u>	<u>\$ 5,723,200</u>

VILLAGE OF SUSSEX, WISCONSIN

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, 2021

Net change in fund balances - total governmental funds	\$ 41,162
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and contributed capital exceeded depreciation in the current period.	(1,834,638)
Debt proceeds provide 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. In addition, governmental funds report the effect of issuance costs, premium, discounts, and similar costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount in the net effect of these differences in the treatment of long-term debt and related items.	2,294,196
Governmental funds do not report the change in the net pension asset (liability) and related deferred inflows and outflows of resources as a result of employer contributions changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan.	235,743
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.	<u>43,935</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 780,398</u></u>

VILLAGE OF SUSSEX, WISCONSIN

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2021

	Business Type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Stormwater Utility	Community Development Authority	
ASSETS					
Current Assets					
Cash and investments	\$ 565,915	\$ 1,454,910	\$ 167,559	\$ 305,528	\$ 2,493,912
Accounts receivable	252,520	286,220	66,792	-	605,532
Special assessment receivable	-	3,372	-	-	3,372
Taxes receivable	20	468	-	-	488
Prepaid items	6,472	60	-	-	6,532
Restricted Assets					
Cash and investments	264,363	482,389	60,567	-	807,319
Current portion of advance to other governmental units	-	234,714	-	-	234,714
Total current assets	<u>1,089,290</u>	<u>2,462,133</u>	<u>294,918</u>	<u>305,528</u>	<u>4,151,869</u>
Non-Current Assets					
Land	254,310	178,630	51,052	-	483,992
Construction in progress	30,497	-	-	-	30,497
Property and equipment	43,334,461	58,295,179	22,697,892	-	124,327,532
Accumulated depreciation	(11,612,918)	(25,025,584)	(3,119,448)	-	(39,757,950)
Restricted Assets					
Cash and investments	1,786,455	2,275,588	491,156	-	4,553,199
Advance to other funds	-	2,000,000	-	-	2,000,000
Advance to other governmental units	-	1,266,349	-	-	1,266,349
Other Assets					
Advance to other funds	-	3,501,601	-	-	3,501,601
Special assessments receivable	388,084	109,416	-	-	497,500
Extraordinary property loss	-	149,432	-	-	149,432
Net pension asset	164,247	160,120	46,244	-	370,611
Total non-current assets	<u>34,345,136</u>	<u>42,910,731</u>	<u>20,166,896</u>	<u>-</u>	<u>97,422,763</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	<u>274,446</u>	<u>264,980</u>	<u>76,754</u>	<u>-</u>	<u>616,180</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>35,708,872</u>	<u>45,637,844</u>	<u>20,538,568</u>	<u>305,528</u>	<u>102,190,812</u>

VILLAGE OF SUSSEX, WISCONSIN

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2021

	Business Type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Stormwater Utility	Community Development Authority	
LIABILITIES					
Current liabilities - payable from current assets:					
Current portion of long-term debt	100,000	225,000	-	-	325,000
Compensated absences	12,181	19,632	-	-	31,813
Accounts payable	87,104	117,486	8,201	15,000	227,791
Accrued payroll	12,331	12,173	3,095	-	27,599
Accrued interest payable	2,633	5,953	-	-	8,586
Unearned revenue	56,087	783	-	-	56,870
Current liabilities - payable from restricted assets:					
Current portion of revenue bonds	430,000	685,085	80,000	-	1,195,085
Accrued interest payable	24,667	25,666	7,233	-	57,566
Total current liabilities	<u>725,003</u>	<u>1,091,778</u>	<u>98,529</u>	<u>15,000</u>	<u>1,930,310</u>
Long-term liabilities:					
General obligation debt	300,000	1,610,000	-	-	1,910,000
Revenue bonds	5,325,000	5,199,379	1,735,000	-	12,259,379
Revenue bond anticipation notes	5,105,000	-	-	-	5,105,000
Net unamortized bond discount and premium	107,149	36,262	109,034	-	252,445
Compensated absences	24,692	41,653	-	-	66,345
Advance from other funds	815,854	-	1,855,445	-	2,671,299
Total long-term debt	<u>11,677,695</u>	<u>6,887,294</u>	<u>3,699,479</u>	<u>-</u>	<u>22,264,468</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	359,654	350,618	101,262	-	811,534
Deferred special assessments	388,084	109,416	-	-	497,500
TOTAL DEFERRED INFLOWS	<u>747,738</u>	<u>460,034</u>	<u>101,262</u>	<u>-</u>	<u>1,309,034</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>13,150,436</u>	<u>8,439,106</u>	<u>3,899,270</u>	<u>15,000</u>	<u>25,503,812</u>
NET POSITION					
Net investment in capital assets	20,419,268	26,168,994	15,975,817	-	62,564,079
Restricted:					
Reserve Capacity Assessments	808,015	1,489,768	-	-	2,297,783
Debt Service	237,063	1,951,833	53,334	-	2,242,230
Equipment Replacement and Depreciation	382,519	2,458,757	365,356	-	3,206,632
Pension Benefits	79,039	74,482	21,736	-	175,257
Unrestricted	<u>632,532</u>	<u>5,054,904</u>	<u>223,055</u>	<u>290,528</u>	<u>6,201,019</u>
TOTAL NET POSITION	<u>\$ 22,558,436</u>	<u>\$ 37,198,738</u>	<u>\$ 16,639,298</u>	<u>\$ 290,528</u>	<u>\$ 76,687,000</u>

VILLAGE OF SUSSEX, WISCONSIN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Business Type Activities - Enterprise Funds				Total
	Water Utility	Sewer Utility	Stormwater Utility	Community Development Authority	
OPERATING REVENUES					
Sale of water	\$ 2,896,508	\$ -	\$ -	\$ -	\$ 2,896,508
Sewage collection charges	-	2,591,678	-	-	2,591,678
Stormwater charges	-	-	664,607	-	664,607
Other operating revenues	98,641	192,813	29,951	-	321,405
Total operating revenues	<u>2,995,149</u>	<u>2,784,491</u>	<u>694,558</u>	<u>-</u>	<u>6,474,198</u>
OPERATING EXPENSES					
Operation and maintenance	1,360,527	1,353,938	427,952	15,000	3,157,417
Depreciation and amortization	972,070	961,708	293,049	-	2,226,827
Total operating expenses	<u>2,332,597</u>	<u>2,315,646</u>	<u>721,001</u>	<u>15,000</u>	<u>5,384,244</u>
Operating income (loss)	<u>662,552</u>	<u>468,845</u>	<u>(26,443)</u>	<u>(15,000)</u>	<u>1,089,954</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	2,677	125,656	763	262	129,358
Interest from other funds	-	-	-	-	-
Interest expense	(279,769)	(186,830)	(75,197)	-	(541,796)
Total nonoperating revenues (expense)	<u>(277,092)</u>	<u>(61,174)</u>	<u>(74,434)</u>	<u>262</u>	<u>(412,438)</u>
Income (loss) before contributions and transfers	<u>385,460</u>	<u>407,671</u>	<u>(100,877)</u>	<u>(14,738)</u>	<u>677,516</u>
CAPITAL CONTRIBUTIONS	2,659,428	3,758,917	2,487,333	-	8,905,678
DISPOSAL OF VILLAGE PROPERTY	73,823	-	(21,497)	-	52,326
TRANSFERS IN	29,997	-	37,163	46,137	113,297
TRANSFERS OUT	(494,917)	(380,441)	(32,400)	-	(907,758)
Change in net position	<u>2,653,791</u>	<u>3,786,147</u>	<u>2,369,722</u>	<u>31,399</u>	<u>8,841,059</u>
TOTAL NET POSITION - BEGINNING OF YEAR	<u>19,904,645</u>	<u>33,412,591</u>	<u>14,269,576</u>	<u>259,129</u>	<u>67,845,941</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 22,558,436</u>	<u>\$ 37,198,738</u>	<u>\$ 16,639,298</u>	<u>\$ 290,528</u>	<u>\$ 76,687,000</u>

VILLAGE OF SUSSEX, WISCONSIN

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2021

	Business Type Activities - Enterprise Funds				Total
	Water Utility	Sewer Utility	Stormwater Utility	Community Development Authority	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 2,955,097	\$ 2,743,917	\$ 688,981	\$ -	\$ 6,387,995
Payments to vendors	(941,986)	(906,096)	(343,935)	-	(2,192,017)
Payments to employees	(480,970)	(446,207)	(128,646)	-	(1,055,823)
Payments to/from other funds	36,050	(40,357)	-	-	(4,307)
Net cash flows provided (used) by operating activities	<u>1,568,191</u>	<u>1,351,257</u>	<u>216,400</u>	<u>-</u>	<u>3,135,848</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer in	-	-	37,163	46,137	83,300
Transfer out	(494,917)	(350,444)	(32,400)	-	(877,761)
Net cash flows provided (used) by noncapital financing activities	<u>(494,917)</u>	<u>(350,444)</u>	<u>4,763</u>	<u>46,137</u>	<u>(794,461)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on long-term debt	(515,000)	(884,154)	-	-	(1,399,154)
Interest and fiscal charges paid on long-term debt	(308,735)	(200,895)	(35,805)	-	(545,435)
Proceeds of long-term debt	-	-	1,815,000	-	1,815,000
Debt discount and issuance expenses	-	-	(39,825)	-	(39,825)
Debt premium	-	-	116,700	-	116,700
Payment of advance from other fund	-	-	(1,961,926)	-	(1,961,926)
Reserve capacity assessments received	296,028	625,012	-	-	921,040
Principal received from other governmental units	-	228,885	-	-	228,885
Interest received from other governmental units	-	41,147	-	-	41,147
Collection of special assessment receivable	4,382	14,161	-	-	18,543
Acquisition and construction of capital assets	(469,932)	(185,579)	(86,390)	-	(741,901)
Sale of capital assets	91,323	-	-	-	91,323
Net cash provided (used) by capital and related financing activities	<u>(901,934)</u>	<u>(361,423)</u>	<u>(192,246)</u>	<u>-</u>	<u>(1,455,603)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Advance to other fund	-	90,375	-	-	90,375
Interest received on investments	2,677	15,304	763	262	19,006
Net cash provided (used) by investing activities	<u>2,677</u>	<u>105,679</u>	<u>763</u>	<u>262</u>	<u>109,381</u>
Net increase (decrease) in cash and equivalents	<u>174,017</u>	<u>745,069</u>	<u>29,680</u>	<u>46,399</u>	<u>995,165</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,442,716</u>	<u>3,467,818</u>	<u>689,602</u>	<u>259,129</u>	<u>6,859,265</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,616,733</u>	<u>\$ 4,212,887</u>	<u>\$ 719,282</u>	<u>\$ 305,528</u>	<u>\$ 7,854,430</u>
Cash and Cash Equivalents per Statement of Net Position					
Unrestricted	\$ 565,915	\$ 1,454,910	\$ 167,559	\$ 305,528	\$ 2,493,912
Restricted	2,050,818	2,757,977	551,723	-	5,360,518
	<u>\$ 2,616,733</u>	<u>\$ 4,212,887</u>	<u>\$ 719,282</u>	<u>\$ 305,528</u>	<u>\$ 7,854,430</u>

VILLAGE OF SUSSEX, WISCONSIN

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2021

	Business Type Activities - Enterprise Funds				
	Water Utility	Sewer Utility	Stormwater Utility	Community Development Authority	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 662,552	\$ 468,845	\$ (26,443)	\$ (15,000)	\$ 1,089,954
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	991,431	961,708	293,049	-	2,246,188
Change in pension related assets, deferred outflows/inflows of resources, and liabilities	(50,757)	(48,685)	(13,961)	-	(113,403)
(Increase) decrease in assets:					
Accounts and notes receivable	(19,956)	(41,073)	(5,578)	-	(66,607)
Prepaid expenses	(3,926)	112	40	-	(3,774)
Increase (decrease) in liabilities:					
Accounts payable	366	5,905	(31,758)	15,000	(10,487)
Accrued payroll and compensated absences	869	3,945	1,051	-	5,865
Other unearned revenues	(12,388)	500	-	-	(11,888)
Net cash flows provided (used) by operating activities	<u>\$ 1,568,191</u>	<u>\$ 1,351,257</u>	<u>\$ 216,400</u>	<u>\$ -</u>	<u>\$ 3,135,848</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets acquired through donation by developer	<u>\$ 2,636,400</u>	<u>\$ 3,133,905</u>	<u>\$ 2,487,333</u>	<u>\$ -</u>	<u>\$ 8,257,638</u>
Capital assets acquired in accounts payable at year end	<u>\$ 29,516</u>	<u>\$ 59,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,056</u>

VILLAGE OF SUSSEX, WISCONSIN

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	<u>Custodial Funds</u>
	<u>Tax Collection Fund</u>
ASSETS	
Cash and investments	\$ 8,616,482
Taxes receivable	<u>7,767,001</u>
TOTAL ASSETS	<u>16,383,483</u>
LIABILITIES	
Due to other taxing units	15,871,670
Deposits	<u>511,813</u>
TOTAL LIABILITIES	<u>16,383,483</u>
NET POSITION	<u>\$ -</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Introduction

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

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting entity

The Village is governed by an elected seven member Board of Trustees (Board). The accompanying financial statements present the Village and entities for which the Village is considered to be financially accountable. In evaluating how to define the Village, for financial reporting purposes, the Village has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the Village and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities.

The Village is considered to be a primary government, since it is legally separate and financially independent. This report includes all of the funds of the Village. Also, the Village has identified the following component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Sussex Community Development Authority

The Village has included the Sussex Community Development Authority as a blended component unit in its primary government financial statements.

Pauline Haass Public Library

The Library is governed by an eleven member board consisting of six members appointed by the Village of Sussex, four appointed by the Waukesha County Chair and one appointed by the Hamilton School District Superintendent and approved by the Village of Sussex Board. The Library is presented as a discretely presented component unit in the financial statements of the Village.

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Village's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of presentation – fund financial statements

The fund financial statements provide information about the Village's funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

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

The *general obligation debt service fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, other than TIF or enterprise fund debt.

The *general capital projects fund* is used to account for the acquisition or construction of major capital facilities other than those financed by TIF #6 and #7 or proprietary fund types. Capital projects are generally funded through the revenues taken from the issuance of debt. This fund didn't qualify to be presented as a major fund, but it was elected to be a major fund due to the significance of this fund to the financial statement users.

The *TIF #7 capital projects fund* accounts for the project plan costs of the Village's Tax Incremental District #7.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Basis of presentation – fund financial statements (continued)

The Village reports the following major proprietary funds:

The *water fund* is used to account for activity of the Water Utility which provides service to Village residences and businesses as well as a small number of non-resident customers. The water fund is a regulated municipal utility which operates under service rules established by the Public Service Commission of Wisconsin.

The *sewer fund* is used to account for activity of the Sewer Utility which provides service to Village residences and businesses as well as several surrounding communities. The sewer fund is a non-regulated municipal utility which operates under service rules established by the Board.

The *stormwater fund* is used to account for activity of the Stormwater Utility which provides service to Village residences and businesses. The stormwater fund is a non-regulated municipal utility which operates under service rules established by the Board.

Additionally, the Village reports the following non-major governmental fund types:

Special revenue funds - accounts for and reports the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Debt service funds – used to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

Fiduciary funds - The Village accounts for property taxes collected on behalf of other governmental units in a *custodial fund*.

During the course of operations the Village has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Basis of presentation – fund financial statements (continued)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement focus and basis of accounting

The government-wide financial statements, enterprise funds, and fiduciary fund are reported using the economic resources measurement focus. The government-wide financial statements, enterprise funds, and fiduciary fund are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Accumulated Unpaid Vacation and Sick Pay

Under terms of employment, employees are granted sick leave, personal time, and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Payments for compensated absences will be made at rates in effect when the benefits are used. Accumulated compensated absences are determined on the basis of current payroll rates and accumulated time to date.

Governmental Funds - Vested compensated absences at year end that will not be paid with expendable available resources are recorded as a long-term liability in the government-wide statements. There are no vested compensated absences that will be paid with expendable available resources and therefore no liability is recorded in the fund financial statements.

Enterprise Funds - Vested compensated absences are recorded as a liability when it is earned by the employee. Compensated absences are included on the Statement of Net Position under the category long-term liabilities – compensated absences and are in the fund financial statements.

Use of Estimates

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

Budgetary information

Budgetary basis of accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and using the same basis of accounting for each fund as described in Note 1 except actual (non-GAAP) revenues and expenditures do not reflect certain transactions of assigned funds. Budget is defined as the originally approved budget plus or minus approved amendments. An additional appropriation during the year amounted to \$474,000 for the General Fund. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

Expenditures may not exceed appropriations by major departmental classifications. Amendments to the budget during the year can only be made by the Village Board.

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

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Assets, liabilities, and net position/fund balance

Cash and investments

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

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$5,000 or higher for governmental activities and \$1,000 for business-type activities and an estimated useful life in excess of one year. The Village follows the regulatory requirements of the Public Service Commission of Wisconsin in recording capital assets of its business-type activities. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Village chose to include all roads regardless of their acquisition date or amount. The Village was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

As the Village constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

<u>Assets</u>	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
	<u>Years</u>	
Land improvements	10 - 40	4 - 40
Buildings	25 - 75	32
Machinery and equipment	10 - 50	3 - 40
Infrastructure	25	50 - 100

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Assets, liabilities, and net position/fund balance (continued)

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. Restricted net position principally represents funds held for debt service, equipment replacement and reserve capacity assessment purposes.

A summary of restricted assets follows:

Depreciation Fund

Represents resources set aside to fund plant renewals and replacements.

Water System Revenue Bond Reserve Fund

Represents debt proceeds retained for debt service if system revenues and the special redemption fund are insufficient to satisfy the debt service requirements.

Water System Revenue Bond Special Redemption Fund

Represents resources accumulated for debt service payments over the next 12 months.

Sewerage System Debt Service Fund

Represents resources accumulated for debt service payments over the next 12 months.

Sewerage System Revenue Bond Reserve Fund

Represents debt proceeds retained for debt service if system revenues and the debt service fund are insufficient to satisfy the debt service requirements.

Stormwater Utility Debt Service Fund

Represents resources accumulated for debt service payments over the next 12 months.

Stormwater Utility Revenue Bond Reserve Fund

Represents debt proceeds retained for debt service if system revenues and the debt service fund are insufficient to satisfy the debt service requirements.

Equipment Replacement Fund

In accordance with the Village's ordinance enacting a sewer user charge system and Department of Natural Resources' regulations, the Sewer Utility has, as part of the rate structure, incorporated an equipment replacement charge. Revenues generated from this charge are to be accumulated and used for the replacement of mechanical equipment.

During 2006, the Stormwater Utility was established. As part of the original study and rate structure, an equipment replacement fund has been included in the annual budget to replace various pieces of equipment.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Assets, liabilities, and net position/fund balance (continued)

Reserve Capacity Assessment Funds

Reserve capacity assessment funds represent the accumulation of funds levied against properties benefited by water and sewer improvements. These funds are restricted by enabling legislation for future system expansion and/or the related debt service to finance such expansion.

Other Assets

Extraordinary property losses which, in 1996, resulted from the abandonment of a portion of the sewerage treatment plant are recorded as a deferred debit. These losses are amortized on a straight-line basis through 2030, which relates to the remaining life of the assets abandoned. The above costs have been recorded as assets because of the benefit which will result from the inclusion of such costs in the future authorized rate structure.

Long-Term Obligations

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

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

Pension Plan

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.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Assets, liabilities, and net position/fund balance (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. At this time, the Village has only one item that qualifies for reporting in this category. The deferred outflows of resources – pension represent the Village's proportionate share of collective deferred outflows of resources of the Wisconsin Retirement System and contributions subsequent to the measurement date of the collective net pension liability (asset).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the Village has five items that qualify for reporting in this category. The Village defers the 2021 property tax levy to be recognized as revenue in 2022. The same is done for garbage charges included on the 2021 tax roll. The deferred inflows of resources – pension represents the Village's proportionate share of collective deferred inflows of resources of the Wisconsin Retirement System. For the proprietary funds, the Village reports deferred special assessments on properties that are not currently in the Village and will only be recognized if the property is annexed into the Village. In the governmental funds, the Village reports a deferred inflow for a long-term receivable that will be recognized as revenue when a developer pays the related debt payments of the Village incurred on its behalf.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Equity

Governmental Fund Financial Statements

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

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

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

Government-wide and Proprietary Fund Statements

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- Restricted net position - Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

The Village has a formal minimum fund balance policy. The first threshold is to maintain the Unassigned Fund Balance of the General Fund at one month (8.33%) of the following year's budget. Secondly, when combined, the Unassigned and Assigned Fund Balances of the General Fund shall be maintained at not less than four months of the subsequent year's budgeted expenditures excluding the debt service portion. At December 31, 2021 the combined balance is \$6,924,618 and represents 65.5% of the 2022 budgeted expenditures.

The net position section includes an adjustment for capital assets owned by the business-type activities, but financed by the debt of the governmental activities. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 22,666,822	\$ 62,564,079	\$ (547,145)	\$ 84,683,756
Unrestricted	(9,155,703)	6,201,019	547,145	(2,407,539)

Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds operating and nonoperating revenues and expenses

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 proprietary funds are charges to customers for sales and services. Operating expenses for enterprise 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.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Property taxes

Property tax receipts represent the receipts primarily generated by the 2020 property tax levy.

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

Property tax calendar – 2021 tax roll:

Lien date and levy date	December, 2021
Tax bills mailed	December, 2021
Payment in full or first installment due	January 31, 2022
Second installment due	March 31, 2022
Third installment due	May 31, 2022
Personal property taxes due in full	January 31, 2022
Tax sale – 2021 delinquent real estate taxes	October, 2025

Note 2 Reconciliation of Government-wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

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

Capital assets	\$ 116,738,688
Accumulated depreciation	<u>(64,931,803)</u>
Net capital assets	<u>\$ 51,806,885</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 2 Reconciliation of Government-wide and Fund Financial Statements (continued)

b. Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

Bonds and notes payable	\$ (41,654,614)
State loan payable	(755,101)
Compensated absences	(283,390)
Accrued interest, net of interest rebate receivable	(343,603)
Unamortized net debt discount and premium	<u>(1,067,839)</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ (44,104,547)</u>

c. In the governmental fund statements, the proportionate share of the Wisconsin Retirement System pension plan is not an available resource; therefore, it is not recorded. In the government-wide financial statements, it is reported as follows:

Deferred outflows of resources	\$ 1,257,586
Net pension asset	740,332
Deferred inflows of resources	<u>(1,621,121)</u>
	<u>\$ 376,797</u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

a. The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that capital outlays are expenditures of the governmental funds; however, in the statement of activities these assets are amortized over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital outlay items reported as capital assets	\$ 1,506,123
Depreciation expense	(3,321,414)
Net book value of assets disposed	<u>(19,347)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,834,638)</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 2 Reconciliation of Government-wide and Fund Financial Statements (continued)

b. Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this difference are as follows:

Debt issued or incurred:	
Amortization of debt discount and premium	194,581
Principal repayments:	
General obligation debt	2,124,888
Principal repayment paid by developer	<u>(25,273)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,294,196</u>

c. Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences	\$ 1,438
Accrued interest	<u>42,497</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 43,935</u>

Note 3 Stewardship, Compliance and Accountability

Violations of legal or contractual provisions

No violations occurred for the year ended December 31, 2021.

Deficit fund equity

As of December 31, 2021, the TIF #6 Capital Projects Fund had a deficit fund balance of \$1,227,231 and the TIF #7 Capital Projects Fund had a deficit fund balance of \$2,059,053. Both will be eliminated through the collection of future tax increments.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 4 Cash and Investments

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

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

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

The carrying amount of the Village's cash and investments totaled \$31,592,725 on December 31, 2021 as summarized below:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 26,688,878	\$ 26,511,633	Custodial credit risk
LGIP	4,408,641	4,408,641	Credit risk
Certificates of Deposit	495,083	495,082	Custodial credit risk
Petty Cash	125	-	
	<u>31,592,727</u>	<u>31,415,356</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 17,615,727		
Restricted cash and investments	5,360,518		
Per statement of net position - fiduciary fund			
Agency	<u>8,616,482</u>		
	<u>\$ 31,592,727</u>		

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village currently has no investments subject to fair value measurement.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 4 Cash and Investments (continued)

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

Custodial Credit Risk

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

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

As of December 31, 2021, \$25,184,358 of the Village's deposits with financial institutions was in excess of federal and state depository insurance limits. All but \$1,275,434 of this was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Village's name.

Credit Risk

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

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 4 Cash and Investments (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village's investment policy requires the Village to diversify investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Unless matched to a specific cash flow or maturity, the Village will not directly invest in securities maturing more than three years from the date of purchase. Reserve funds may be invested in securities exceeding three years if the maturity is made to coincide with the expected use of the funds. The investments held by the Wisconsin local government investment pool mature in 12 months or less.

Investment in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin local government investment pool of \$4,408,641 at year-end. 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, 2021, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

Note 5 Receivables

Receivables as of year-end for the Village's individual major funds, and aggregate non-major funds (when applicable), including the applicable allowances for uncollectible accounts, are as follows:

	General	General Obligation Debt Service Fund	General Capital Projects Fund	TIF #7 Capital Projects Fund	Nonmajor Governmental Funds	Total
Receivables						
Taxes	\$ 3,105,720	\$ 1,253,875	\$ -	\$ 44,951	\$ 367,950	\$ 4,772,496
Accounts	220,170	-	25,261	-	-	245,431
Other Governments	7,340	-	-	-	-	7,340
Notes	-	-	-	755,101	-	755,101
Special assessments	130,601	-	-	-	-	130,601
Gross receivables	3,463,831	1,253,875	25,261	800,052	367,950	5,910,969
Less: Allowance for uncollectibles	32,447	-	-	-	-	32,447
Net total receivables	<u>\$ 3,431,384</u>	<u>\$ 1,253,875</u>	<u>\$ 25,261</u>	<u>\$ 800,052</u>	<u>\$ 367,950</u>	<u>\$ 5,878,522</u>

All of the amounts above are expected to be collected within a year other than the \$130,601 in special assessments and \$755,101 in notes.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 6 Restricted Assets

Restricted assets on December 31, 2021 totaled \$8,861,581 and consisted of cash and investments of \$5,360,518, balances due from other governments of \$1,501,063 and balances due from other funds of \$2,000,000 held for the following purposes:

Funds	Amount	Purpose
Enterprise funds		
Water Utility		
Special redemption fund	\$ 264,363	To accumulate funds to pay principal and interest on Revenue Bonds
Depreciation	382,519	To be used for the replacement of capital assets of the water distribution plant
Revenue bond reserve	595,921	Amount required under the terms of the Revenue Bonds to be maintained in reserve
Reserve Capacity Assessments	<u>808,015</u>	To account for fees collected from new development to pay for reserve capacity built in the water plant
Total Water Utility	<u>2,050,818</u>	
Sewer Utility		
Depreciation	1,555,884	To be used for the replacement of capital assets of the sewer utility
Debt service	1,983,453	To accumulate funds to pay principal and interest on Revenue Bonds
Revenue bond reserve	327,062	Amount required under the terms of the Revenue Bonds to be maintained in reserve
DNR replacement	902,873	To be used for the replacement of certain assets for the sewer utility
Reserve Capacity Assessments	<u>1,489,768</u>	To account for fees collected from new development to pay for reserve capacity built in the wastewater treatment plant
Total Sewer Utility	<u>6,259,040</u>	
Stormwater Utility		
Debt service	60,567	To accumulate funds to pay principal and interest on Revenue Bonds
Revenue bond reserve	125,800	Amount required under the terms of the Revenue Bonds to be maintained in reserve
Equipment replacement	<u>365,356</u>	To accumulate funds for future equipment replacement
Total Stormwater Utility	<u>551,723</u>	
Total	<u>\$ 8,861,581</u>	

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 7 Capital Assets

The governmental activities capital asset activity for the year ended December 31, 2021 is as follows:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,477,995	\$ -	\$ -	\$ 2,477,995
Construction in progress	88,177	-	48,559	39,618
Total capital assets, not being depreciated	<u>2,566,172</u>	<u>-</u>	<u>48,559</u>	<u>2,517,613</u>
Capital assets being depreciated				
Buildings	18,943,164	24,835	13,425	18,954,574
Land improvements	3,320,545	-	-	3,320,545
Machinery and equipment	7,117,485	195,326	38,150	7,274,661
Infrastructure	83,336,774	1,334,521	-	84,671,295
Subtotals	<u>112,717,968</u>	<u>1,554,682</u>	<u>51,575</u>	<u>114,221,075</u>
Less: accumulated depreciation for:				
Buildings	3,449,574	405,791	3,491	3,851,874
Land improvements	692,228	145,903	-	838,131
Machinery and equipment	2,766,058	408,108	28,737	3,145,429
Infrastructure	54,734,757	2,361,612	-	57,096,369
Subtotals	<u>61,642,617</u>	<u>3,321,414</u>	<u>32,228</u>	<u>64,931,803</u>
Total capital assets, being depreciated, net	<u>51,075,351</u>	<u>(1,766,732)</u>	<u>19,347</u>	<u>49,289,272</u>
Governmental activities capital assets, net	<u>\$ 53,641,523</u>	<u>\$ (1,766,732)</u>	<u>\$ 67,906</u>	51,806,885
Less: Capital related debt				(28,834,672)
Less: Debt premium				(1,067,839)
Add: Unspent debt proceeds				762,448
Net investment in capital assets				<u>\$ 22,666,822</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 7 Capital Assets (Continued)

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 501,492	\$ -	\$ 17,500	\$ 483,992
Construction in progress	-	30,497	-	30,497
Total capital assets, not being depreciated	<u>501,492</u>	<u>30,497</u>	<u>17,500</u>	<u>514,489</u>
Capital assets being depreciated				
Water Utility buildings and structures	5,405,013	4,620	-	5,409,633
Water Utility machinery and equipment	6,798,381	64,613	61,428	6,801,566
Water Utility infrastructure	28,455,821	2,672,627	5,186	31,123,262
Sewer Utility buildings and structures	5,826,296	60,638	14,300	5,872,634
Sewer Utility machinery and equipment	16,486,889	60,811	50,567	16,497,133
Sewer Utility infrastructure	32,720,278	3,253,134	48,000	35,925,412
Stormwater Utility buildings and structures	166,504	-	-	166,504
Stormwater Utility machinery & equip	312,164	-	-	312,164
Stormwater Utility infrastructure	19,676,210	2,573,724	30,710	22,219,224
Subtotals	<u>115,847,556</u>	<u>8,690,167</u>	<u>210,191</u>	<u>124,327,532</u>
Less: accumulated depreciation for:				
Water Utility buildings and structures	1,387,546	171,714	-	1,559,260
Water Utility machinery and equipment	1,321,951	301,559	61,428	1,562,082
Water Utility infrastructure	7,978,603	518,159	5,186	8,491,576
Sewer Utility buildings and structures	2,722,405	116,990	14,300	2,825,095
Sewer Utility machinery and equipment	12,367,146	327,492	50,567	12,644,071
Sewer Utility infrastructure	9,108,523	495,895	48,000	9,556,418
Stormwater Utility buildings and structures	24,976	5,550	-	30,526
Stormwater Utility machinery & equip	121,572	15,971	-	137,543
Stormwater Utility infrastructure	2,689,064	271,528	9,213	2,951,379
Subtotals	<u>37,721,786</u>	<u>2,224,858</u>	<u>188,694</u>	<u>39,757,950</u>
Total capital assets, being depreciated, net	<u>78,125,770</u>	<u>6,465,309</u>	<u>21,497</u>	<u>84,569,582</u>
Business-type activities capital assets, net	<u>\$ 78,627,262</u>	<u>\$ 6,495,806</u>	<u>\$ 38,997</u>	85,084,071
Less: Capital related debt				(23,718,208)
Add: Extraordinary property loss				149,432
Add: Unspent debt proceeds				<u>1,048,784</u>
Net investment in capital assets				<u>\$ 62,564,079</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 7 Capital Assets (Continued)

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

Governmental Activities

General Government	\$	34,586
Protection of persons and property		209,740
Highway and transportation, which includes the depreciation of infrastructure		2,604,876
Library		75,785
Parks and recreation		396,427
Total Governmental Activities	\$	<u>3,321,414</u>

Business-type Activities

Water	\$	991,432
Sewer		940,377
Stormwater		293,049
	\$	<u>2,224,858</u>

Note 8 Long-Term Obligations

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Debt					
Bonds	\$ 33,315,000	\$ -	\$ 900,000	\$ 32,415,000	\$ 1,260,000
Notes	3,634,229	-	859,615	2,774,614	839,614
Community Development Bonds	6,805,000	-	340,000	6,465,000	345,000
Total General Obligation Debt	43,754,229	-	2,099,615	41,654,614	2,444,614
State Infrastructure Bank Loan	780,374	-	25,273	755,101	25,782
Debt (discount) and premium	1,262,420	-	194,581	1,067,839	-
Compensated absences	284,828	171,752	173,190	283,390	147,402
Governmental Activities Long-Term Obligations	<u>\$ 46,081,851</u>	<u>\$ 171,752</u>	<u>\$ 2,492,659</u>	<u>\$ 43,760,944</u>	<u>\$ 2,617,798</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 8 Long-Term Obligations (Continued)

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Business-type Activities					
General Obligation Debt					
Bonds	\$ 2,050,000	\$ -	\$ 215,000	\$ 1,835,000	\$ 225,000
Notes	500,000	-	100,000	400,000	100,000
Total General Obligation Debt	2,550,000	-	315,000	2,235,000	325,000
Revenue Bonds	12,723,618	1,815,000	1,084,154	13,454,464	1,195,085
Revenue Bond Anticipation Notes	5,105,000	-	-	5,105,000	-
Debt (discount) and premium	180,353	116,700	44,607	252,446	-
Compensated absences	93,415	41,841	37,099	98,157	31,813
Total Business-type Activities					
Long-Term Liabilities	<u>\$ 20,652,386</u>	<u>\$ 1,973,541</u>	<u>\$ 1,480,860</u>	<u>\$ 21,145,067</u>	<u>\$ 1,551,898</u>

Total interest paid during the year on long-term debt totaled \$1,778,217.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2021
Governmental Activities					
General Obligation Debt					
General Obligation Bonds	3/5/2013	3/1/2029	0.625 - 2.5	\$ 2,355,000	\$ 1,345,000
	9/17/2013	9/1/2030	2.0 - 4.0	1,855,000	1,305,000
	10/13/2015	6/1/2035	2.0 - 3.25	4,490,000	3,755,000
	3/24/2016	3/1/2036	2.0 - 3.0	4,795,000	4,560,000
	11/1/2016	9/1/2036	2.0 - 2.6	3,100,000	2,760,000
	5/1/2017	3/1/2037	2.0 - 3.5	2,975,000	2,775,000
	12/1/2017	9/1/2037	2.0 - 3.15	2,500,000	2,400,000
	7/16/2018	3/1/2038	3.0 - 3.5	2,790,000	2,790,000
	8/14/2018	3/1/2038	3.0 - 3.375	3,340,000	3,240,000
	6/4/2019	3/1/2033	2.0 - 3.0	2,445,000	2,445,000
	9/17/2019	10/1/2030	5.0	4,185,000	3,585,000
	6/30/2020	3/1/2039	2.0 - 2.25	7,920,000	7,920,000
					<u>38,880,000</u>
General Obligation Notes	11/11/2014	2/15/2022	0	36,924	4,614
	6/15/2015	6/1/2025	2.0 - 2.3	2,620,000	1,035,000
	8/25/2015	3/1/2025	1.05 - 2.2	735,000	385,000
	2/22/2016	2/1/2026	2.0	1,605,000	1,065,000
	5/1/2017	3/1/2022	2.0	1,610,000	285,000
					<u>2,774,614</u>
					<u>\$ 41,654,614</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 8 Long-Term Obligations (Continued)

General Obligation Debt (continued)

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2021
Business-type Activities					
General Obligation Debt					
Corporate Purpose Bonds	5/1/2013	11/1/2029	0.5 - 2.4	\$ 3,325,000	\$ 1,835,000
Promissory Notes	8/25/2015	3/1/2025	1.05 - 2.2	1,250,000	<u>400,000</u>
Total Business-type Activities					\$ 2,235,000
General Obligation Debt					<u>\$ 2,235,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$43,889,614 on December 31, 2021 are detailed below:

	Governmental Activities General Obligation Debt		Business Type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2022	\$ 2,444,614	\$ 1,147,609	\$ 325,000	\$ 42,740
2023	2,535,000	1,084,640	330,000	37,653
2024	2,680,000	1,016,229	330,000	31,882
2025	2,765,000	944,535	340,000	25,618
2026	2,840,000	867,931	245,000	19,957
2027 - 2031	13,985,000	3,080,246	665,000	28,113
2032 - 2036	11,420,000	1,240,567	-	-
2037 - 2039	2,985,000	108,350	-	-
Totals	<u>\$ 41,654,614</u>	<u>\$ 9,490,107</u>	<u>\$ 2,235,000</u>	<u>\$ 185,963</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

State Infrastructure Bank Loan – Direct borrowing

In August, 2020, the Village entered into a loan agreement with the State of Wisconsin on behalf of the developer for TIF #7. Proceeds of \$799,000 were received by the Village and were paid out on behalf of the developer for construction of roads within the district. The first payment was due on July 1, 2021, with subsequent quarterly payments required beginning October 1, 2021 with a final balloon payment due on April 1, 2025. The interest rate is 2%. All loan payments will be made by the Village with reimbursement from the developer.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 8 Long-Term Obligations (Continued)

Annual principal and interest maturities of the State Infrastructure Bank Loan on December 31, 2021 are detailed below:

	Principal	Interest	Total
2022	\$ 19,288	\$ 11,230	\$ 30,518
2023	26,170	14,521	40,691
2024	26,698	13,993	40,691
2025	682,945	6,796	689,741
Totals	<u>\$ 755,101</u>	<u>\$ 46,540</u>	<u>\$ 801,641</u>

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2021 was \$39,522,051 as follows:

Equalized valuation of the Village	\$ 1,661,648,200
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	83,082,410
Total outstanding general obligation debt applicable to debt limitation	\$ 43,889,614
Less: Amounts available for financing general obligation debt	
Debt service funds	<u>329,255</u>
Net outstanding general obligation debt applicable to debt limitation	<u>43,560,359</u>
Legal margin for new debt	<u>\$ 39,522,051</u>

Revenue Bonds

The Water Public Utility, Sewer Utility and Stormwater Utility have \$13,454,464 in Water, Sewer and Stormwater System Revenue Bonds outstanding at December 31, 2021. The bonds are not general obligations of the Village of Sussex and are payable from income and revenues derived from the operations of the water, sewer and stormwater systems in accordance with the resolutions adopted in conjunction with the issuance of the debt. The resolutions create a statutory mortgage lien upon the systems and their revenues in accordance with Section 66 of Wisconsin Statutes. The Village has established certain funds, as described in the resolution, to account for the allocation of the Utilities' gross revenue. The Utilities have complied with the bond covenants. The water, sewer and stormwater systems and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

The principal and interest paid during the year on the Water Utility Revenue Bonds was \$581,385. Total net revenues as defined by the bond covenants for the same period were \$1,934,956. Annual principal and interest payments are expected to require 23% of net revenue.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 8 Long-Term Obligations (Continued)

The principal and interest paid during the year on the Sewer System Revenue Bonds was \$831,217. Total net revenues as defined by the bond covenants for the same period were \$1,851,271. Annual principal and interest payments are expected to require 26% of net revenue.

The interest paid during the year on the Stormwater System Revenue Bonds was \$35,805. Total net revenues as defined by the bond covenants for the same period were \$266,606. Annual principal and interest payments are expected to require 46% of net revenue.

Revenue bonds outstanding on December 31, 2021 totaled \$13,454,464 and were comprised of the following issues:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance 12/31/2021</u>
Business-type Activities					
Water and Sewer System Revenue Bonds					
Water Utility	6/4/2013	6/1/2028	2.0 - 2.75	\$ 2,340,000	\$ 1,135,000
	5/17/2016	6/1/2024	0.8 - 1.65	1,515,000	525,000
	9/12/2017	6/1/2037	3.0 - 3.25	4,295,000	4,095,000
Sewer Utility	8/22/2007	5/1/2027	2.547	7,633,281	2,814,464
	8/14/2018	5/1/2033	3.0 - 3.25	2,540,000	2,160,000
	6/30/2020	5/1/2030	1.0 - 2.0	1,010,000	910,000
Stormwater Utility	1/4/2021	5/1/2039	2.0 - 3.0	1,815,000	<u>1,815,000</u>
Total Business-type Activities Revenue Debt					<u>\$ 13,454,464</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$13,454,464 on December 31, 2021 are detailed below:

	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,195,085	\$ 346,056	\$ 1,541,141
2023	1,211,294	318,302	1,529,596
2024	1,232,788	288,846	1,521,634
2025	1,189,576	257,388	1,446,964
2026	1,211,663	224,753	1,436,416
2027 - 2031	3,994,058	726,824	4,720,882
2032 - 2036	2,685,000	274,903	2,959,903
2037 - 2039	735,000	16,925	751,925
Totals	<u>\$ 13,454,464</u>	<u>\$ 2,453,997</u>	<u>\$ 15,908,461</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 8 Long-Term Obligations (Continued)

Revenue Bond Anticipation Notes

Revenue bond anticipation notes outstanding on December 31, 2021 was comprised of the following issue. The scheduled principal amounts are due in 2023.

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2021
BANs Issue 2018A	6/28/2018	6/1/2023	3.00%	\$ 3,805,000	\$ 3,805,000
BANs Issue 2019B	9/17/2019	12/1/2023	1.50%	1,300,000	1,300,000
					<u>\$ 5,105,000</u>

Compensated Absences

Estimated payments of \$381,547 are not included in the debt service requirement schedules. The compensated absences liability will be liquidated by the General Fund and the Water and Sewer Utilities.

Conduit Debt Obligations

From time to time, the Village has issued Industrial 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 Village, 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, 2021, there were eight outstanding Industrial Revenue Bonds with an aggregate principal amount payable of \$22,934,436.

Note 9 Employee's Retirement System

The Village of Sussex remits monthly the required contributions of the Pauline Haass Public Library. As a result, required contributions of the Library are included with the Village's WRS contributions. The Library's proportionate share of the net pension liability (asset) and the corresponding deferred outflow of resources and deferred inflows of resources of the Library are reported in the Village's basic financial statements.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 9 Employee's Retirement System (Continued)

Plan Description - The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Benefits Provided - Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to receive 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 occupation employees) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit

The WRS also provides death and disability benefits for employees.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 9 Employee's 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
2011	-1.2%	11.0%
2012	-7.0%	-7.0%
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%

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

During the reporting period, the WRS recognized \$251,594 in contributions from the employer.

Contribution rates as of December 31, 2021 are:

Employee Category	Employee	Employer
General (including teachers)	6.75%	6.75%
Protective with social security	6.75%	11.75%
Protective without social security	6.75%	16.35%

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 9 Employee's Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At December 31, 2021, the Village reported an (asset) of (\$1,329,995) for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2020, and the Total Pension Liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the Net Pension Liability (Asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Village's proportion was 0.02130332%, which was an increase of 0.00105307% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized pension expense of \$(143,701).

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

	Primary Government		Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,607,874	\$ 346,333	\$ 317,036	\$ 68,289
Net differences between projected and actual earnings on pension plan investments	-	2,085,706	-	411,253
Changes in assumptions	25,198	-	4,968	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,588	616	1,693	121
Employer contributions subsequent to the measurement date	232,106	-	39,793	-
Total	\$ 1,873,766	\$ 2,432,655	\$ 363,490	\$ 479,663

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 9 Employee's Retirement System (Continued)

\$271,899 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. 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:	Primary	Component
	Government	Unit
	Net Deferred	Net Deferred
	Outflows (Inflows)	Outflows (Inflows)
	of Resources	of Resources
2022	\$ (203,533)	\$ (40,132)
2023	(53,295)	(10,508)
2024	(375,527)	(74,046)
2025	(158,640)	(31,280)
	<u>\$ (790,995)</u>	<u>\$ (155,966)</u>

Actuarial assumptions: The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2019
Measurement date of net pension liability (asset)	December 31, 2020
Actuarial cost method	Entry Age Normal
Asset valuation method	Fair value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2019 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. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 9 Employee's Retirement System (Continued)

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

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global equities	51.0%	7.2%	4.7%
Fixed income	25.0%	3.2%	0.8%
Inflation sensitive assets	16.0%	2.0%	-0.4%
Real estate	8.0%	5.6%	3.1%
Private equity/debt	11.0%	10.2%	7.6%
Multi-asset	4.0%	5.8%	3.3%
Total core fund	115%	6.6 %	4.1%
<u>Variable Fund Asset Class</u>			
US equities	70%	6.6%	4.1%
International equities	30%	7.4%	4.9%
Total variable fund	100%	7.1%	4.6%

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

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

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 9 Employee's Retirement System (Continued)

Single Discount Rate - A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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 Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the Village's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 7.00 percent, as well as what the Village's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
Proportionate share of the net pension liability (asset)			
Primary government	\$ 1,057,464	\$ (1,110,943)	\$ (2,703,623)
Component unit	208,507	(219,052)	(533,091)
	<u>\$ 1,265,971</u>	<u>\$ (1,329,995)</u>	<u>\$ (3,236,714)</u>

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

Payables to the pension plan: The Village reported a payable to the pension plan for the outstanding amount of required contributions of \$38,385 at December 31, 2021.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 10 Interfund balances

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Cash advances to finance operating deficits and construction projects		
Governmental Funds		
General Capital Projects Fund	\$ 161,127	\$ -
TIF #6 Capital Projects Fund	-	1,261,127
TIF #7 Capital Projects Fund	-	1,730,302
Proprietary Funds		
Water Utility	-	815,854
Sewer Utility	5,501,601	
Stormwater Utility	-	1,855,445
Totals	<u>\$ 5,662,728</u>	<u>\$ 5,662,728</u>

The interfund receivables and payables are expected to be collected from operating revenues and future tax increments.

During the year ended December 31, 2021, the following interfund transfers were made:

Fund	Transfer In	Transfer Out
General	\$ 832,861	\$ 680,100
Recreation Scholarship	-	1,237
Cemetery	12,000	
General Obligation Debt Service	60,937	-
TIF #6 Debt Service	631,981	-
General Capital Projects	570,000	-
TIF #6 Capital Projects	-	631,981
Water Utility	29,997	494,917
Sewer Utility	-	380,441
Stormwater Utility	37,163	32,400
Community Development Authority	46,137	-
	<u>\$ 2,221,076</u>	<u>\$ 2,221,076</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 10 Interfund balances

Interfund transfers were made for the following purposes:

Annual subsidy by the General Fund paid to the Cemetery Fund	\$ 12,000
Share of interest on Civic Campus paid from the General Fund to the General Debt Service Fund	60,937
Annual set aside funds for roads paid from the General Fund to the General Capital Projects Fund	570,000
Transfer funds accumulated for replacement to the Stormwater Utility from the General Fund	37,163
Transfer scholarship funds to the General Fund	1,237
Tax equivalent payment made by the Water Utility to the General Fund	494,917
Tax equivalent payment made by the Sewer Utility to the General Fund	4,307
Utility dividends paid by the Sewer Utility to the General Fund	300,000
Utility dividends paid by the Stormwater Utility to the General Fund	32,400
Tax increment from TIF #6 Capital Projects to TIF #6 Debt Service for principal and interest	631,981
Annual depreciation on backwash tanks from the Sewer Utility to the Water Utility	29,997
Transfer a portion of interest paid by TIF #7 to the CDA Fund for development	46,137
	<u>46,137</u>
	<u>\$ 2,221,076</u>

Note 11 Fund Balances

Governmental Activities

Governmental activities net position reported on the government-wide statement of net position at December 31, 2021 includes the following:

Net investment in capital assets	
Land	\$ 2,477,995
Construction in progress	39,618
Other capital assets, net of accumulated depreciation	49,289,272
Less: related long-term debt outstanding	(28,834,672)
Premium on long-term debt	(1,067,839)
Add back unspent construction cash	762,448
Total Net Investment in Capital Assets	<u>22,666,822</u>
Restricted	
Park impact fees	669,520
Pension benefits	376,797
Total Restricted	<u>1,046,317</u>
Unrestricted	<u>(9,155,703)</u>
Total Governmental Activities Net Position	<u>\$ 14,557,436</u>

Governmental fund balances reported on the fund financial statements at December 31, 2021 include the following:

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 11 Fund Balances (Continued)

Nonspendable	
Major Funds	
General Fund	
Noncurrent receivables, inventories and prepaids	\$ 185,366
Restricted	
Major Funds	
General Fund	
Ambulance grants	36,095
Debt Service Fund	
Debt service	329,255
Capital Projects Fund - General	
Park improvements	452,028
Emergency government outlay	26,669
Road projects	251,052
Non-major Funds	
Special Revenue Funds	
Park Fund - playground improvements	669,520
Total Restricted Fund Balances	<u>1,764,619</u>
Committed	
Major Funds	
General Fund	
Post employment health plan payments	53,742
Non-major Funds	
Special Revenue Funds	
Recreation Scholarship Fund - recreation scholarships	35,584
Total Committed Fund Balances	<u>89,326</u>
Assigned	
Major Funds	
General Fund	
Capital expenditures	5,590,333
2022 budgeted expenditures	478,083
Insurance contingencies	73,912
Senior programming	34,412
Capital Projects Fund - General	
Other capital projects	32,699
Non-major Funds	
Special Revenue Funds	
ARPA Fund - other projects	214
Cemetery Fund	12,642
Total Assigned Fund Balances	<u>6,222,295</u>
Unassigned	
Major Funds	
General Fund	747,878
Capital Projects Fund - TIF #6	(1,227,231)
Capital Projects Fund - TIF #7	(2,059,053)
Total Unassigned Fund Balances	<u>(2,538,406)</u>
Total Governmental Fund Balances	<u>\$ 5,723,200</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 11 Fund Balances (Continued)

Business-type Activities

Business-type activities net position reported on the government-wide statement of net position at December 31, 2021 includes the following:

Net investment in capital assets	
Land	\$ 483,992
Construction in progress	30,497
Other capital assets, net of accumulated depreciation	84,569,582
Less: related long-term debt outstanding	(23,718,208)
Extraordinary property loss	149,432
Add back unspent construction cash	<u>1,048,784</u>
Total Net Investment in Capital Assets	<u>62,564,079</u>
Restricted	
Reserve Capacity Assessment Fund	<u>2,297,783</u>
Debt Service	
Special Redemption fund	264,363
Reserve Fund	1,048,784
Debt Service Fund	2,044,019
Less: related long-term debt outstanding	(1,048,784)
Less: accrued interest payable	<u>(66,152)</u>
Total Restricted for Debt Service	<u>2,242,230</u>
Construction and Equipment Replacement	
Equipment Replacement	1,268,229
Depreciation Fund	<u>1,938,403</u>
Total Restricted Construction and Equipment Replacement	<u>3,206,632</u>
Pension Benefits	<u>175,257</u>
Unrestricted	<u>6,201,019</u>
Total Business-type Activities Net Position	<u>\$ 76,687,000</u>

Note 12 Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to handle such risks of loss, the Village purchases 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.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 13 Subsequent Events/Commitments

On January 11, 2022 the Village Board approved one contract and a contingency for roof repairs at Well #5 and the wastewater treatment plant in the total amount of \$485,452.

On February 8, 2022 the Village Board approved one contract and a contingency for watermain construction at two locations in the total amount of \$1,009,713.

On March 1, 2022 the Village called \$1,200,000 of outstanding General Obligation Refunding Bonds.

As of December 31, 2021, the Village had 2 outstanding contracts for construction related to TIF #7 and installation of a fence at the wastewater treatment plant. The total balance outstanding on all the contracts is \$85,950 which does not include \$389,558 included in accounts payable at December 31, 2021.

Note 14 Contingencies

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

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 15 Component Units

This report contains the Pauline Haass Public Library, which is included as a component unit. Financial information is presented as discrete columns in the statement of net position and statement of activities.

In addition to the basic financial statements and preceding notes to the financial statements, which apply, the following additional disclosures are considered necessary for a fair presentation.

Basis of Accounting

The Pauline Haass Public Library follows the accrual basis of accounting.

Cash and Investments

The carrying amount of the Library's cash and investments totaled \$2,131,919 as summarized below:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 1,135,246	\$ 1,136,514	Custodial credit risk
Certificates of deposit	495,350	495,350	Custodial credit risk Credit risk, interest rate
LGIP	<u>501,323</u>	<u>501,323</u>	risk
Total cash and investments	<u>\$ 2,131,919</u>	<u>\$ 2,133,187</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 1,271,362		
Restricted cash and investments	<u>860,557</u>		
Total cash and investments	<u>\$ 2,131,919</u>		

Restricted Assets

Restricted assets on December 31, 2021 totaled \$1,304,237 and consisted of cash and investments plus amounts due from other governments held for the following purposes:

Purpose	Amount
Capital Projects & Future Expansion	\$ 1,283,830
Restricted Donations	<u>20,407</u>
	<u>\$ 1,304,237</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 15 Component Units (continued)

Capital Assets

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

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Capital assets being depreciated				
Equipment and furnishings	\$ 400,491	\$ 30,861	\$ 1,975	\$ 429,377
Books and library media	702,663	96,886	90,236	709,313
Total Capital Assets at Historical Cost	<u>1,103,154</u>	<u>127,747</u>	<u>92,211</u>	<u>1,138,690</u>
Less: accumulated depreciation for:				
Equipment and furnishings	327,938	21,054	1,975	347,017
Books and library media	307,580	100,380	90,236	317,724
Total Accumulated Depreciation	<u>635,518</u>	<u>121,434</u>	<u>92,211</u>	<u>664,741</u>
Total Capital Assets	<u>\$ 467,636</u>	<u>\$ 6,313</u>	<u>\$ -</u>	<u>\$ 473,949</u>

Capital Lease

The Pauline Haass Public Library has entered into lease agreements for the purpose of purchasing capital assets. At December 31, 2021, the Library had \$51,058 of capital asset leases. The following is a schedule of the minimum lease payments remaining under the lease agreements and the present value of the minimum lease payments at December 31, 2021:

Year Ending December 31,	Annual Requirements
2022	\$ 14,580
2023	14,580
2024	<u>1,215</u>
Total required minimum lease payments	30,375
Less: Amounts representing interest	<u>2,406</u>
Present value of future minimum lease payments	<u>\$ 27,969</u>

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 16 Tax Incremental Financing Districts

The Village has established a separate capital projects fund for Tax Incremental District (TID) Number 6 which was created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village’s district is still eligible to incur project costs.

Since creation of the above District, various funds of the Village have provided financing to the TID. The amounts are recorded as liabilities in the TID capital projects fund. Annual interest at 1% is paid by the TID to the other funds. There is no set repayment schedule for the principal. It will occur when there is sufficient revenue available.

Unless terminated by the Village prior thereto, the statutory termination year of the District is 2041.

During 2019, Tax Incremental District (TID) Number 7 was created in accordance with Section 66.1105 of the Wisconsin Statutes. A separate capital projects fund for the District was created. At the time the District was created, the property tax base within the District was “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village’s district is still eligible to incur project costs.

Since creation of TID #7, the Sewer Utility has provided financing to the District. The amounts are recorded as liabilities in the TID capital projects fund. Annual interest at 4.5% is paid by the TID to the Sewer Utility. A portion of the interest collected is then transferred to the CDA Fund to enhance development. There is no set repayment schedule for the principal. It will occur when there is sufficient revenue available.

During 2021, TID #7 was amended to include approximately 76 acres of land acquired by the developer.

Unless terminated by the Village prior thereto, the statutory termination year of the District is 2038.

Note 17 Sewer Utility Rate Increase/Decrease

During 2020, the Sewer Utility contracted for a rate study. In July 2020, the Village Board approved a resolution to implement new rates for the next four years starting January 1, 2021 and continuing until January 1, 2024.

Village of Sussex, Wisconsin

Notes to Financial Statements

Note 18 Stormwater Utility Rate Increase

During 2020, the Stormwater Utility contracted for a rate study. In July 2020, the Village Board approved a resolution to implement new rates for the next five years starting January 1, 2021 and continuing through January 1, 2025.

Required Supplementary Information

VILLAGE OF SUSSEX, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON - GAAP) GENERAL FUND

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,437,377	\$ 5,447,377	\$ 5,447,965	\$ 588
Intergovernmental	1,171,322	1,221,099	1,231,489	10,390
Licenses and permits	330,600	483,523	533,550	50,027
Fines, forfeitures and penalties	172,800	257,800	315,504	57,704
Public charges for services	1,129,739	1,546,039	1,478,155	(67,884)
Commercial revenues	132,722	84,222	93,482	9,260
Miscellaneous revenues	90,400	112,900	118,499	5,599
Total Revenues	8,464,960	9,152,960	9,218,644	65,684
EXPENDITURES				
Current				
General government	789,946	829,946	805,495	24,451
Protection of persons & property				
Police	1,926,295	1,836,295	1,825,348	10,947
Fire	1,374,127	1,394,127	1,373,333	20,794
Other protection	251,444	239,444	232,038	7,406
Health and sanitation	536,175	560,175	543,211	16,964
Highway and transportation	881,414	1,262,414	1,129,972	132,442
Library	740,547	740,547	740,547	-
Parks and recreation	1,311,919	1,369,919	1,311,404	58,515
Capital outlay	926,021	704,021	306,270	397,751
Debt Service				
Principal retirement	4,616	4,616	4,616	-
Total Expenditures	8,742,504	8,941,504	8,272,234	669,270
Excess of revenues over (under) expenditures	(277,544)	211,456	946,410	734,954
OTHER FINANCING SOURCES (USES)				
Transfers in	1,483,127	1,269,127	1,053,230	(215,897)
Transfers out	(1,207,383)	(1,482,383)	(1,590,907)	(108,524)
Net change in fund balances - budgetary basis	\$ (1,800)	\$ (1,800)	408,733	\$ 410,533
Adjustment to generally accepted accounting principles basis				
Appropriations to reserve funds			947,970	
Revenue credited to reserve funds			50,455	
Expenditures and transfers charged to reserve funds			(268,127)	
Net change in fund balances - generally accepted accounting principles basis			1,139,031	
FUND BALANCE - BEGINNING OF YEAR			6,060,790	
FUND BALANCE - END OF YEAR			\$ 7,199,821	

VILLAGE OF SUSSEX, WISCONSIN
Schedule of Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System
Last 10 Fiscal Years*

Primary Government

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.013363%	\$ (328,226)	\$ 1,789,027	-18.35%	102.74%
12/31/16	0.013513%	219,584	1,902,634	11.54%	98.20%
12/31/17	0.013880%	114,168	1,942,066	5.88%	99.12%
12/31/18	0.014603%	(433,567)	2,114,567	-20.50%	102.93%
12/31/19	0.015743%	560,075	2,360,450	23.73%	96.45%
12/31/20	0.016684%	(537,980)	2,454,961	-21.91%	102.96%
12/31/21	0.017795%	(1,110,943)	2,712,407	-40.96%	105.26%

Component Unit

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.003347%	\$ (82,211)	\$ 495,599	-16.59%	102.74%
12/31/16	0.003572%	58,037	497,990	11.65%	98.20%
12/31/17	0.003476%	28,649	486,761	5.89%	99.12%
12/31/18	0.003476%	(103,219)	528,426	-19.53%	102.93%
12/31/19	0.003528%	125,531	561,839	22.34%	96.45%
12/31/20	0.003566%	(114,979)	558,446	-20.59%	102.96%
12/31/21	0.003509%	(219,052)	566,815	-38.65%	105.26%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

VILLAGE OF SUSSEX, WISCONSIN
Schedule of Contributions
Wisconsin Retirement System
Last 10 Fiscal Years*

Primary Government						
Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll	
12/31/15	\$ 135,194	\$ 135,194	\$ -	\$ 1,902,634	7.11%	
12/31/16	134,640	134,640	-	1,942,066	6.93%	
12/31/17	158,170	158,170	-	2,114,567	7.48%	
12/31/18	178,681	178,681	-	2,360,450	7.57%	
12/31/19	178,447	178,447	-	2,454,961	7.27%	
12/31/20	213,330	213,330	-	2,712,407	7.86%	
12/31/21	232,106	232,106	-	2,906,169	7.99%	

Component Unit						
Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll	
12/31/15	\$ 33,862	\$ 33,862	\$ -	\$ 497,990	6.80%	
12/31/16	32,124	32,124	-	486,761	6.60%	
12/31/17	35,933	35,933	-	528,426	6.80%	
12/31/18	37,644	37,644	-	561,839	6.70%	
12/31/19	36,578	36,578	-	558,446	6.55%	
12/31/20	38,260	38,260	-	566,815	6.75%	
12/31/21	39,793	39,793	-	589,532	6.75%	

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

Village of Sussex, Wisconsin

Notes to Required Supplemental Information

Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States. Annual appropriated budgets are adopted (at the fund level) for all funds on the modified accrual basis with a department level of expenditures. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

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

1. During September, the Village Administrator submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Following several budget workshops, the final proposed budget is ready for the public hearing.

2. During November, a Public hearing is conducted to obtain taxpayer comments.

Following the public hearing, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action. This is the amount reported as original budget.

3. Expenditures may not exceed appropriations by major departmental classifications. Amendments to the budget during the year can only be made by the Village Board.

4. Budgets are adopted and formal budgetary integration is employed as a management control device during the year for all funds.

5. All budgets for these funds are adopted on a basis consistent with generally accepted accounting principles except for certain transactions of assigned funds.

6. Budgetary authority lapses at year-end.

Wisconsin Retirement System

There were no changes of benefit terms or assumptions for any participating employer in WRS. The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The Village is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Supplementary Information

VILLAGE OF SUSSEX, WISCONSIN

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET December 31, 2021

	Special Revenue Funds				Capital Projects Funds	Total Nonmajor Governmental Funds
	Federal		Cemetery	Recreation	TIF #6	
	Park Fund	ARPA Fund	Fund	Scholarship Fund	Capital Projects Fund	
ASSETS						
Cash and investments	\$669,520	\$ 574,897	\$ 12,670	\$ 35,238	\$ 417,843	\$ 1,710,168
Taxes receivable	-	-			367,950	367,950
Prepaid items	-	-	-	346	-	346
TOTAL ASSETS	<u>\$669,520</u>	<u>\$ 574,897</u>	<u>\$ 12,670</u>	<u>\$ 35,584</u>	<u>\$ 785,793</u>	<u>\$ 2,078,464</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 7	\$ -	\$ -	\$ 7
Accrued payroll and related liabilities	-	-	21	-	-	21
Due to other funds	-	-	-	-	1,261,127	1,261,127
Unearned revenue	-	574,683	-	-	-	574,683
Total liabilities	<u>-</u>	<u>574,683</u>	<u>28</u>	<u>-</u>	<u>1,261,127</u>	<u>1,835,838</u>
Deferred Inflows						
Property taxes levied for subsequent year	-	-	-	-	751,897	751,897
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>751,897</u>	<u>751,897</u>
Fund Balances						
Restricted	669,520	-	-	-	-	669,520
Committed	-	-	-	35,584	-	35,584
Assigned	-	214	12,642	-	-	12,856
Unassigned	-	-	-	-	(1,227,231)	(1,227,231)
Total fund balances	<u>669,520</u>	<u>214</u>	<u>12,642</u>	<u>35,584</u>	<u>(1,227,231)</u>	<u>(509,271)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$669,520</u>	<u>\$ 574,897</u>	<u>\$ 12,670</u>	<u>\$ 35,584</u>	<u>\$ 785,793</u>	<u>\$ 2,078,464</u>

VILLAGE OF SUSSEX, WISCONSIN

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

For the Year Ended December 31, 2021

	Special Revenue Funds			
	Park Fund	Federal ARPA Fund	Cemetery Fund	Recreation Scholarship Fund
	Park Fund	Fund	Fund	Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Public improvement revenues	269,186	-	-	-
Public charges for services	-	-	6,363	2,926
Commercial revenues	515	214	11	35
Miscellaneous revenues	-	-	-	2,935
Total revenues	269,701	214	6,374	5,896
EXPENDITURES				
Current:				
General government	-	-	-	-
Health and sanitation	-	-	14,434	-
Parks and recreation	-	-	-	1,828
Debt service	-	-	-	-
Total expenditures	-	-	14,434	1,828
Excess (deficiency) of revenues over expenditures	269,701	214	(8,060)	4,068
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	12,000	-
Transfers out	-	-	-	(1,237)
Total other financing sources (uses)	-	-	12,000	(1,237)
Net change in fund balances	269,701	214	3,940	2,831
FUND BALANCES - BEGINNING OF YEAR	399,819	-	8,702	32,753
FUND BALANCES - END OF YEAR	\$ 669,520	\$ 214	\$ 12,642	\$ 35,584

Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
TIF #6 Debt Fund	TIF #6 Capital Projects Fund	
\$ -	\$ 719,019	\$ 719,019
	9,934	9,934
-	-	269,186
-	-	9,289
-	352	1,127
-	-	2,935
<u>-</u>	<u>729,305</u>	<u>1,011,490</u>
-	150	150
-	-	14,434
-	-	1,828
631,981	13,028	645,009
<u>631,981</u>	<u>13,178</u>	<u>661,421</u>
<u>(631,981)</u>	<u>716,127</u>	<u>350,069</u>
631,981	-	643,981
-	(631,981)	(633,218)
<u>631,981</u>	<u>(631,981)</u>	<u>10,763</u>
-	84,146	360,832
-	(1,311,377)	(870,103)
<u>\$ -</u>	<u>\$ (1,227,231)</u>	<u>\$ (509,271)</u>