

CITY OF PEWAUKEE

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

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FINANCIAL STATEMENTS
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Certified Public Accountants & Consultants

Honorable Mayor and Common Council
City of Pewaukee
Waukesha County, Wisconsin

Dear Council Members:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pewaukee, Wisconsin as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Pewaukee's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

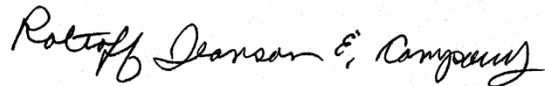
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pewaukee, Wisconsin as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Storm Water Management Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

Honorable Mayor and Common Council
City of Pewaukee
Page Two

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pewaukee's financial statements as a whole. The combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements as a whole.

A handwritten signature in cursive script that reads "Rolf Hanson & Company". The signature is written in black ink and is positioned above the date.

May 24, 2012



The City in the Country

Office of the Mayor

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Phone (262) 691-0770 Fax (262) 691-1798

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2011

This discussion and analysis presents the highlights of financial activities and financial position for the City of Pewaukee (City) for the year ended December 31, 2011. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budgetary comparisons, and specific issues related to funds and the economic factors affecting the City. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements, which follow this section.

Financial Highlights

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$108,893,437 (net assets). Of this amount, \$87,178,911 is invested in capital assets, net of related debt. \$7,818,377 is restricted for debt service, capital projects and other various purposes. \$13,896,149 is considered unrestricted and available to meet the government's ongoing obligations to citizens and creditors.

During 2011 the City's net assets increased by \$4,719,402 or 4.5%. The City's governmental activities increased \$3,895,487 while the business-type activities increased by \$823,915.

At December 31, 2011, the City's governmental funds reported combined ending fund balances of \$12,848,259, an increase of \$5,252,147 from the previous year. The Road Construction Fund comprised \$5,861,245, or 45.6%, of the combined fund balances; of which \$3,015,637 remains from prior borrowings and is therefore considered restricted. Additional restricted funds from various special revenue funds totaled \$1,424,515.

The Common Council adopted resolutions and ordinances committing \$2,377,358 for future capital projects; of which \$1,645,608 is for future road construction projects, \$650,800 for storm water management and \$80,000 for public safety capital equipment.

The General Fund balance increased by \$304,331 in 2011 to \$3,764,902. Of this amount \$100,000 was assigned by the Common Council for a public safety communication system, and \$200,000 for repairs to fire station #1. Other components of the assigned fund balance include \$1,827,520 for future capital projects and \$374,875 for future debt service expenditures.

Unassigned fund balance for the general fund was \$3,221,273 or approximately 28.3% of current year general fund expenditures, down slightly from the prior year's 28.6%.

During 2011, the City's fixed assets, net of accumulated depreciation, increased \$2,112,517; from \$100,069,746 to \$102,182,263.

The City's long-term obligations, including \$726,420 of vested employee benefits, totaled \$16,720,887 at December 31, 2011. At December 31, 2010 total long-term obligations had been \$14,733,784.

Overview of the Financial Statements

The City's annual financial report consists of several sections. Taken together they provide a comprehensive financial look at the City. The components of the report include the following:

**CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011**

Management's Discussion and Analysis

This section of the report is intended to serve as an introduction to the City's basic financial statements providing an overview of financial highlights and economic factors affecting the City.

Financial Report Overview

The City's basic financial statements are comprised of government-wide financial statements, fund financial statements and notes to these financial statements. This report also contains other supplementary information including combining and individual fund financial statements and schedules.

Government-Wide Financial Statements

The government-wide financial statements, found on pages 15 – 16, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a picture of the assets the City owns, the liabilities it owes and the net difference as of December 31, 2011. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities focuses on gross and net costs of City activities. This statement summarizes and simplifies the user's analysis to determine the extent to which activities are self-supporting and/or subsidized by general revenues, including local tax revenues. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, net of amounts estimated to be uncollectible, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected billings and earned but unused employee benefits).

Both of the government-wide financial statements distinguish functions of the City 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 City include general government, public safety and judicial, health and sanitation, public works, culture and recreation, and economic development. Business-type activities include operations of the City's water and sewer utility.

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. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds and can be found in the statements on pages 17 - 25.

Governmental funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

**CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011**

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.

Although the City of Pewaukee maintains the following thirteen governmental funds, only the general, storm water management, debt service and road construction funds are considered to be “major” funds.

- General
- Special Revenue:
 - Storm water management
 - Park dedication
 - Impact fee
 - Tourism and convention
 - Green space facilities
 - Public safety grants
 - Expendable cemetery
- Debt Service
- Capital Projects:
 - Road construction
 - Sports complex
 - Capital equipment
- Permanent:
 - Non-Expendable Cemetery – Perpetual care

Fund financial statements focus separately on major 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 City’s four major funds – general, storm water management, debt service and road construction. The other special revenue funds, capital project funds and the permanent fund are considered “non-major” and are combined into a column titled "Other Governmental Funds." Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

In accordance with GASB 34, budgetary comparison statements are required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The budgetary comparison statement for 2011 includes the general fund and the storm water management fund. The City does budget for several non-major funds and this information is included elsewhere in this report.

Proprietary funds

The financial statements for the City's proprietary funds follow the governmental funds and include statements of net assets, revenues, expenses and changes in fund net assets, and cash flows for the City’s water and sewer utilities.

Proprietary funds provide the same type of information as the “business-type” activities in the government-wide statements, only in more detail. They include operations for the City’s water and sewer utility.

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 City of Pewaukee’s own programs.

**CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011**

The fiduciary fund maintained by the City is used to account for assets held by the City as an agent for individuals, private organizations, or other governments but is primarily related to current year taxes levied and collected on behalf of other taxing jurisdictions. These "agency" funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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 26 - 50 of this report.

Supporting Schedules

Readers desiring additional supplementary information can find it in the supporting schedules found on pages 51 - 73, immediately following the notes to the basic financial statements. These schedules include information and data about the City's non-major funds as well as providing additional detail about the City's major funds including:

- Combining statements including balance sheets and statements of revenues, expenditures and changes in fund balances
- Budgetary information
- Capital Assets

Government-Wide Financial Analysis

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Pewaukee, assets exceeded liabilities by \$108,893,437 and \$104,174,035 at the close of the most recent fiscal years.

**Statement of Net Assets at December 31, 2010 and 2011
(in thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total Change</u>	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>Dollars</u> <u>2010 - 2011</u>	<u>%</u>
Current and other assets	\$ 19,848	25,661	11,685	12,102	31,533	37,763	6,230	19.8%
Capital assets	31,524	33,107	68,545	69,075	100,069	102,182	2,113	2.1%
Total assets	51,372	58,768	80,230	81,177	131,602	139,945	8,343	6.3%
Other liabilities	12,372	13,041	1,346	1,842	13,718	14,883	1,165	8.5%
Long-term obligations	7,879	10,711	5,831	5,458	13,710	16,169	2,459	17.9%
Total liabilities	20,251	23,752	7,177	7,300	27,428	31,052	3,624	13.2%
Net assets:								
Invested in capital assets, Net of related debt	23,539	22,688	63,134	64,491	86,673	87,179	506	0.6%
Restricted	5,578	4,503	3,226	3,315	8,804	7,818	(986)	(11.2)%
Unrestricted	2,004	7,825	6,693	6,071	8,697	13,896	5,199	59.8%
Total net assets	\$ 31,121	35,016	73,053	73,877	104,174	108,893	4,719	4.5%

**CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011**

Total net assets increased by \$4,719,402 during the current fiscal year. Governmental net assets increased by \$3,895,487 and business-type net assets increased by \$823,915.

Capital assets include infrastructure assets of the governmental activities and reflect the cost of the City's streets and roads, storm sewers and bridges. The largest portion of the City's net assets (80.1%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding.

The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the year-end net assets is restricted for specific purposes. The restrictions represent legal or contractual limitations on how the assets may be expended. These include development charges, bond and note proceeds, and other collections limited to the repayment of debt. Of the amounts shown as "Restricted net assets", \$3,314,773 has been restricted for future debt service payments and \$4,440,152 for future capital projects.

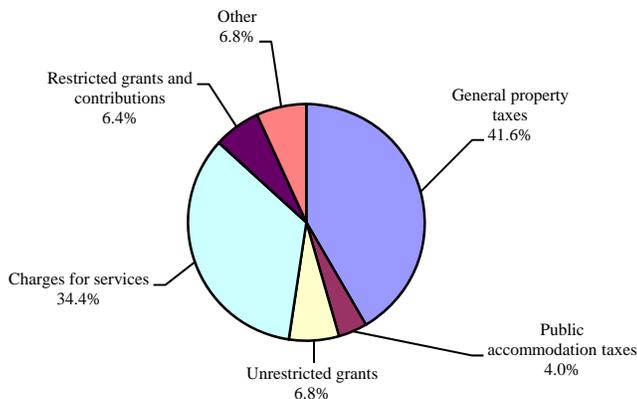
Statement of Activity

Governmental Activities

The City's net assets from governmental activities increased \$3,895,487 in 2011. The increase in net assets is primarily attributable to increases in program revenues, capital grants and contributions, and grants not restricted to specific programs totaling \$2,556,322. The City also realized \$512,118 from the sale of capital assets, including the former Meadowbrook fire station building and property, which was sold to the City of Waukesha in December 2011 for a net realizable gain of \$449,129 in excess of the remaining net book value.

As shown by the following graph, taxes (general property and public accommodation) totaling \$8,273,856 made up 45.6% of the total governmental revenues during the current fiscal year.

Revenues By Source - Governmental Activities



**CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011**

Program charges for services, which directly offset related program expenses, totaled \$6,744,229 and \$4,103,482 respectively, for the years ended December 31, 2011 and 2010 and included the following:

	<u>2011</u>	<u>2010</u>
Public safety and judicial	\$ 3,341,133	2,745,899
Health and sanitation	773,522	728,780
Public works	1,586,681	109,364
Culture and recreation	468,906	459,185
Miscellaneous	76,218	60,254

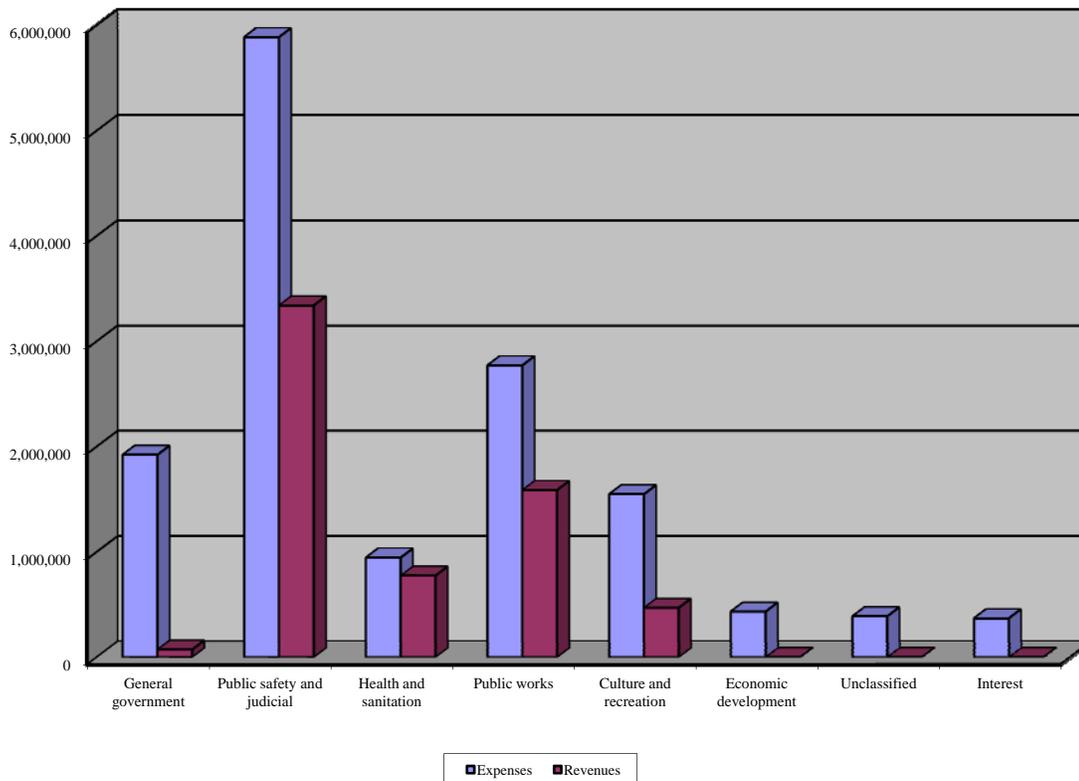
Public safety and judicial charges include fire and rescue services contracted by the Village of Pewaukee, court fines, and building related services and permits. The significant increase in revenues in 2011 was attributable primarily due to an increase in building permit fees, court fines and ambulance and fire contracts.

In 2010 the City established a storm water management utility. Initial fees charged to benefitting property owners financed 2011 projects resulting in the increase in public works revenues.

Restricted program grants and contributions include special assessments for road improvements charged to the benefitting property owners, developer financed roads subsequently contributed to the City, and aids received from the State of Wisconsin for fire insurance dues, law enforcement and water safety. The majority of unrestricted grants were shared revenues and highway and transportation aids received from the State of Wisconsin.

The following graph provides an illustration of the breakdown of the City's governmental activities, the related expenses, and the directly related revenues offsetting these expenses.

**Program Expenses and Revenues -
Governmental Activities**



**CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011**

For governmental activity expenses, 41.3% relate to public safety and judicial operations, which includes police protection, fire, paramedic and rescue protection, building inspection and municipal court operations. An additional 19.4% was spent for public works, i.e. maintenance of City streets, roads and storm water management. The City spent \$1,547,110, or 10.9%, towards its culture and recreation programs in 2011. 82% of health and sanitation program expenses were directly offset by related revenues. Depreciation of the City governmental activity fixed assets of \$1,849,364 was allocated to the various governmental activities during 2011 based upon actual usage of the various capital assets, compared to \$1,765,927 in 2010. 64% of the current year depreciation was related to the City's public works operations, the majority of which related to roads, bridges and storm sewer infrastructure.

Business-type Activities

Business-type activities for the City are comprised of its water and sewer utilities. The utilities increased the City of Pewaukee's net assets by \$823,915, as displayed in Exhibit B. This was primarily the result of grants and contributions of \$1,667,182 which offset the loss on the transfer of assets to Lake Pewaukee Sanitary District of \$748,798. The table below is a summary of the water and sewer utility operating income.

**Summary of water and sewer operations
(in thousands)**

		<u>Water</u>		<u>Sewer</u>		<u>Total</u>		<u>Total Change</u>	
		<u>Operations</u>	<u>Operations</u>	<u>Operations</u>	<u>Operations</u>	<u>Operations</u>	<u>Operations</u>	<u>Dollars</u>	<u>%</u>
		2010	2011	2010	2011	2010	2011	2010 - 2011	
Operations:									
Revenues	\$	1,830	1,846	2,794	2,835	4,624	4,681	57	1.2%
Expenses		1,693	1,713	2,690	2,608	4,383	4,321	(62)	(1.4)%
Operating income	\$	137	133	104	227	241	360	119	49.3%

The City received capital grants and contributions during 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Developer constructed assets, dedicated to City	\$ 141,730	6,425
Special assessments for Utility projects:		
Sewer	446,866	-
Water	155,848	-
Capacity assessments collected for system expansion	<u>922,738</u>	<u>540,800</u>
	<u>\$ 1,667,182</u>	<u>547,225</u>

In 2011, the City transferred ownership of infrastructure assets to the Lake Pewaukee Sanitary District. The transfer resulted in a \$748,798 loss which is reflected in these financial statements.

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

The following is a summary of the Statement of Activity for the current fiscal year.

Statement of Activities for the Years Ended December 31, 2010 and 2011
(in thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>		<u>Total Change</u>	
	2010	2011	2010	2011	2010	2011	Dollars	%
REVENUES								
Program revenues:								
Charges for services	\$ 4,103	6,242	4,624	4,681	8,727	10,923	2,196	25.2%
Operating grants and contributions	148	195	-	-	148	195	47	31.8%
Capital grants and contributions	665	971	547	1,667	1,212	2,638	1,426	117.7%
General revenues:								
General property taxes	7,551	7,557	-	-	7,551	7,557	6	0.1%
Public accommodation taxes	662	717	-	-	662	717	55	8.3%
Unrestricted grants	1,165	1,237	-	-	1,165	1,237	72	6.2%
Interest earnings	52	37	126	167	178	204	26	14.6%
Other	336	730	(7)	(742)	329	(12)	(341)	(103.6)%
Total revenues	14,682	17,686	5,290	5,773	19,972	23,459	3,487	17.5%
EXPENSES								
General government	1,963	1,921	-	-	1,963	1,921	(42)	(2.1)%
Public safety and judicial	5,701	5,888	-	-	5,701	5,888	187	3.3%
Health and sanitation	857	924	-	-	857	924	67	7.8%
Public works	2,467	2,771	-	-	2,467	2,771	304	12.3%
Culture and recreation	1,542	1,547	-	-	1,542	1,547	5	0.3%
Economic development	384	433	-	-	384	433	49	12.8%
Unclassified	86	409	-	-	86	409	323	375.6%
Interest and fiscal charges	299	370	-	-	299	370	71	23.7%
Water utility operations	-	-	1,753	1,753	1,753	1,753	-	0.0%
Sewer utility operations	-	-	2,837	2,724	2,837	2,724	(113)	(4.0)%
Total expenses	13,299	14,263	4,590	4,477	17,889	18,740	851	4.8%
Increase (decrease) in net assets before transfers	1,383	3,423	700	1,296	2,083	4,719	2,636	
Transfers	472	472	(472)	(472)	-	-	-	
Increase (decrease) in net assets	1,855	3,895	228	824	2,083	4,719	2,636	
Net assets – beginning of year	29,266	31,121	72,825	73,053	102,091	104,174	2,083	
Net assets – end of year	\$31,121	35,016	73,053	73,877	104,174	108,893	4,719	

Financial Analysis of the City's Funds

The City of Pewaukee uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved 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 the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,848,259. Approximately 25% of this total amount \$3,221,273 constitutes unassigned fund balance, which is available for spending at the government's discretion. The assigned fund balance is \$2,502,395 indicates that the City has set these balances aside for specific purposes; \$300,000 from the general fund for equipment and building repairs, \$374,875 for debt service repayments and \$1,827,520 for future capital projects.

**CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011**

The following funds have fund balances which have been assigned:

Road construction	\$ 1,200,000
Green space facilities	16,760
Sports complex construction	299,454
Capital equipment	311,306

Committed fund balances of \$2,377,358 represent amounts which can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances adopted prior to the end of the current fiscal year of the Common Council, the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Common Council removes the specified use by taking the same type of action imposing the commitment.

The following funds have fund balances which have been committed:

Storm water management	\$ 605,800
Road construction	1,645,608
Capital equipment	80,000
Expendable cemetery	45,950

The restricted fund balance of \$4,440,152 is constrained by creditors, contributors and laws or regulations of other governments; or imposed by law through constitutional provisions and enabling legislation. The following funds have fund balances which are restricted:

Road construction –	
Unexpended debt proceeds	\$ 3,015,637
Park dedication	154,790
Impact fees	799,515
Tourism and convention	470,210

The Common Council originally budgeted to use \$120,670 of its general fund surplus in 2011. Fund balance actually increased however, by \$304,331. General fund expenditures exceeded the originally approved 2011 budget by \$121,159; however they were more than offset by additional revenues and other financing sources that exceeded the originally approved 2011 budget by \$1,763,903. Intergovernmental, regulation and compliance fees and charges for services exceeded budget by \$123,030, \$476,139, and \$449,760, respectively. Other miscellaneous revenues exceeded budgets by \$619,686; primarily as a result of the sale of the former Meadowbrook fire station and property to the City of Waukesha.

The Common Council subsequently amended the budget and approved a transfer of \$1,200,000 from the general fund to the Road Construction fund for future road projects. This transfer was not included in the originally approved 2011 budget.

As a result of unanticipated special assessment collections the Debt Service fund balance increased by \$133,523. The debt service fund has a total fund balance of \$374,875; all of which is assigned for the payment of future debt service.

In September 2010, the Common Council established a Storm Water Management Utility special revenue fund. This fund is a self sustaining fund and is used for public improvements necessary to manage storm water runoff within the City. At December 31, 2011 this fund had a fund balance of \$650,800 which is presented as committed for storm water management expenditures.

**CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011**

The City borrowed \$3,565,000 to provide financing for the 2011 Road Construction fund projects. In addition \$1,241,007 was transferred to this fund, including the aforementioned \$1,200,000 from the General fund. 2011 construction project costs totaled only \$1,204,589 and as a result the Road Construction fund had an accumulated fund balance of \$5,861,245 at December 31, 2011.

Other governmental total fund balances increased by \$470,296. The individual fund increases (decreases) are as follows:

Special revenues funds:		
Park dedication	\$	60,006
Impact fee		105,043
Tourism and convention		69,406
Green space facilities		23
Public safety grants		(529)
Cemetery – expendable		(17,902)
Capital projects funds:		
Sports complex		419
Capital equipment		253,026
Permanent funds:		
Cemetery – nonexpendable		804

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2011 the City had invested \$102,182,263 in capital assets, net of accumulated depreciation. During 2011 the City's gross capital assets increased \$6,842,568, as \$4,020,900 of infrastructure was completed in 2011 in the form of roads, storm sewers, culverts and additions to the water and sewer utility's system.

Capital Assets at December 31, 2011 (in thousands)

	Governmental Activities	Business-type Activities	Total Government
Land	\$ 3,936	370	4,306
Buildings	11,425	7,813	19,238
Furniture and equipment	7,197	896	8,093
Infrastructure and improvements other than buildings	33,212	82,697	115,909
Construction in progress	-	1,673	1,673
Total capital assets	55,770	93,449	149,219
Less: Accumulated depreciation	22,663	24,374	47,037
Total net assets	\$ 33,107	69,075	102,182

**CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011**

The following table reconciles the change in capital assets. Additions include assets acquired or under construction at year-end.

**Change in Capital Assets
Net of Accumulated Depreciation
(in thousands)**

	Governmental Activities	Business-type Activities	Total Government
Beginning balance	\$ 31,525	68,545	100,070
Additions	3,563	3,279	6,842
Disposals, net	(132)	(749)	(881)
Depreciation	(1,849)	(2,000)	(3,849)
Ending balance	<u>\$ 33,107</u>	<u>69,075</u>	<u>102,182</u>

Depreciation for governmental assets for the current fiscal year was allocated and included in the direct expenses for the following activities:

General government	\$ 222,943
Public safety	341,125
Public works, including infrastructure	1,181,001
Culture and recreation	<u>104,295</u>
	<u>\$ 1,849,364</u>

Debt Outstanding

The City had \$16,720,887 in outstanding debt, net of unamortized debt issuance costs, at December 31, 2011, \$2,172,179 of which is due within one year.

**Outstanding Debt at Fiscal Year End
(in thousands)**

Governmental:	
General obligation notes	\$ 5,847
General obligation bonds	5,540
Compensated absences	155
Other postemployment benefits	485
Termination benefits	<u>47</u>
	<u>12,074</u>
Business-type:	
Sewerage system revenue bonds	2,759
General obligation bonds	1,065
General obligation notes	273
Intermunicipal loans	487
Other postemployment benefits	<u>63</u>
	<u>4,647</u>
	<u>\$ 16,721</u>

**CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011**

2011 debt repayments, including long-term employee benefits were:

Governmental activities	\$ 2,264,180
Proprietary activities	<u>1,137,491</u>
	<u>\$ 3,401,671</u>

In 2011 the City issued general obligation notes of \$5,210,000 to finance certain capital equipment purchases, road construction projects, and refinance the 2003 general obligation notes. In addition, the proprietary fund entered into an intermunicipal agreement with the City of Brookfield to finance improvements to the sewerage treatment plant. Total draws for these improvements allocated to the City in 2011 were \$29,126.

Other Economic Factors

The City of Pewaukee continues to enjoy a very good financial position as it relates to fiscal ability to provide needed and desired public services to City residents and taxpayers at a relatively low expenditure of tax dollars. The City's tax rate in 2011 continues to be one of the lowest of all 190 cities in the state. In 2011, Moody's Investors Service reviewed and assigned a rating of Aa1 to the City of Pewaukee.

Such a financial position is due, in large part, to three occurrences over the past 25 years; namely; (1) Significant growth of high value office and industrial development that requires limited public service expenditure and, (2) Significant growth of high value residential development and, (3) Relatively frugal expenditure of funds by the Common Councils and Town Boards during the same period.

During the budget process for 2011, the city scrutinized all revenues and expenditures and put forth a budget that was very conservative, which took into consideration the losses realized in 2009 and 2010 due to a downturn in the economy. The City of Pewaukee, however, has seen an increase in new construction and growth since late 2010. The City of Pewaukee has contracted for police services with the Waukesha County Sheriff's Department since January 1, 2010. The City of Pewaukee continues to consider all opportunities to realize service efficiencies by working with surrounding communities.

As of December 31, 2011, the City's general obligation debt burden is 10.13% of our \$130.5 million dollar capacity to borrow. In 2011, the City issued general obligation debt in the amount of \$5,210,000 which was utilized to improve streets in the community, purchase capital equipment for the storm water utility, and refinance prior debt. The Common Council has proposed to continue forward in the coming years with improvements to streets, land purchases for parks, a building for a new fire station on the eastside of the City, and various water and sewer projects.

In its transition from a primarily rural town in 1980 to a primarily urban city in 2011, the City of Pewaukee has reached a plateau in its physical infrastructure and employment structure. The necessity to house a larger full time staff, particularly in the fire/rescue department, and the demands of increased urban services such as a joint library and increased formal recreation opportunities to a population of urban immigrants, dictates that the City, during the next 20 years, will have to raise its expenditure level and, therefore perhaps, its tax rate.

Because the City (and former Town) anticipated these increased physical and fiscal needs, their impact on the future financial status of the City was planned for and, therefore, can and should be readily accommodated.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City Administrator at W240N3065 Pewaukee Road, Pewaukee, WI 53072.

CITY OF PEWAUKEE
STATEMENT OF NET ASSETS
December 31, 2011

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 17,704,530	2,160,965	19,865,495
Investments	-	513,747	513,747
Property taxes receivable	5,330,967	-	5,330,967
Other receivables (net)	1,295,843	1,248,554	2,544,397
Internal balances	684,757	(684,757)	-
Inventories and prepaid expenses	167,113	5,777	172,890
Restricted assets:			
Debt retirement assets:			
Cash and cash equivalents	-	3,314,773	3,314,773
Non-current assets:			
Fixed assets:			
Land and construction in progress	3,936,474	2,043,607	5,980,081
Capital assets, net of accumulated depreciation	29,170,669	67,031,513	96,202,182
Special assessments	431,797	5,542,974	5,974,771
Unamortized debt expenses	45,940	-	45,940
Total assets	\$ 58,768,090	81,177,153	139,945,243
Liabilities:			
Current liabilities:			
Accounts payable	\$ 1,315,004	1,031,877	2,346,881
Deferred revenue	10,363,461	-	10,363,461
Current portion of long-term obligations	1,362,242	809,937	2,172,179
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	10,711,176	3,837,532	14,548,708
Deferred assessments due developers	-	1,569,837	1,569,837
Construction contracts payable	-	50,740	50,740
Total liabilities	23,751,883	7,299,923	31,051,806
Net Assets:			
Invested in capital assets, net of related debt	22,687,888	64,491,023	87,178,911
Restricted	4,503,604	3,314,773	7,818,377
Unrestricted	7,824,715	6,071,434	13,896,149
Total net assets	35,016,207	73,877,230	108,893,437
Total liabilities and net assets	\$ 58,768,090	81,177,153	139,945,243

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2011

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities							
Direct expenses:							
General government	\$ 1,921,216	72,268	-	-	(1,848,948)	-	(1,848,948)
Public safety and judicial	5,888,239	3,341,133	132,284	-	(2,414,822)	-	(2,414,822)
Health and sanitation	945,234	773,522	62,810	-	(108,902)	-	(108,902)
Public works	2,771,037	1,586,681	-	971,232	(213,124)	-	(213,124)
Culture and recreation	1,547,110	468,906	-	-	(1,078,204)	-	(1,078,204)
Economic development	432,944	-	-	-	(432,944)	-	(432,944)
Unclassified	387,795	-	-	-	(387,795)	-	(387,795)
Indirect expenses:							
Interest and other related charges	369,847	-	-	-	(369,847)	-	(369,847)
Total governmental activities	<u>14,263,422</u>	<u>6,242,510</u>	<u>195,094</u>	<u>971,232</u>	<u>(6,854,586)</u>	<u>-</u>	<u>(6,854,586)</u>
Business-type activities:							
Water utility	1,753,438	1,845,961	-	602,967	-	695,490	695,490
Sewer utility	2,723,547	2,834,965	-	1,064,215	-	1,175,633	1,175,633
Total business-type activities	<u>4,476,985</u>	<u>4,680,926</u>	<u>-</u>	<u>1,667,182</u>	<u>-</u>	<u>1,871,123</u>	<u>1,871,123</u>
Total primary government	<u>\$ 18,740,407</u>	<u>10,923,436</u>	<u>195,094</u>	<u>2,638,414</u>	<u>(6,854,586)</u>	<u>1,871,123</u>	<u>(4,983,463)</u>
General revenues:							
Property taxes					7,557,115	-	7,557,115
Public accommodation taxes					716,741	-	716,741
Grants not restricted to specific programs					1,236,874	-	1,236,874
Cable television franchise fees					130,277	-	130,277
Interest and investment earnings					37,260	167,010	204,270
Miscellaneous					87,221	-	87,221
Gain on the disposal of fixed assets					512,118	7,047	519,165
Transfers					472,467	(472,467)	-
Special item:							
Loss on transfer of assets to Lake Pewaukee Sanitary District					-	(748,798)	(748,798)
Total general revenues, transfers and special item					<u>10,750,073</u>	<u>(1,047,208)</u>	<u>9,702,865</u>
Change in Net Assets					3,895,487	823,915	4,719,402
Net Assets - Beginning of Year					31,120,720	73,053,315	104,174,035
Net Assets - End of Year					<u>\$ 35,016,207</u>	<u>73,877,230</u>	<u>108,893,437</u>

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
BALANCE SHEET
Governmental Funds
December 31, 2011

	General Fund	Storm Water Management	Debt Service	Road Construction	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 6,273,818	1,824,730	1,029,523	5,981,085	2,595,374	17,704,530
Receivables:						
Current taxes	3,754,538	289,780	826,502	20,158	410,731	5,301,709
Delinquent personal property taxes	29,258	-	-	-	-	29,258
Accounts	253,681	-	-	-	23,884	277,565
Special assessments	-	-	431,797	-	-	431,797
Intergovernmental	367,602	-	-	-	-	367,602
Due from other funds	684,757	-	-	-	-	684,757
Inventory of supplies	139,082	-	-	-	-	139,082
Prepaid expenditures	28,031	-	-	-	-	28,031
Total assets	\$ 11,530,767	2,114,510	2,287,822	6,001,243	3,029,989	24,964,331
Liabilities and Fund Balance:						
Liabilities:						
Accounts payable	\$ 743,053	46,335	-	78,181	39,129	906,698
Construction contracts payable	98,849	8,753	-	26,962	-	134,564
Accrued payroll	70,262	-	-	-	-	70,262
Other accrued liabilities	105,049	-	-	-	-	105,049
Deferred revenue	6,748,652	1,453,622	1,912,947	34,855	749,423	10,899,499
Total liabilities	7,765,865	1,508,710	1,912,947	139,998	788,552	12,116,072
Fund Balance:						
Nonspendable	243,629	-	-	-	63,452	307,081
Restricted	-	-	-	3,015,637	1,424,515	4,440,152
Committed	-	605,800	-	1,645,608	125,950	2,377,358
Assigned	300,000	-	374,875	1,200,000	627,520	2,502,395
Unassigned	3,221,273	-	-	-	-	3,221,273
Total fund balance	3,764,902	605,800	374,875	5,861,245	2,241,437	12,848,259
Total liabilities and fund balance	\$ 11,530,767	2,114,510	2,287,822	6,001,243	3,029,989	24,964,331

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
Governmental Funds
December 31, 2011

Total fund balances - governmental funds	\$	12,848,259
Amounts reported for governmental activities in the Statement of Net assets are different because:		
Certain accounts receivable are not available soon enough after year-end to pay for the current year's expenditures, and therefore are not reported in the governmental funds		
		650,676
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Governmental capital assets	\$ 55,770,080	
Less: Accumulated depreciation	<u>(22,662,937)</u>	33,107,143
Other long-term assets are not available to pay for current year expenditures and therefore are deferred in the funds.		
		536,038
Post employment benefits are not due and payable in the current period and therefore are not reported in the governmental funds.		
		(686,677)
Costs associated with the issuance of long-term debt obligations are reported as expenditures in the governmental funds.		
		45,940
Interest and other payables used in the governmental activities are not payable from current resources and therefore are not reported in the governmental funds.		
		(98,431)
Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds.		
		<u>(11,386,741)</u>
Total net assets - governmental activities	\$	<u><u>35,016,207</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended December 31, 2011

	General	Storm Water Management	Debt Service	Road Construction	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 5,650,612	-	1,780,345	-	1,123,244	8,554,201
Intergovernmental	1,401,214	256,000	26,414	-	4,340	1,687,968
Regulation and compliance	1,520,249	-	-	-	-	1,520,249
Charges for services	2,919,010	1,437,297	-	-	208,868	4,565,175
Recreation	228,618	-	-	-	-	228,618
Interest	28,332	1,159	431	4,602	2,736	37,260
Miscellaneous	709,786	-	-	-	-	709,786
Total revenues	<u>12,457,821</u>	<u>1,694,456</u>	<u>1,807,190</u>	<u>4,602</u>	<u>1,339,188</u>	<u>17,303,257</u>
Expenditures:						
Current:						
General government	1,657,716	-	-	-	-	1,657,716
Public safety and judicial	5,742,472	-	-	-	-	5,742,472
Health and sanitation	924,478	-	-	-	20,756	945,234
Public works	1,206,375	1,495,503	-	-	-	2,701,878
Culture and recreation	1,472,343	-	-	-	-	1,472,343
Economic development	-	-	-	-	432,944	432,944
Unclassified	392,030	-	11,660	25,228	-	428,918
Capital outlay	-	-	-	1,179,361	373,741	1,553,102
Debt service:						
Principal	-	-	2,240,550	-	-	2,240,550
Interest	-	-	339,146	-	-	339,146
Total expenditures	<u>11,395,414</u>	<u>1,495,503</u>	<u>2,591,356</u>	<u>1,204,589</u>	<u>827,441</u>	<u>17,514,303</u>
Excess (deficiency) of revenues over expenditures	<u>1,062,407</u>	<u>198,953</u>	<u>(784,166)</u>	<u>(1,199,987)</u>	<u>511,747</u>	<u>(211,046)</u>
Other financing sources (uses):						
Transfers in	472,467	13,056	12,668	1,241,007	-	1,739,198
Transfers out	(1,212,612)	(12,668)	-	-	(41,451)	(1,266,731)
Face amount of long-term debt	-	480,000	892,095	3,565,000	-	4,937,095
Bond premium	-	6,958	12,926	51,678	-	71,562
Decrease in reserve for inventory	(17,931)	-	-	-	-	(17,931)
Total other financing sources (uses)	<u>(758,076)</u>	<u>487,346</u>	<u>917,689</u>	<u>4,857,685</u>	<u>(41,451)</u>	<u>5,463,193</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	304,331	686,299	133,523	3,657,698	470,296	5,252,147
Fund balance (deficit):						
January 1	<u>3,460,571</u>	<u>(80,499)</u>	<u>241,352</u>	<u>2,203,547</u>	<u>1,771,141</u>	<u>7,596,112</u>
December 31	<u>\$ 3,764,902</u>	<u>605,800</u>	<u>374,875</u>	<u>5,861,245</u>	<u>2,241,437</u>	<u>12,848,259</u>

The accompanying notes are an integral part of the financial statements

CITY OF PEWAUKEE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
Governmental Funds
Year Ended December 31, 2011

Net change in fund balances - total governmental funds	\$	5,252,147
Amounts reported for governmental activities in the Statement of Activities are different because:		
Revenues in the Statement of Activities include items which were earned in prior years, but do not provide financial resources of the current year.		(102,818)
Contributed capital assets are not included as revenues in the governmental funds. In the Statement of Activities, however, they are reported at their estimated fair value at the time of acquisition.		516,777
In governmental funds proceeds from the sale of assets are financial resources and are recognized as revenue. In the Statement of Activities, only the amount by which the sales proceeds exceed the remaining book value of the sold asset is recognized as revenue.		(101,658)
Long-term special assessment which are not available to pay for current year expenditures are deferred until collected in the governmental funds. In the Statement of Activities however, these are reported when earned.		70,884
Capital outlays are reported in governmental funds as expenditures. In the Statement of Activities, however, the cost of those assets is depreciated over their estimated useful lives. This is the amount by which capital purchases exceed depreciation expense.		1,167,488
Employee benefits not payable from current year resources are not reported as expenditures of the current year. In the Statement of Activities, however, these costs are current year expenses.		(126,018)
Note proceeds provide current financial resources to government funds but issuing debt increases long-term liabilities in the Statement of Net Assets.		(4,937,095)
Debt issuance costs are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is amortized over their estimated useful lives.		(54,069)
Interest on long-term debt is recognized as an expenditure in the funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues.		(30,701)
Repayment of long-term debt obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		<u>2,240,550</u>
Change in net assets of governmental activities	\$	<u>3,895,487</u>

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
BUDGETARY COMPARISON STATEMENT
General Fund and Storm Water Management Fund
Year Ended December 31, 2011

General Fund	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary fund balance, January 1	\$ 3,460,571	3,460,571	3,460,571	-
Resources (inflows):				
Taxes	5,589,241	5,589,241	5,650,612	61,371
Intergovernmental	1,278,184	1,278,184	1,401,214	123,030
Regulation and compliance	1,044,110	1,044,110	1,520,249	476,139
Charges for services	2,469,250	2,469,250	2,919,010	449,760
Recreation	209,500	209,500	228,618	19,118
Interest	36,000	36,000	28,332	(7,668)
Miscellaneous	90,100	615,412	709,786	94,374
Transfers in	450,000	450,000	472,467	22,467
Amounts available for appropriation	14,626,956	15,152,268	16,390,859	1,238,591
Charges to appropriations (outflows):				
General government	1,807,197	1,869,887	1,657,716	212,171
Public safety and judicial	5,686,200	5,767,626	5,742,472	25,154
Health and sanitation	892,216	924,904	924,478	426
Public works	1,203,208	1,286,961	1,206,375	80,586
Culture and recreation	1,558,159	1,558,159	1,472,343	85,816
Unclassified	127,275	392,030	392,030	-
Transfers out	12,800	1,212,800	1,212,612	188
Non-departmental:				
Decrease in reserve for inventory	-	-	17,931	(17,931)
Total charges to appropriations	11,287,055	13,012,367	12,625,957	386,410
Fund balance, December 31	\$ 3,339,901	2,139,901	3,764,902	1,625,001
Special Revenue Fund - Storm Water Management				
Budgetary fund balance (deficit), January 1	\$ (80,499)	(80,499)	(80,499)	-
Resources (inflows):				
Intergovernmental	256,000	256,000	256,000	-
Charges for services	1,462,440	1,462,440	1,437,297	(25,143)
Interest	-	-	1,159	1,159
Proceeds of long-term debt	480,000	480,000	480,000	-
Bond premium	-	-	6,958	6,958
Transfers in	-	-	13,056	13,056
Amounts available for appropriation	2,117,941	2,117,941	2,113,971	(3,970)
Charges to appropriations (outflows):				
Storm water management	2,498,250	2,498,250	1,495,503	1,002,747
Transfer out	9,000	9,000	12,668	(3,668)
Total charges to appropriations	2,507,250	2,507,250	1,508,171	999,079
Fund balance, December 31	\$ (389,309)	(389,309)	605,800	995,109

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
STATEMENT OF NET ASSETS
Proprietary Funds
December 31, 2011

Assets:	
Current assets:	
Cash and cash equivalents	\$ 2,160,965
Investments	513,747
Other receivables	1,248,554
Inventory of supplies	5,777
Restricted assets:	
Debt retirement assets:	
Cash and cash equivalents	3,314,773
Non-current assets:	
Fixed assets:	
Non-depreciable:	
Land	370,387
Construction in progress	1,673,220
Depreciable:	
Buildings	7,812,727
Improvements other than buildings	82,696,853
Furniture and equipment	896,398
Less: Accumulated depreciation	(24,374,465)
Special assessments	<u>5,542,974</u>
Total assets	<u>\$ 81,861,910</u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 390,740
Due to general fund	684,757
Construction contracts payable	561,930
Customer advances on construction	58,552
Accrued interest on long-term debt	20,655
Current portion of long-term obligations	809,937
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	3,837,532
Deferred assessments due developers	1,569,837
Long-term contracts payable	50,740
Total liabilities	<u>7,984,680</u>
Net Assets:	
Invested in capital assets, net of related debt	64,491,023
Restricted for:	
Expendable:	
Debt service	3,314,773
Unrestricted	6,071,434
Total net assets	<u>73,877,230</u>
Total liabilities and net assets	<u>\$ 81,861,910</u>

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
Proprietary Funds
Year Ended December 31, 2011

Operating revenues	\$ <u>4,680,926</u>
Operating expenses:	
Operation and maintenance	2,318,533
Depreciation	2,000,398
Taxes	<u>2,110</u>
Total operating expenses	<u>4,321,041</u>
Operating income	<u>359,885</u>
Non-operating revenues (expenses):	
Interest income	167,010
Interest expense and fiscal fees	(160,302)
Gain on the disposal of fixed assets	7,047
Amortization of deferred refunding costs	<u>4,358</u>
Total non-operating revenues (expenses)	<u>18,113</u>
Income before contributions and transfers	377,998
Grants and contributions	1,667,182
Loss on transfer of assets to Lake Pewaukee Sanitary District	(748,798)
Transfers out	<u>(472,467)</u>
Change in net assets	823,915
Total net assets:	
January 1	<u>73,053,315</u>
December 31	\$ <u><u>73,877,230</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF PEWAUKEE
STATEMENT OF CASH FLOWS
Proprietary Funds
Year Ended December 31, 2011

Cash flows from operating activities:	
Receipts from customers	\$ 4,730,748
Payments for interfund services - net	(696,236)
Payments to suppliers	(1,742,955)
Payments to employees	(553,444)
Net cash provided by operating activities	<u>1,738,113</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(2,230,926)
Proceeds from disposals of fixed assets	7,047
Reserve capacity assessments received	811,531
Proceeds of long-term debt	296,636
Long-term debt retirements	(1,127,922)
Collection of special assessments, net	542,394
Interest and fiscal charges paid on bonds and notes payable	<u>(168,569)</u>
Net cash used by capital and related financing activities	<u>(1,869,809)</u>
Cash flows from investing activities:	
Interest received on cash and investments	79,696
Maturities of securities	508,075
Purchases of securities	(513,747)
Net cash provided by investing activities	<u>74,024</u>
Net increase in cash and cash equivalents	(57,672)
Cash and cash equivalents, January 1	<u>5,533,410</u>
Cash and cash equivalents, December 31	\$ <u><u>5,475,738</u></u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets:	
Unrestricted	\$ 2,160,965
Restricted - Debt retirement	3,314,773
	\$ <u><u>5,475,738</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 359,885
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,000,398
Changes in assets and liabilities:	
Accounts receivable, net	49,822
Inventories	(67)
Accounts payable and accrued expenses	(671,925)
Net cash provided by operating activities	\$ <u><u>1,738,113</u></u>
Schedule of non-cash activities:	
Plant assets contributed by developers	\$ <u><u>141,731</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF PEWAUKEE
STATEMENT OF FIDUCIARY NET ASSETS
Agency Fund
December 31, 2011

Assets:	
Cash and cash equivalents	\$ 16,189,617
Taxes receivable	<u>19,896,529</u>
 Total assets	 \$ <u><u>36,086,146</u></u>
 Liabilities:	
Due to other taxing units:	
School districts	\$ 30,020,988
Waukesha County	5,246,697
State of Wisconsin	442,876
 Deposits:	
Ditch and erosion	243,780
Holding tank	75,100
Occupancy	38,500
Street opening	2,000
Developer	15,000
Park reservation	<u>1,205</u>
 Total liabilities	 \$ <u><u>36,086,146</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

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CITY OF PEWAUKEE NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The accounting and reporting policies of the City of Pewaukee included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Reporting Entity

This report includes all of the funds of the City of Pewaukee. The reporting entity for the City consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

Based upon the application of these criteria, operations of the joint park and recreation department, described in Note 5 (D), have been blended with the City and are included in these financial statements as component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

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

**CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS**

(1) Summary Significant Accounting Policies - Continued

B. Government-Wide and Fund Financial Statements - continued

Fund Financial Statements - continued

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

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

The City reports the following major governmental funds:

General Fund – accounts for the City’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Storm Water Management Fund – a special revenue fund which accounts for resources accumulated and payments made for storm water management projects.

Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than enterprise fund debt.

Road Construction Fund – a capital projects fund which accounts for resources accumulated and payments made for road construction projects.

The City reports the following major enterprise funds:

Water and Sewer Utility – accounts for the operations of the water and sewer system.

The City reports the following non-major governmental funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes and includes:

Park Dedication Fund
Impact Fee Fund
Tourism and Convention Fund
Green Space Facilities Fund
Public Safety Grants Fund
Expendable Cemetery Fund

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities and includes:

Sports Complex Fund
Capital Equipment Fund

**CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS**

(1) Summary of Significant Accounting Policies - Continued

B. Government-Wide and Fund Financial Statements - continued

Fund Financial Statements - continued

Permanent Fund - used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry and includes:

Non-Expendable Cemetery Fund

In addition, the City reports the following fund type:

Agency Fund - used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, termination benefits, and compensated absences, which are recorded as a fund liability when expected to be paid with expendable available financial resources. Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City but not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

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

**CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS**

(1) Summary of Significant Accounting Policies - Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - continued

Fund Financial Statements - continued

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

The City reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year but are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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

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

The preparation of financial statements in conformity with generally accepted accounting principles require 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/expenses during the reporting period. Actual results could differ from those estimates.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

Wisconsin municipalities are authorized by statute to invest idle funds in the following institutions and investments:

- (a) Time deposits in any credit union, bank, savings bank, trust company or savings and loan association, which is authorized to transact business in the state if the time deposits mature in not more than 3 years.
- (b) Bonds or securities issued or guaranteed as to principal and interest by the federal government or by a commission, board or other instrumentality of the federal government.
- (c) Bonds or securities of any county, city, drainage district, technical college district, village, City or school district of this state.
- (d) Bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district or local cultural arts district.

**CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS**

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Assets or Equity - continued

1. Deposits and Investments - continued

- (e) Bonds issued by the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- (f) Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired, if that security has a rating which is the highest or 2nd highest rating category assigned by Standard & Poor's corporation, Moody's investors service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- (g) Securities of an open-end management investment company or investment trust (mutual fund), if the portfolio is limited to the following:
 - 1. Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government.
 - 2. Bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government.
 - 3. Repurchase agreements that are fully collateralized by bonds or securities under (g) 1 or 2.
- (h) Bonds or securities issued under the authority of the municipality, whether the bonds or securities create a general municipality liability or a liability of the property owners of the municipality for special improvements, and may sell or hypothecate the bonds or securities.
- (i) The Local Government Pooled Investment Fund.
- (j) Repurchase agreements with public depositories, if federal bonds or securities secure the agreement.

Investments made during 2011 were held in the City's name and were in accordance with those allowable by state statutes.

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 unrated and 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, 2011, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as 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 receivables and due to other taxing units on the accompanying agency fund balance sheet.

**CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS**

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Assets or Equity - continued

2. Receivables - continued

Property tax calendar – 2011 tax roll:

Levy:

Tax lien and levy date	December 2011
Tax bills mailed	December 2011

Due dates:

Real property taxes:

Payment in full or first installment	January 31, 2012
Second installment payable to County	July 31, 2012
Personal property taxes, special assessments and special charges, in full	January 31, 2012

Tax settlements with taxing jurisdictions:

First settlement	January 15, 2012
Second settlement	February 20, 2012
Final settlement	August 20, 2012

Uncollectible personal property tax
charge backs to taxing jurisdictions

April 1, 2013

Tax sale - 2011 delinquent real estate taxes

October 2014

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place delinquent bills on the tax roll.

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

3. Inventories and Prepaid Items

Governmental fund inventories are valued at the lower of cost (first in, first out) or market. Inventory in the general fund consists of expendable supplies held for consumption. Costs are recorded as expenditures at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net assets.

Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, operation and maintenance expense when used.

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

**CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS**

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Assets or Equity - continued

4. Restricted Assets

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

5. Capital Assets

Government – Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of 4 years. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation of GASB 34. Retroactive reporting of all major general infrastructure assets, although encouraged, was not required until January 1, 2007, when GASB 34 required the City to retroactively report all major general infrastructure assets acquired since January 1, 1980.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. Interest costs on restricted tax-exempt borrowings, less any interest earned on temporary investment of the proceeds of those borrowings during the construction period, have been capitalized as part of the cost of the related assets. No interest was capitalized during the current year. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

Buildings and improvements	20-40 Years
Land improvements	10-40 Years
Machinery and equipment	3-20 Years
Water and sewer plant	4-100 Years
Infrastructure	20-60 Years

Fund Financial Statements

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

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Assets or Equity - continued

7. Compensated Absences

Compensated absences represent liabilities arising from the City's sick leave and vacation leave policies. The sick leave policy allows employees to accrue sick leave at a rate of one day per month to a maximum of 130 days. If such days are not taken as paid time off during the course of employment, payment may be received upon retirement at a rate of 50% of total accrued benefits. A liability is recorded only to the extent that it is estimated to result in termination payments. At December 31, 2011 the total liability for retirement payments related to accrued sick time was \$154,575.

The City's vacation leave policy allows employees to accrue vacation benefits beginning in the year of hire. Vacation leave accrues to a maximum of five weeks based upon each employee's length of service. Vacation leave can only be accrued to a maximum of 150% of the earned benefit based upon the employee's seniority at any point during the year. The liability for earned vacation benefits at December 31, 2011 was \$91,721.

All vested vacation and sick leave pay is accrued when earned in the full-accrual government-wide and proprietary fund financial statements. The vacation pay liability is reported in governmental fund financial statements however, vested sick pay is accrued only to the extent that it is expected to utilize current financial resources.

8. Termination Benefits

Termination benefits represent a liability arising from the City's retirement agreement with the former police chief. These benefits are accrued when earned in the full-accrual government-wide financial statements. Liabilities are recorded based upon the discounted value of expected future benefit payments.

In the governmental fund financial statements these benefits are accrued when they become payable. Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements.

9. Long-Term Obligations

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

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the balance sheet.

**CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS**

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Assets or Equity - continued

10. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

11. Equity Classifications

Government–Wide Statements

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

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

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

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Standards Board Statement No. 54 fund balance is further categorized into five classifications based on the constraints imposed on the use of these resources. These five classifications are nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form – prepaids or inventories; or are legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- a. Restricted - This classification reflects the constraints imposed on resources externally by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- b. Committed - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Common Council, the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Common Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS**

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Assets or Equity - continued

11. Equity Classifications - continued

Fund Statements - continued

- c. Assigned - This classification reflects the amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. The Common Council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- d. Unassigned - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, the unrestricted resources – committed, assigned, and unassigned – in order as needed.

(2) Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets.

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Capital assets, net of accumulated depreciation \$33,107,143.

Long-term liabilities applicable to the City'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 current and long-term liabilities are reported in the statement of net assets.

Bonds and notes payable	\$ 11,386,741
Accrued employee benefits	686,677
Accrued interest payable	98,431
Unamortized debt discount and issue costs	<u>(45,940)</u>
	<u>\$ 12,125,909</u>

The long-term portion of special assessment receivable that is not available to pay for current year expenditures of \$536,038 is deferred in the governmental fund financial statements.

Certain accounts receivable that were not available soon enough after year-end to pay for the current year's expenditures, and therefore are not reported in the governmental funds total \$650,676.

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

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 assets of governmental activities as reported in the government-wide statement of activities.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(2) Reconciliation of Government-Wide and Fund Financial Statements - Continued

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities - continued

A significant element of the reconciliation is the purchase of long-term capital assets and the repayment and of the principal of long-term debt. Both consume current financial resources of governmental funds; however neither is considered current year expenditures and is not therefore reported in the Statement of Activities.

Capital asset additions	\$ 3,016,852
Principal repayment	2,240,550
Net decrease in debt issuance costs	<u>(54,069)</u>
	<u>\$ 5,203,333</u>

Another element of the reconciliation is 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:

Depreciation expense	\$ 1,849,364
Net book value of assets disposed of, less trade-in allowances	101,658
Increase in accrued interest payable	30,701
Increase in accrued long-term employee benefits	<u>126,018</u>
	<u>\$ 2,107,741</u>

Long-term special assessment receivables which are not available to pay for current year expenditures are deferred until collected in the governmental funds. In the Statement of Activities however, these are reported when they are earned. Total collections in 2011 were \$70,884.

Another element of the reconciliation relates to note proceeds of \$4,937,095 which provide financial resources in the governmental funds but increase long-term liabilities in the statement of net assets.

The final element of the reconciliation relates a reduction of revenues that are reported in statement of activities, including capital assets contributed by developers, but do not provide financial resources in the current year for the governmental funds, totaling \$413,959.

(3) Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1 (C). The City prepares an annual budget on a basis consistent with generally accepted accounting principles.

The general fund budget is adopted at the departmental level of expenditure. All other governmental funds of the City are adopted at the functional level of expenditure. Transfers between departments and changes to the overall budget must be approved by a two-thirds majority of the Common Council.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(3) Stewardship, Compliance, and Accountability - Continued

A. Budgetary Information - continued

Amendments made to the original approved budget were in accordance with these requirements and included the following:

	<u>Original</u>	<u>Amended</u>
General Fund		
Revenues:		
Miscellaneous	\$ 90,100	615,412
Expenditures:		
Unclassified	127,275	392,030
Other Financing Sources:		
Transfers out	12,800	1,212,800
Debt Service Fund:		
Expenditures:		
Principal	1,348,455	2,240,550
Other financing sources:		
Face amount of long-term debt	-	892,095
Road Construction Fund:		
Expenditures:		
Road Construction	3,432,000	3,933,100
Other Financing Sources:		
Transfers in	-	1,241,007

The budgetary comparison statement for the general fund is shown as part of the basic financial statements. Budgetary comparisons for all other governmental funds are included in the supporting schedules.

(4) Detailed Notes on All Funds

A. Deposits and Investments

The City's deposits and investments at December 31, 2011 were comprised of the following:

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risks</u>
Demand deposits	\$ 34,317,465	30,480,648	Custodial credit risk
LGIP	5,564,890	5,564,890	Credit risk, interest rate risk
Petty cash	1,277	1,277	
	<u>\$ 39,883,632</u>	<u>36,046,815</u>	

The difference between the carrying value and bank balance is due to deposits in transit and outstanding checks. Reconciliation of carrying value of deposits and investments to statement of net assets and statement of fiduciary assets:

Per Statement of Net Assets:	
Unrestricted	\$ 19,865,495
Restricted	3,314,773
Investments	513,747
Per Statement of Fiduciary Net Assets	<u>16,189,617</u>
	<u>\$ 39,883,632</u>

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Detailed Notes on All Funds - Continued

A. Deposits and Investments - continued

At December 31, 2011, idle funds were invested in time and demand deposits of authorized depositories. Such deposits and investments are insured in any one depository institution through federal depository insurance funds. Insurance coverage for governmental depositors depends upon the type of deposit and the location of the insured depository institution. Insured amounts are limited to \$250,000 per insured depository institution for interest bearing savings accounts.

The Dodd-Frank Wall Street Reform and Consumer Protection Act signed into law on July 21, 2010 provide unlimited insurance coverage of non-interest bearing transaction accounts. Beginning July 21, 2011 the Act provides an additional \$250,000 of coverage for interest bearing demand deposit accounts at depository institutions located within the same state as the government. The provisions of this Act expire December 31, 2012.

In addition to FDIC insurance, there is insurance currently available through the State of Wisconsin depository insurance program, which would provide a maximum of \$400,000 of insurance on deposits in any one institution. The amount available to fund the entire Wisconsin program is limited and, therefore, the actual benefits available at a time of claim would depend upon the remaining balance in the state fund. This coverage has not been considered in computing the custodial credit risk.

The State Investment Fund, which the LGIP is a part of, had 84.3% of its investments in U.S. government securities at December 31, 2011.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it. Of the City's total bank balance, \$25,924,684 was collateralized by securities held by the pledging financial institution in excess of federal depository insurance limits. The remaining balance of \$2,992,335 was exposed to custodial credit risk as uninsured and uncollateralized.

Fluctuating cash flows during January and December, due to tax collections, result in temporary cash and investment balances, which significantly exceed insured amounts, until settlement with the respective taxing jurisdictions during the following month. The City's deposit and investment policy requires that any deposits in excess of \$500,000 in any single public depository be properly collateralized or specifically approved by the City Council. This policy does not include funds established for tax collections or other accounts requiring segregation as specified by approved agreements.

Credit and Interest Rate Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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 has to changes in market interest rates.

At December 31, 2011 the City held investments with a fair value of \$5,564,890 in the LGIP. The average maturity date for investments held by the LGIP is 97 days, but funds are due to the City on demand.

B. Receivables

Governmental fund financial statements report deferred revenues in connection with receivables not considered available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Detailed Notes on All Funds – Continued

B. Receivables - continued

At the end of the current fiscal year, the various components of the City's receivables included deferred and/or unearned revenue reported in the governmental fund financial statements as follows:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
Current year property taxes receivable:			
General fund	\$ 3,754,538	-	3,754,538
Storm water management fund	289,780	-	289,780
Debt service fund	826,502	-	826,502
Road construction fund	20,158	-	20,158
Capital equipment fund	410,731	-	410,731
Special assessments not yet due	-	<u>431,797</u>	<u>431,797</u>
	<u>\$ 5,301,709</u>	<u>431,797</u>	<u>5,733,506</u>

In addition, other receivables are reported in the government-wide financial statements net of amounts estimated to be uncollectible of \$72,527.

C. Capital Assets

Capital asset activity in the governmental activities for the year ended December 31, 2011 was as follows:

	<u>Balance</u> <u>12/01/10</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/11</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 3,957,674	-	21,200	3,936,474
Construction in progress	<u>14,178</u>	-	<u>14,178</u>	-
	<u>3,971,852</u>	-	<u>35,378</u>	<u>3,936,474</u>
Capital Assets Being Depreciated:				
Buildings and improvements	11,240,948	311,790	127,953	11,424,785
Land improvements	1,400,714	22,465	-	1,423,179
Equipment	6,876,604	883,832	563,311	7,197,125
Infrastructure	<u>29,637,856</u>	<u>2,345,375</u>	<u>194,714</u>	<u>31,788,517</u>
	<u>49,156,122</u>	<u>3,563,462</u>	<u>885,978</u>	<u>51,833,606</u>
Total capital assets	<u>53,127,974</u>	<u>3,563,462</u>	<u>921,356</u>	<u>55,770,080</u>
Less Accumulated Depreciation:				
Buildings and improvements	(2,923,272)	(286,798)	(125,358)	(3,084,712)
Land improvements	(579,505)	(61,544)	-	(641,049)
Equipment	(3,187,129)	(508,345)	(509,316)	(3,186,158)
Infrastructure	<u>(14,913,532)</u>	<u>(992,677)</u>	<u>(155,191)</u>	<u>(15,751,018)</u>
	<u>(21,603,438)</u>	<u>(1,849,364)</u>	<u>(789,865)</u>	<u>(22,662,937)</u>
Capital assets, net of depreciation	<u>\$ 31,524,536</u>	<u>1,714,098</u>	<u>131,491</u>	<u>33,107,143</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 222,943
Public safety	341,125
Public works, including infrastructure	1,181,001
Culture and recreation	<u>104,295</u>
	<u>\$ 1,849,364</u>

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Detailed Notes on All Funds - Continued

C. Capital Assets – continued

Capital asset activity in the business type activities for the year ended December 31, 2011 was as follows:

	Balance <u>12/31/10</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/11</u>
BUSINESS TYPE ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 370,387	-	-	370,387
Construction in process	<u>1,133,543</u>	<u>539,677</u>	-	<u>1,673,220</u>
	<u>1,503,930</u>	<u>539,677</u>	-	<u>2,043,607</u>
Capital Assets Being Depreciated:				
Buildings	7,812,727	-	-	7,812,727
Improvements other than buildings	80,826,614	2,674,271	804,032	82,696,853
Furniture and equipment	<u>857,903</u>	<u>65,158</u>	<u>26,663</u>	<u>896,398</u>
	<u>89,497,244</u>	<u>2,739,429</u>	<u>830,695</u>	<u>91,405,978</u>
Total capital assets	<u>91,001,174</u>	<u>3,279,106</u>	<u>830,695</u>	<u>93,449,585</u>
Less Accumulated Depreciation:				
Buildings	(1,935,005)	(208,374)	-	(2,143,379)
Improvements other than buildings	(19,908,136)	(1,737,632)	(55,234)	(21,590,534)
Furniture and equipment	<u>(612,823)</u>	<u>(54,392)</u>	<u>(26,663)</u>	<u>(640,552)</u>
	<u>(22,455,964)</u>	<u>(2,000,398)</u>	<u>(81,897)</u>	<u>(24,374,465)</u>
Capital assets, net of depreciation	\$ <u>68,545,210</u>	<u>1,278,708</u>	<u>748,798</u>	<u>69,075,120</u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Water utility	\$ 776,677
Sewer utility	<u>1,223,721</u>
	\$ <u>2,000,398</u>

In 2011, the City of Pewaukee entered into an agreement with the Lake Pewaukee Sanitary District to transfer sanitary sewer improvements constructed in prior years within the boundaries of the Sanitary District to the District. This transfer of assets took place on December 31, 2011. The loss of \$748,798 is the result of transferring assets with an original cost of \$792,532 and accumulated depreciation through December 31, 2011 of \$43,734. This loss is reported as a special item in the financial statements.

D. Payables

Payables as of December 31, 2011 for the City's individual major and non-major governmental funds in the aggregate, are as follows:

	<u>General</u>	<u>Storm Water Management</u>	<u>Road Construction</u>	<u>Other Funds</u>	<u>Total</u>
Accounts payable	\$ 743,053	46,335	78,181	39,129	906,698
Construction contracts payable	98,849	8,753	26,962	-	134,564
Accrued payroll	70,262	-	-	-	70,262
Accrued compensated absences	91,721	-	-	-	91,721
Other accrued liabilities	<u>13,328</u>	-	-	-	<u>13,328</u>
Total per fund balance sheet	\$ <u>1,017,213</u>	<u>55,088</u>	<u>105,143</u>	<u>39,129</u>	1,216,573
Accrued interest					<u>98,431</u>
Total per government-wide statement of net assets					\$ <u>1,315,004</u>

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Detailed Notes on All Funds - Continued

E. Interfund Receivables/Payables and Transfers

The balance of interfund receivables/payables resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Transfers between funds include payments from the General fund to the City's Road Construction fund to finance future road construction costs and to the Storm Water Management fund to cover current year's operating costs. Another transfer was made to the Road Construction fund from the Impact Fee fund to cover the cost of pre-emptive signals installed in 2011. A transfer was also made to the Debt Service fund from the Storm Water Management fund to reimburse the fund for principal and interest payments made on long term debt used to purchase equipment used by the Storm Water Management fund. Transfers between business type and governmental funds include property tax equivalent payments.

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General fund	Business-type activities Water utility	\$ 472,467
Storm Water Management fund	General fund	12,612
Storm Water Management fund	Non-major governmental fund – Cemetery fund	444
Debt Service fund	Storm Water Management fund	12,668
Road Construction fund	General fund	1,200,000
Road Construction fund	Non-major governmental fund - Impact Fee fund	<u>41,007</u>
Total per fund statements		1,739,198
Interfund eliminations		<u>(1,266,731)</u>
Total per statement of activities		\$ <u>472,467</u>

F. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2011 was as follows:

	<u>Balance</u> <u>12/31/10</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/11</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds and notes payable:					
General obligation debt	\$ 8,690,196	4,937,095	2,240,550	11,386,741	1,338,613
Other liabilities:					
Vested compensated absences	140,172	14,403	-	154,575	-
Termination benefits payable	70,888	-	23,630	47,258	23,629
Post retirement benefits	<u>349,599</u>	<u>135,245</u>	<u>-</u>	<u>484,844</u>	<u>-</u>
Total governmental long-term liabilities	\$ <u>9,250,855</u>	<u>5,086,743</u>	<u>2,264,180</u>	<u>12,073,418</u>	<u>1,362,242</u>

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Detailed Notes on All Funds - Continued

F. Long-Term Obligations - continued

	<u>Balance</u> <u>12/31/10</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/11</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Business-type Activities:					
Bonds and notes payable:					
General obligation debt	\$ 2,155,628	302,031	631,967	1,825,692	292,514
Revenue bonds	3,259,755	-	501,350	2,758,405	517,423
Debt discount expenses	(4,433)	-	(4,433)	-	-
Other liabilities:					
Post retirement benefits	<u>71,979</u>	<u>-</u>	<u>8,607</u>	<u>63,372</u>	<u>-</u>
Total business-type long-term liabilities	<u>\$ 5,482,929</u>	<u>302,031</u>	<u>1,137,491</u>	<u>4,647,469</u>	<u>809,937</u>

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies and special assessment collections. Business-type activities debt is payable by revenues from user fees of those funds.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction of \$2,609,197,201. The debt limit as of December 31, 2011, was \$130,459,860. Total general obligation debt outstanding at year-end was \$13,212,433. The business-type activity sewer system revenue bonds are not general obligation debt and therefore, have been excluded from debt capacity computation. The following is a list of long-term obligations at December 31, 2011:

Governmental Activities

	<u>Date of</u> <u>Issue</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rates</u>	<u>Original</u> <u>Indebtedness</u>	<u>Balance</u> <u>12/31/11</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
General obligation debt:						
2004 G.O. bonds	12/01/04	12/01/24	3.6 – 4.3%	\$ 4,851,541	3,144,646	295,065
2006 G.O. note	3/01/06	3/01/16	3.6 – 3.75%	1,660,000	910,000	170,000
2010 G.O. bonds	4/01/10	9/01/19	1.0 – 4.2%	2,910,000	2,395,000	245,000
2011 G.O. note	2/24/11	3/01/20	2.5% - 2.75%	4,937,095	<u>4,937,095</u>	<u>628,548</u>
Total Governmental Activities Debt					<u>\$ 11,386,741</u>	<u>1,338,613</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,338,613	344,192	1,682,805
2013	1,344,817	308,576	1,653,393
2014	1,296,210	271,871	1,568,081
2015	1,183,015	233,762	1,416,777
2016	1,215,485	198,561	1,414,046
2017-2021	4,243,150	496,592	4,739,742
2022-2024	<u>765,451</u>	<u>66,150</u>	<u>831,601</u>
	<u>\$ 11,386,741</u>	<u>1,919,704</u>	<u>13,306,445</u>

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Detailed Notes on All Funds - Continued

F. Long-Term Obligations - continued

Business-type Activities

	Date of <u>Issue</u>	Final <u>Maturity</u>	Interest <u>Rates</u>	Original <u>Indebtedness</u>	Balance <u>12/31/11</u>	Amounts Due Within <u>One Year</u>
1996 DNR loan	10/09/96	5/01/16	3.21%	\$ 8,049,176	2,758,405	517,423
1998 Installment loan	3/17/98	5/01/16	3.15%	816,870	243,485	45,725
2004 G.O. bonds	12/01/04	12/01/24	3.6 – 4.3%	1,643,459	1,065,354	99,935
2010 G.O. note	8/02/10	5/01/29	2.91%	228,013	214,822	9,249
2011 G.O. note	2/24/11	3/1/13	2.50%	272,905	272,905	136,453
2011 G.O. note	7/13/11	5/1/31	2.40%	174,403	29,126	1,152
Total Business-type Activities Debt					\$ <u>4,584,097</u>	<u>809,937</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 809,937	140,818	950,755
2013	832,059	115,107	947,166
2014	719,582	90,419	810,001
2015	692,295	66,670	758,965
2016	714,937	43,974	758,911
2017-2021	430,231	123,787	554,018
2022-2026	332,512	35,156	367,668
2027-2031	<u>52,544</u>	<u>2,469</u>	<u>55,013</u>
	\$ <u>4,584,097</u>	<u>618,400</u>	<u>5,202,497</u>

G. Governmental Activities Net Assets/Fund Balances

Governmental activities net assets reported on the government-wide statement of net assets at December 31, 2011 includes the following:

Governmental Activities

Invested in capital assets, net of related debt:

Capital assets, net of accumulated depreciation	\$ 33,107,143
Less: related long-term debt outstanding, excluding unspent capital related debt proceeds and non-capital borrowings	<u>(10,419,255)</u>
	22,687,888

Restricted

Non-Expendable

Cemetery perpetual care 63,452

Expendable

Road construction 3,015,637

Park dedication 154,790

Impact fee 799,515

Tourism and convention 470,210

Unrestricted

Total Governmental Activities Net Assets \$ 35,016,207

**CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS**

(4) Detailed Notes on All Funds - Continued

G. Governmental Activities Net Assets/Fund Balances - continued

Governmental fund balances reported on the fund financial statements at December 31, 2011 include the following:

Nonspendable –		
Major Funds		
General fund		
Delinquent personal property taxes	\$	29,258
Inventory of supplies		139,082
Prepaid expenditures		28,031
Termination benefits		47,258
Non-major Funds		
Permanent Fund – Cemetery Perpetual Care		63,452
Restricted –		
Major Funds		
Road construction – unspent borrowings		3,015,637
Non-Major Funds		
Park dedication		154,790
Impact fee		799,515
Tourism and convention		470,210
Committed –		
Major Funds		
Storm water management		605,800
Road construction		1,645,608
Non-Major Funds		
Cemetery - Expendable		45,950
Capital equipment		80,000
Assigned –		
Major Funds		
General fund		
Communication system		100,000
Fire station repairs		200,000
Debt service		374,875
Road construction		1,200,000
Non-Major Funds		
Green space		16,760
Sports complex		299,454
Capital equipment		311,306
Unassigned – Major Fund		
General fund		<u>3,221,273</u>
Total Governmental Activities Net Assets	\$	<u>12,848,259</u>

(5) Other Information

A. Defined Benefit Pension Plan

Prior to January 1, 2011 the City maintained a defined contribution pension plan covering all full and certain part time employees. Under a defined contribution pension plan the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(5) Other Information - Continued

A. Defined Benefit Pension Plan - continued

Effective January 1, 2011 the City terminated its defined contribution pension plan and enrolled in the Wisconsin Retirement System (WRS). Upon termination of the defined contribution plan the participants were given the opportunity to roll over their account balances to individual retirement accounts or take a lump sum distribution of their accumulated benefits. Upon enrollment in the WRS the City did not elect to recognize creditable service prior to January 1, 2011 in the computation of the WRS participants benefits.

The WRS is a cost sharing multiple-employer defined benefit, public employee retirement system (PERS). All eligible City employees participate in the WRS. All permanent employees who had no previous employment with any WRS employer prior to July 1, 2011 would have to work, or be expected to work, 1,200 hours to participate in the WRS. Employees with previous employment with a WRS employer prior to July 1, 2011 would have to work, or be expected to work, 600 hours to participate in the plan.

Prior to June 29, 2011 covered employees in the general category were required to contribute 6.5% of their salary (5.8% for protective occupations with social security coverage) to the plan. Employers were allowed to pay for the required employee contributions. In 2011, the City contributed an average of 9.3% of the general employees' salaries with the remaining 2.3% contributed by the employee. The protective occupations with social security employees' contribution was 3.7% of their salary. The remaining 12.9% was contributed by the City. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective June 29, 2011 Wisconsin Act 10 prohibits employers from paying employee's share of the actuarially required contribution, subject to terms of employment contracts. Employer and employee respective contribution rates for 2011 are as follows:

	<u>Employer</u>		<u>Employee</u>	
	<u>Before 6/29</u>	<u>After 6/28</u>	<u>Before 6/29</u>	<u>After 6/28</u>
General	5.1%	5.8%	6.5%	5.8%
Protective occupations with social security	10.8%	10.8%	5.8%	5.8%

The payroll for City's employees covered by the WRS for the year ended December 31, 2011 was \$3,706,305; the employer's total payroll was \$4,149,071. The total required contribution, including duty disability, for the year ended December 31, 2011, was \$515,157. This amount consisted of \$405,108, or 10.9% of payroll from the employer and \$110,049, or 3.0% of payroll from employees. The City paid \$112,811 of the employees' portion in 2011. The amount of the City's contributions as compared to those required of all participating entities is unavailable. At December 31, 2011 there was no pension related debt for the City.

Employees who retire at or after age 65, (62 for elected officials, 54 for protective occupation employees with less than 25 years of service and 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55, (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after July 1, 2011, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to June 29, 2011 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of the Wisconsin Statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, Wisconsin 53707-7931.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(5) Other Information – Continued

B. Risk Management

The City 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. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage during the past three years.

C. Commitments

Business-type Activities

The City of Pewaukee has an ownership interest in the treatment capacity of a regional sewage treatment facility operated by the City of Brookfield known as the Fox River Water Pollution Control Center. In September 1996 the City of Pewaukee entered into an agreement with the City of Brookfield to share the design and construction costs to upgrade existing capacity, upgrade a lift station and interceptor, and to purchase an additional 1.1 million gallons per day capacity in an expansion of the treatment facility. Project costs were shared between the participating communities based upon ownership percentages in the treatment plant's capacity.

Funding for the project was provided by sewer revenue bonds issued through the Clean Water Fund Financial Assistance Program, which is administered jointly by the Wisconsin Department of Natural Resources and the Wisconsin Department of Administration. The Clean Water Fund Financial Assistance Program provides subsidized interest rate loans through grants passed through the Wisconsin Department of Natural Resources from the U.S. Environmental Protection Agency. The City of Pewaukee issued sewer revenue bonds in the amount of \$8,049,176 and the outstanding balance as of December 31, 2011 was \$2,758,405.

The City of Pewaukee has pledged, as security for the bonds, revenues derived from future wastewater sewer service charges or, in the event that those revenues are not sufficient, supplemental revenues from other sources. The bond indenture requires the City to maintain sewage service revenues, net of operating expenses, of at least 110% of the annual principal and interest requirements on all outstanding debt payable from the wastewater sewer service charge.

On September 24, 1996, in accordance with these provisions, a resolution was adopted revising sewer service rates to include a debt service component for the purpose of providing sufficient revenues to meet the debt service requirements on the revenue bonds. For the year ended December 31, 2011 the sewage service revenues net of operating expenses, exclusive of depreciation charges, was \$1,450,586. Total debt service requirements on all outstanding debt payable from the wastewater sewer service charge were \$595,142.

D. Joint Ventures

Parks and Recreation

On November 4, 1996 the City entered into an agreement with the Village of Pewaukee to create a joint park and recreation department commencing January 1, 1997. The agreement created a joint board comprised of seven voting and two non-voting members for purposes of facilitating and overseeing the operation of the department. The voting board members, one from each municipality's governing board, two citizen representatives from the Village and three from the City, are appointed to staggered terms.

Operating costs and resulting revenues of the department are apportioned to each participant based upon the percentage determined as part of the budget formulation for the subsequent year. All costs for acquisition, improvement or maintenance of land, buildings and fixtures are borne by the municipality in which the land or facilities are located. Total operating costs for 2011 were \$799,699 and the City received \$169,395 for costs apportioned to the Village.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(5) Other Information – Continued

D. Joint Ventures - continued

Parks and Recreation - continued

The joint department agreement provides for dissolution of the department in the event of an affirmative vote of the governing bodies. Such dissolution would be delayed for six months to allow time for the joint department to wind up its affairs. Upon dissolution, either of the units of government may provide the other unit of government the opportunity to purchase its interest in the assets of the joint department at the value fixed by agreement or by appraisal.

E. Segment Information

The City maintains two enterprise funds which provide water and sewer services. Segment information for the year ended December 31, 2011 is as follows:

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$ 1,845,961	2,834,965	4,680,926
Expenses:			
Operations and maintenance	934,154	1,384,379	2,318,533
Depreciation expense	776,677	1,223,721	2,000,398
Taxes	2,110	-	2,110
Net operating income	133,020	226,865	359,885
		<u>Total Water and Sewer</u>	
Non-operating income:			
Interest income		\$ 167,010	
Non-operating expenses:			
Interest expense and fiscal fees		160,302	
Gain on disposal of fixed assets		7,047	
Amortization of debt expenses		4,358	
Grants and contributions		1,667,182	
Loss on transfer of assets to Lake Pewaukee Sanitary District		748,798	
Transfers to City –			
Property tax equivalent		472,467	
Assets:			
Current assets		7,243,816	
Capital assets, net of depreciation		69,075,120	
Other assets		5,542,974	
Total assets		81,861,910	
Liabilities:			
Current liabilities		2,526,571	
Long-term liabilities		3,888,272	
Other liabilities		1,569,837	
Total liabilities		7,984,680	
Net assets:			
January 1, 2011		73,053,315	
Change in net assets		823,915	
December 31, 2011:			
Invested in capital assets, net of related debt		64,491,023	
Restricted for debt service		3,314,773	
Unrestricted		6,071,434	

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(5) Other Information – Continued

E. Segment Information - continued

Net cash provided (used) by:	
Operating activities	1,738,113
Capital and related financing activities	(1,869,809)
Investing activities	74,024
Cash and cash equivalents:	
January 1, 2011	5,533,410
December 31, 2011	5,475,738

F. Other Postemployment Benefits

The City provides and administers a single-employer defined benefit healthcare plan. The plan provides healthcare and dental coverage to eligible retired city employees and their spouses. Contribution requirements are established through collective bargaining agreements and resolution of the Common Council. The Plan provides eligible retirees with the opportunity to continue participation in the city's health and dental insurance plans. Eligible retirees and spouses contribute the full amount of the insurance premium of the provided benefits. The insurance premiums are computed on an average cost basis of all participants of the City's plans, and therefore, are not rated for the age of the individual participant.

The City's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For the year ended December 31, 2011 the Net OPEB obligation is \$548,216 which is equal to the ARC.

The City does not intend to fund this accrued liability; therefore the City will continue on the pay-as-you-go method. The status of the plan as of December 31, 2011, the most recent actuarial valuation date, was as follows:

Unfunded Actuarial Accrued Liability (UAAL)	\$ <u>1,015,642</u>
Covered payroll (active plan members)	\$ <u>3,198,026</u>
UAAL as a percentage of covered payroll	<u>32 %</u>

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumption did not include a rate of return on the City's investments due to the fact that the City does not plan to fund the accrued liability. An annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5% after 10 years is included in the actuarial assumptions. This rate includes a 3% inflation assumption. The remaining amortization period at December 31, 2011, was 27 years.

G. Termination Agreement

On January 16, 2009 the City and former police chief entered into a retirement agreement. This agreement terminated the employment of the chief as of December 31, 2008. According to the terms of the agreement the former police chief received a lump sum payment of \$170,000 in 2009 which was included in general fund expenditures during that year.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(5) Other Information – Continued

G. Termination Agreement - continued

This agreement also allowed the former police chief to continue to participate in the health, dental and vision insurance plan as a current City employee not represented by a labor organization until such time as the former police chief becomes eligible for Medicare or obtains the age of sixty-six, whichever occurs sooner.

The estimated cost of this benefit was determined using the discounted present value of the expected future benefit payments. At December 31, 2011 the total liability for health care related termination benefits is \$47,258. The cost of this benefit is recorded as a liability in the full-accrual government-wide financial statements. In the governmental fund financial statements this benefit is being amortized over the term of the agreement, as these benefits require the utilization of current financial resources.

H. Subsequent Events

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through May 24, 2011, the date the financial statements were available to be issued. There were no subsequent events that required recognition or disclosure.

SUPPORTING SCHEDULES

CITY OF PEWAUKEE
Non-Major Governmental Funds

COMBINING BALANCE SHEET

December 31, 2011

	Special Revenue	Capital Projects	Permanent	Total Non-Major Funds
Assets:				
Cash and cash equivalents	\$ 1,508,553	1,023,369	63,452	2,595,374
Receivables:				
Current taxes	-	410,731	-	410,731
Accounts	23,884	-	-	23,884
Total assets	\$ 1,532,437	1,434,100	63,452	3,029,989
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	\$ 30,789	8,340	-	39,129
Construction contracts payable	-	-	-	-
Deferred revenues	14,423	735,000	-	749,423
Total liabilities	45,212	743,340	-	788,552
Fund Balance:				
Nonspendable	-	-	63,452	63,452
Restricted	1,424,515	-	-	1,424,515
Committed	45,950	80,000	-	125,950
Assigned	16,760	610,760	-	627,520
Total fund balance	1,487,225	690,760	63,452	2,241,437
Total liabilities and fund balance	\$ 1,532,437	1,434,100	63,452	3,029,989

CITY OF PEWAUKEE
Non-Major Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended December 31, 2011

	Special Revenue	Capital Projects	Permanent	Total Non-Major Funds
Revenues:				
Taxes	\$ 501,719	621,525	-	1,123,244
Intergovernmental	4,340	-	-	4,340
Charges for services	208,064	-	804	208,868
Interest	1,944	792	-	2,736
Total revenues	716,067	622,317	804	1,339,188
Expenditures:				
Current:				
Economic development	432,944	-	-	432,944
Health and sanitation	20,756	-	-	20,756
Capital outlay	4,869	368,872	-	373,741
Total expenditures	458,569	368,872	-	827,441
Excess (deficiency) of revenues over expenditures	257,498	253,445	804	511,747
Other financing uses:				
Transfers out	(41,451)	-	-	(41,451)
Excess (deficiency) of revenues over expenditures and other financing uses	216,047	253,445	804	470,296
Fund balance, January 1	1,271,178	437,315	62,648	1,771,141
Fund balance, December 31	\$ 1,487,225	690,760	63,452	2,241,437

CITY OF PEWAUKEE
General Fund

STATEMENT OF REVENUES COMPARED TO BUDGET

Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Variance: Favorable (Unfavorable)
Taxes:			
General property	\$ 5,429,241	5,429,241	-
Public accommodation	215,022	160,000	55,022
Other	6,349	-	6,349
	<u>5,650,612</u>	<u>5,589,241</u>	<u>61,371</u>
Intergovernmental:			
State shared revenues	692,459	620,765	71,694
Exempt computer aids	81,134	65,000	16,134
Fire insurance dues	76,426	77,500	(1,074)
Transportation aids	436,867	448,110	(11,243)
Water safety patrol	39,837	15,252	24,585
Tank inspection aids	7,337	8,500	(1,163)
State fire aids	4,340	-	4,340
County recycling aids	62,810	40,000	22,810
Other	4	3,057	(3,053)
	<u>1,401,214</u>	<u>1,278,184</u>	<u>123,030</u>
Regulation and compliance:			
Licenses:			
Liquor class A	-	600	(600)
Liquor class B	14,768	13,000	1,768
Special class B licenses	-	10	(10)
Wholesale class A	25	-	25
Operator	5,305	5,400	(95)
Cigarette	900	500	400
Amusement	1,100	800	300
Hotel and motel	75	100	(25)
Dog and kennel	6,595	5,000	1,595
Permits:			
Building	441,619	225,000	216,619
Electrical	103,437	50,000	53,437
Plumbing	101,924	40,000	61,924

CITY OF PEWAUKEE
General Fund

STATEMENT OF REVENUES COMPARED TO BUDGET

Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance: Favorable (Unfavorable)</u>
Regulation and compliance - continued:			
Permits - continued:			
Erosion	\$ 82,745	30,000	52,745
State code stamps	2,960	1,200	1,760
Sign	4,026	2,000	2,026
Street opening	6,300	2,000	4,300
Fire inspection - commercial buildings	149,266	150,000	(734)
Other	1,450	1,500	(50)
Fines:			
Court	467,477	403,000	64,477
Cable TV franchise	130,277	114,000	16,277
	<u>1,520,249</u>	<u>1,044,110</u>	<u>476,139</u>
Charges for services:			
Publication fees	3,340	1,500	1,840
Copies	1,727	450	1,277
Administrative fees	256	-	256
Planning and zoning fees	9,535	2,400	7,135
Certified survey maps and plat review fees	6,995	1,750	5,245
Legal review fees	15,170	22,500	(7,330)
Engineering review fees	216,187	100,000	116,187
Refuse collection	760,783	752,000	8,783
House numbers	1,848	300	1,548
Highway materials and services	-	1,550	(1,550)
Weed cutting	1,104	-	1,104
Culverts	-	5,000	(5,000)
Police sales and copies	2,113	500	1,613
Boat launch fees	7,363	9,000	(1,637)
Fire runs	2,304	4,000	(1,696)
Fire inspections	68,068	60,000	8,068
Ambulance runs	373,488	425,000	(51,512)

CITY OF PEWAUKEE
General Fund

STATEMENT OF REVENUES COMPARED TO BUDGET

Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Variance: Favorable (Unfavorable)
Charges for services - continued:			
Police services	\$ 3,652	-	3,652
Fire and ambulance services	1,023,310	750,000	273,310
Private fire protection plan	3,625	2,000	1,625
Management services	50,000	50,000	-
SEWRPC services	11,875	12,300	(425)
Building inspection contract	183,342	42,000	141,342
Park equipment usage fees	3,530	8,000	(4,470)
Park and recreation contracts	169,395	219,000	(49,605)
	<u>2,919,010</u>	<u>2,469,250</u>	<u>449,760</u>
Recreation:			
Program fees	145,880	137,000	8,880
Field trips	27,123	25,000	2,123
Club use fees	19,545	15,000	4,545
Reservation fees	30,995	25,000	5,995
WPRA ticket sales	5,075	7,500	(2,425)
	<u>228,618</u>	<u>209,500</u>	<u>19,118</u>
Interest:			
Investments	18,944	36,000	(17,056)
Other	9,388	-	9,388
	<u>28,332</u>	<u>36,000</u>	<u>(7,668)</u>
Miscellaneous:			
Rent:			
Water and sewer utility	34,000	34,000	-
Other	7,841	7,000	841
Recycling	8,789	3,500	5,289
Sale of assets	613,776	550,312	63,464
Insurance recoveries	14,336	-	14,336
Gifts and donations	5,976	-	5,976
Insurance dividend	6,824	20,000	(13,176)
Other	18,244	600	17,644
	<u>709,786</u>	<u>615,412</u>	<u>94,374</u>
Total revenues	\$ <u>12,457,821</u>	<u>11,241,697</u>	<u>1,216,124</u>

CITY OF PEWAUKEE
General Fund

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

Year Ended December 31, 2011

	Actual	Budget	Variance: Favorable (Unfavorable)
General government:			
Mayor	\$ 9,624	9,624	-
Common council	44,927	45,303	376
Police and fire commission	60	450	390
Public works commission	100	600	500
Administration	143,846	147,347	3,501
Human resources	101,992	101,992	-
Clerk/ treasurer	315,766	349,950	34,184
Assessor	162,596	248,015	85,419
Board of review	1,059	1,450	391
Outside services	320,419	320,419	-
Elections	12,692	15,444	2,752
Facilities	201,010	231,372	30,362
Information technology	182,626	183,624	998
Insurance	86,613	139,161	52,548
Plan commission	73,386	73,386	-
Board of appeals	1,000	1,750	750
	<u>1,657,716</u>	<u>1,869,887</u>	<u>212,171</u>
Public safety and judicial:			
Municipal court	104,254	108,079	3,825
Law enforcement	2,316,505	2,337,834	21,329
Fire and rescue	2,944,569	2,944,569	-
Building services	377,144	377,144	-
	<u>5,742,472</u>	<u>5,767,626</u>	<u>25,154</u>
Health and sanitation:			
Animal control	6,699	7,000	301
Weed, lake and wetlands	91,425	91,550	125
Refuse collection and recycling	826,354	826,354	-
	<u>924,478</u>	<u>924,904</u>	<u>426</u>
Public works:			
Engineering	461,685	461,685	-
Safety program	3,920	4,900	980
Highway and transportation	740,770	820,376	79,606
	<u>1,206,375</u>	<u>1,286,961</u>	<u>80,586</u>
Culture and recreation:			
Library	672,644	672,644	-
Parks	432,029	479,214	47,185
Recreation	367,670	406,301	38,631
	<u>1,472,343</u>	<u>1,558,159</u>	<u>85,816</u>
Unclassified:			
Contingency	392,030	392,030	-
Total expenditures	<u>\$ 11,395,414</u>	<u>11,799,567</u>	<u>404,153</u>

CITY OF PEWAUKEE
Non-Major Special Revenue Funds

COMBINING BALANCE SHEET

December 31, 2011

	<u>Park Dedication</u>	<u>Impact Fee</u>	<u>Tourism and Convention</u>	<u>Green Space Facilities</u>	<u>Public Safety Grants</u>	<u>Cemetery</u>	<u>Total</u>
Assets:							
Cash and cash equivalents	\$ 154,790	799,515	477,115	16,760	14,423	45,950	1,508,553
Accounts receivable	-	-	23,884	-	-	-	23,884
Total assets	\$ 154,790	799,515	500,999	16,760	14,423	45,950	1,532,437
Liabilities and Fund Balance:							
Liabilities:							
Accounts payable	\$ -	-	30,789	-	-	-	30,789
Deferred revenues	-	-	-	-	14,423	-	14,423
Total liabilities	-	-	30,789	-	14,423	-	45,212
Fund balance:							
Restricted	154,790	799,515	470,210	-	-	-	1,424,515
Committed	-	-	-	-	-	45,950	45,950
Assigned	-	-	-	16,760	-	-	16,760
Total fund balance	154,790	799,515	470,210	16,760	-	45,950	1,487,225
Total liabilities and fund balance	\$ 154,790	799,515	500,999	16,760	14,423	45,950	1,532,437

CITY OF PEWAUKEE
Non-Major Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended December 31, 2011

	Park Dedication	Impact Fee	Tourism and Convention	Green Space Facilities	Public Safety Grants	Cemetery	Total
Revenues:							
Public accommodation tax	\$ -	-	501,719	-	-	-	501,719
Intergovernmental:							
State EMS grant	-	-	-	-	4,340	-	4,340
Charges for services:							
Lot fee in lieu of land dedication	60,000	-	-	-	-	-	60,000
Impact fees	-	144,918	-	-	-	-	144,918
Interment fees	-	-	-	-	-	2,750	2,750
Lot sales	-	-	-	-	-	396	396
Interest earnings	6	1,132	631	23	-	152	1,944
Total revenues	<u>60,006</u>	<u>146,050</u>	<u>502,350</u>	<u>23</u>	<u>4,340</u>	<u>3,298</u>	<u>716,067</u>
Expenditures:							
Economic development:							
Tourism	-	-	432,944	-	-	-	432,944
Health and sanitation:							
Cemetery	-	-	-	-	-	20,756	20,756
Capital outlay	-	-	-	-	4,869	-	4,869
Total expenditures	<u>-</u>	<u>-</u>	<u>432,944</u>	<u>-</u>	<u>4,869</u>	<u>20,756</u>	<u>458,569</u>
Excess (deficiency) of revenues over expenditures	<u>60,006</u>	<u>146,050</u>	<u>69,406</u>	<u>23</u>	<u>(529)</u>	<u>(17,458)</u>	<u>257,498</u>
Other financing uses:							
Transfer to other funds	-	(41,007)	-	-	-	(444)	(41,451)
	<u>-</u>	<u>(41,007)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(444)</u>	<u>(41,451)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>60,006</u>	<u>105,043</u>	<u>69,406</u>	<u>23</u>	<u>(529)</u>	<u>(17,902)</u>	<u>216,047</u>
Fund balance, January 1	<u>94,784</u>	<u>694,472</u>	<u>400,804</u>	<u>16,737</u>	<u>529</u>	<u>63,852</u>	<u>1,271,178</u>
Fund balance, December 31	<u>\$ 154,790</u>	<u>799,515</u>	<u>470,210</u>	<u>16,760</u>	<u>-</u>	<u>45,950</u>	<u>1,487,225</u>

CITY OF PEWAUKEE
Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ACTUAL AND BUDGET

Year Ended December 31, 2011

	Park Dedication		Impact Fee		Tourism and Convention		Green Space		Cemetery		Total	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Revenues:												
Public accommodation tax	\$ -	-	-	-	501,719	455,000	-	-	-	-	501,719	455,000
Charges for services:												
In lieu of land dedications	60,000	6,000	-	-	-	-	-	-	-	-	60,000	6,000
Impact fees	-	-	144,918	36,000	-	-	-	-	-	-	144,918	36,000
Interment fees	-	-	-	-	-	-	-	-	2,750	2,500	2,750	2,500
Lot sales	-	-	-	-	-	-	-	-	396	646	396	646
Interest earnings	6	10	1,132	2,000	631	1,400	23	-	152	200	1,944	3,610
Total revenues	<u>60,006</u>	<u>6,010</u>	<u>146,050</u>	<u>38,000</u>	<u>502,350</u>	<u>456,400</u>	<u>23</u>	<u>-</u>	<u>3,298</u>	<u>3,346</u>	<u>711,727</u>	<u>503,756</u>
Expenditures:												
Economic development:												
Tourism	-	-	-	-	432,944	436,000	-	-	-	-	432,944	436,000
Green Space	-	-	-	-	-	-	-	10,000	-	-	-	10,000
Health and sanitation:												
Cemetery	-	-	-	-	-	-	-	-	20,756	30,000	20,756	30,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>432,944</u>	<u>436,000</u>	<u>-</u>	<u>10,000</u>	<u>20,756</u>	<u>30,000</u>	<u>453,700</u>	<u>476,000</u>
Excess (deficiency) of revenues over expenditures	<u>60,006</u>	<u>6,010</u>	<u>146,050</u>	<u>38,000</u>	<u>69,406</u>	<u>20,400</u>	<u>23</u>	<u>(10,000)</u>	<u>(17,458)</u>	<u>(26,654)</u>	<u>258,027</u>	<u>27,756</u>
Other financing uses:												
Transfer to other funds	-	-	(41,007)	(41,007)	-	-	-	-	(444)	-	(41,451)	(41,007)
	<u>-</u>	<u>-</u>	<u>(41,007)</u>	<u>(41,007)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(444)</u>	<u>-</u>	<u>(41,451)</u>	<u>(41,007)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>60,006</u>	<u>6,010</u>	<u>105,043</u>	<u>(3,007)</u>	<u>69,406</u>	<u>20,400</u>	<u>23</u>	<u>(10,000)</u>	<u>(17,902)</u>	<u>(26,654)</u>	<u>216,576</u>	<u>(13,251)</u>
Fund balance, January 1	<u>94,784</u>		<u>694,472</u>		<u>400,804</u>		<u>16,737</u>		<u>63,852</u>		<u>1,270,649</u>	
Fund balance, December 31	\$ <u>154,790</u>		<u>799,515</u>		<u>470,210</u>		<u>16,760</u>		<u>45,950</u>		<u>1,487,225</u>	

CITY OF PEWAUKEE
Storm Water Management Fund

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET

Year Ended December 31, 2011

	Actual	Budget	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 256,000	256,000	-
Charges for services	1,437,297	1,462,440	(25,143)
Interest earnings	1,159	-	1,159
Total revenues	1,694,456	1,718,440	(23,984)
Expenditures:			
Administration	122,287	496,926	374,639
Storm water maintenance	2,123	60,000	57,877
Ditch and culvert maintenance	45,063	70,000	24,937
Yard maintenance	208	3,500	3,292
Street sweeping	11,157	11,157	-
Catch basin maintenance	36,267	36,267	-
Permit compliance	17,330	28,400	11,070
Capital outlay:			
Equipment	452,144	535,000	82,856
Infrastructure improvements	808,924	1,257,000	448,076
Total expenditures	1,495,503	2,498,250	1,002,747
Excess (deficiency) of revenues over expenditures	198,953	(779,810)	978,763
Other financing sources (uses):			
Transfer from general fund	12,612	-	12,612
Transfer from cemetery fund	444	-	444
Transfer to debt service	(12,668)	(9,000)	(3,668)
Face amount of long-term debt	480,000	480,000	-
Bond premium	6,958	-	6,958
	487,346	471,000	16,346
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	686,299	<u>(308,810)</u>	<u>995,109</u>
Fund balance (deficit), January 1	<u>(80,499)</u>		
Fund balance, December 31	<u>\$ 605,800</u>		

CITY OF PEWAUKEE

Debt Service Fund

BALANCE SHEET

December 31, 2011

Assets:

Cash and temporary investments	\$	1,029,523
Receivables:		
Taxes		826,502
Special assessments		<u>431,797</u>
Total assets	\$	<u><u>2,287,822</u></u>

Liabilities and Fund Balance:

Liabilities:

Deferred revenues:

Current tax levy	\$	1,481,150
Long-term special assessments		<u>431,797</u>

 Total liabilities 1,912,947

Fund balance:

 Assigned 374,875

 Total liabilities and fund balance \$ 2,287,822

CITY OF PEWAUKEE
Debt Service Fund

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET

Year Ended December 31, 2011

	Actual	Budget	Variance: Favorable (Unfavorable)
Revenues:			
Taxes:			
General tax levy	\$ 1,500,000	1,500,000	-
Special assessments	280,345	150,000	130,345
Build America bond rebate	26,414	26,414	-
Interest earnings	431	500	(69)
	<u>1,807,190</u>	<u>1,676,914</u>	<u>130,276</u>
Total revenues			
Expenditures:			
Unclassified:			
Debt issuance cost	11,660	11,660	-
Debt service:			
Principal	2,240,550	2,240,550	-
Interest	339,146	341,779	2,633
	<u>2,591,356</u>	<u>2,593,989</u>	<u>2,633</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(784,166)</u>	<u>(917,075)</u>	<u>132,909</u>
Other financing sources:			
Transfer from storm water management	12,668	9,000	3,668
Face amount of long-term debt	892,095	892,095	-
Bond premium	12,926	11,660	1,266
	<u>917,689</u>	<u>912,755</u>	<u>4,934</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>133,523</u>	<u>(4,320)</u>	<u>137,843</u>
Fund balance, January 1	<u>241,352</u>		
Fund balance, December 31	<u>\$ 374,875</u>		

CITY OF PEWAUKEE
Non-Major Capital Projects Funds

COMBINING BALANCE SHEET

December 31, 2011

	Sports Complex	Capital Equipment	Total
Assets:			
Cash and temporary investments	\$ 299,454	723,915	1,023,369
Taxes receivable	-	410,731	410,731
Total assets	\$ 299,454	1,134,646	1,434,100
 Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	\$ -	8,340	8,340
Deferred revenues	-	735,000	735,000
Total liabilities	-	743,340	743,340
 Fund balance:			
Committed	-	80,000	80,000
Assigned	299,454	311,306	610,760
	299,454	391,306	690,760
Total liabilities and fund balance	\$ 299,454	1,134,646	1,434,100

CITY OF PEWAUKEE
Non-Major Capital Projects Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL AND BUDGET

Year Ended December 31, 2011

	Sports Complex		Capital Equipment		Total	
	Actual	Budget	Actual	Budget	Actual	Budget
Revenues:						
Taxes:						
General property	\$ -	-	621,525	621,525	621,525	621,525
Interest earnings	419	1,050	373	-	792	1,050
Total revenues	419	1,050	621,898	621,525	622,317	622,575
Expenditures:						
Capital equipment purchases	-	-	368,872	621,525	368,872	621,525
Total expenditures	-	-	368,872	621,525	368,872	621,525
Excess (deficiency) of revenues over expenditures	419	1,050	253,026	-	253,445	1,050
Fund balance, January 1	299,035		138,280		437,315	
Fund balance, December 31	\$ 299,454		391,306		690,760	

CITY OF PEWAUKEE
Road Construction Fund

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL AND BUDGET

Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Variance: Favorable (Unfavorable)
Revenues:			
Interest earnings	\$ <u>4,602</u>	<u>5,000</u>	<u>(398)</u>
Expenditures:			
Capital outlays:			
Road construction	1,179,361	3,933,100	2,753,739
Unclassified:			
Debt issuance costs	<u>25,228</u>	<u>-</u>	<u>(25,228)</u>
Total expenditures	<u>1,204,589</u>	<u>3,933,100</u>	<u>2,728,511</u>
Excess (deficiency) of revenues over expenditures	<u>(1,199,987)</u>	<u>(3,928,100)</u>	<u>2,728,113</u>
Other financing sources:			
Transfer from other funds	1,241,007	1,241,007	-
Face amount of long-term debt	3,565,000	3,012,625	552,375
Bond premium	<u>51,678</u>	<u>-</u>	<u>51,678</u>
	<u>4,857,685</u>	<u>4,253,632</u>	<u>604,053</u>
Excess (deficiency) of revenues and other financing sources over expenditures	3,657,698	<u>325,532</u>	<u>3,332,166</u>
Fund balance, January 1	<u>2,203,547</u>		
Fund balance, December 31	\$ <u><u>5,861,245</u></u>		

CITY OF PEWAUKEE
Permanent Fund - Cemetery Perpetual Care

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2011

Revenues:

Charges for services:

Perpetual care \$ 804

Expenditures:

Unclassified: -

Excess of revenues
over expenditures 804

Fund balance, January 1 62,648

Fund balance, December 31 \$ 63,452

CITY OF PEWAUKEE
Enterprise Funds
Water and Sewer Utility

BALANCE SHEETS

December 31, 2011 and 2010

	2011	2010
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 2,160,965	2,306,988
Investments	513,747	508,075
Receivables:		
Accounts	936,210	1,001,412
Special assessments	171,707	117,408
Intergovernmental	25,355	-
Accrued interest	631	1,240
Other	17,070	27,045
Developers	97,581	395,395
Inventory of supplies	5,777	5,710
Restricted assets:		
Debt retirement assets:		
Cash and cash equivalents	3,314,773	3,226,422
Total current assets	7,243,816	7,589,695
Fixed assets:		
Land	370,387	370,387
Construction in progress	1,673,220	1,133,543
Buildings	7,812,727	7,812,727
Improvements other than buildings	82,696,853	80,826,614
Furniture and equipment	896,398	857,903
	93,449,585	91,001,174
Less: Accumulated depreciation	24,374,465	22,455,964
Net fixed assets	69,075,120	68,545,210
Other assets:		
Long-term portion of special assessments receivable	5,542,974	4,918,993
Unamortized debt discount and issue expenses	-	(8,791)
Deferred expenses	-	93,913
Total other assets	5,542,974	5,004,115
Total assets	\$ 81,861,910	81,139,020

CITY OF PEWAUKEE
 Enterprise Funds
 Water and Sewer Utility

BALANCE SHEETS

December 31, 2011 and 2010

	2011	2010
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 390,740	344,018
Due to City of Waukesha	-	13,804
Due to general fund	684,757	908,526
Construction contracts payable	561,930	47,208
Customer advances on construction	58,552	58,552
Accrued interest on long-term debt	20,655	28,922
Current portion of long-term debt	809,937	856,377
Less: current portion of deferred amount on refunding	-	(2,848)
Total current liabilities	2,526,571	2,254,559
Long-term liabilities (net of current portion):		
General obligation debt	1,533,178	1,800,601
Less: deferred amount on refunding	-	(1,585)
Sewerage system revenue bonds	2,240,982	2,758,405
Construction contracts payable	50,740	50,740
Accrued post retirement benefits	63,372	71,979
Other liabilities:		
Deferred assessments due to developers	1,569,837	1,151,006
Total liabilities	7,984,680	8,085,705
Net assets:		
Invested in capital assets, net of related debt	64,491,023	63,134,260
Restricted for debt service	3,314,773	3,226,422
Unrestricted	6,071,434	6,692,633
Total net assets	73,877,230	73,053,315
Total liabilities and net assets	\$ 81,861,910	81,139,020

CITY OF PEWAUKEE
Enterprise Funds
Water and Sewer Utility

COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

Years Ended December 31, 2011 and 2010

	2011			2010
	Water	Sewer	Combined	Combined
Operating revenues	\$ 1,845,961	2,834,965	4,680,926	4,623,715
Operating expenses:				
Operation and maintenance	934,154	1,384,379	2,318,533	2,438,446
Depreciation	776,677	1,223,721	2,000,398	1,942,358
Taxes	2,110	-	2,110	1,869
Total operating expenses	<u>1,712,941</u>	<u>2,608,100</u>	<u>4,321,041</u>	<u>4,382,673</u>
Operating income	\$ <u>133,020</u>	<u>226,865</u>	<u>359,885</u>	<u>241,042</u>
Non-operating revenues (expenses):				
Interest income			167,010	125,676
Interest expense and fiscal fees			(160,302)	(198,262)
Gain (loss) on the disposal of fixed assets			7,047	(6,475)
Amortization of deferred refunding costs			4,358	(8,001)
Amortization of debt issue expenses			-	(745)
Total non-operating revenues (expenses)			<u>18,113</u>	<u>(87,807)</u>
Income before contributions and transfers			377,998	153,235
Grants and contributions			1,667,182	547,225
Loss on transfer of assets to Lake Pewaukee Sanitary District			(748,798)	-
Transfers out			<u>(472,467)</u>	<u>(472,229)</u>
Change in net assets			823,915	228,231
Total net assets, January 1			<u>73,053,315</u>	<u>72,825,084</u>
Total net assets, December 31			\$ <u><u>73,877,230</u></u>	<u><u>73,053,315</u></u>

CITY OF PEWAUKEE
Enterprise Fund
Water Utility

STATEMENTS OF OPERATING INCOME AND EXPENSES

Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>Operating revenues</u>		
Sale of water:		
Residential	\$ 718,091	677,414
Commercial	431,176	427,511
Industrial	72,199	71,183
Public authorities	<u>3,352</u>	<u>3,810</u>
	1,224,818	1,179,918
Public fire protection	546,157	578,246
Private fire protection	62,254	62,735
Customer's forfeited discounts	8,869	5,912
Other revenue	<u>3,863</u>	<u>3,412</u>
Total operating revenues	<u>1,845,961</u>	<u>1,830,223</u>
 <u>Operating expenses</u>		
Plant operation and maintenance:		
Salaries and wages	157,018	171,299
Transportation expense	22,002	16,057
Power purchased for pumping	239,552	229,867
Chemicals	99,030	94,848
Operating supplies	52,120	42,177
Repairs of water plant	<u>68,346</u>	<u>67,674</u>
	<u>638,068</u>	<u>621,922</u>
General operating expenses:		
Administrative salaries	97,657	75,031
Office supplies and expenses	21,442	20,200
Outside services employed	58,507	121,375
Insurance	11,538	15,932
Employee benefits	86,338	91,907
Other general expenses	<u>20,604</u>	<u>18,440</u>
	<u>296,086</u>	<u>342,885</u>
Total operation and maintenance expenses	934,154	964,807
Depreciation	776,677	726,207
Taxes	<u>2,110</u>	<u>1,869</u>
Total operating expenses	<u>1,712,941</u>	<u>1,692,883</u>
Net operating income	\$ <u>133,020</u>	<u>137,340</u>

CITY OF PEWAUKEE
Enterprise Fund
Sewer Utility

STATEMENTS OF OPERATING INCOME AND EXPENSES

Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>Operating revenues</u>		
Sewer service charges:		
Residential	\$ 1,573,854	1,536,773
Commercial	1,087,493	1,091,582
Industrial	139,886	143,956
Public authorities	8,110	8,164
Other revenue	<u>25,622</u>	<u>13,017</u>
Total operating revenues	<u>2,834,965</u>	<u>2,793,492</u>
 <u>Operating expenses</u>		
Plant operation and maintenance:		
Sewage treatment charges	944,491	1,016,531
Salaries and wages	60,961	82,120
Power purchased for pumping	38,312	37,539
Supplies and expenses	9,824	8,822
Maintenance	<u>90,373</u>	<u>98,828</u>
	<u>1,143,961</u>	<u>1,243,840</u>
General operating expenses:		
Administrative salaries	97,657	75,031
Office supplies and expenses	21,442	20,199
Outside services employed	43,971	38,848
Insurance	11,538	15,931
Employee benefits	45,206	61,350
Other general expenses	<u>20,604</u>	<u>18,440</u>
	<u>240,418</u>	<u>229,799</u>
 Total operation and maintenance expenses	 1,384,379	 1,473,639
 Depreciation	 <u>1,223,721</u>	 <u>1,216,151</u>
Total operating expenses	<u>2,608,100</u>	<u>2,689,790</u>
 Net operating income	 \$ <u>226,865</u>	 <u>103,702</u>

CITY OF PEWAUKEE
Enterprise Funds
Water and Sewer Utility

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Receipts from customers	\$ 4,730,748	4,572,735
Payments for interfund services - net	(696,236)	(55,430)
Payments to suppliers	(1,742,955)	(1,916,090)
Payments to employees	(553,444)	(532,745)
Net cash provided by operating activities	<u>1,738,113</u>	<u>2,068,470</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,230,926)	(173,079)
Proceeds from disposals of fixed assets	7,047	20,135
Reserve capacity assessments received	811,531	618,440
Proceeds of long-term debt	296,636	-
Long-term debt retirements	(1,127,922)	(1,090,747)
Collection of special assessments, net	542,394	185,003
Developer advances on construction, net	-	(164,181)
Interest and fiscal charges paid on bonds and notes payable	(168,569)	(204,029)
Net cash used by capital and related financing activities	<u>(1,869,809)</u>	<u>(808,458)</u>
Cash flows from investing activities:		
Interest received on cash and investments	79,696	48,172
Maturities of securities	508,075	500,000
Purchases of securities	(513,747)	(508,075)
Net cash provided by investing activities	<u>74,024</u>	<u>40,097</u>
Net increase (decrease) in cash and cash equivalents	(57,672)	1,300,109
Cash and cash equivalents, January 1	<u>5,533,410</u>	<u>4,233,301</u>
Cash and cash equivalents, December 31	\$ <u>5,475,738</u>	<u>5,533,410</u>
Reconciliation of cash and cash equivalents to the Statement of Net Assets		
Unrestricted	\$ 2,160,965	2,306,988
Restricted - Debt retirement	3,314,773	3,226,422
	\$ <u>5,475,738</u>	<u>5,533,410</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 359,885	241,042
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,000,398	1,942,358
Changes in assets and liabilities:		
Accounts receivable, net	49,822	(50,980)
Inventory of supplies	(67)	521
Accounts payable and accrued expenses	(671,925)	(64,471)
Net cash provided by operating activities	\$ <u>1,738,113</u>	<u>2,068,470</u>
Schedule of non-cash activities:		
Plant assets contributed by developers	\$ <u>141,731</u>	<u>-</u>

CITY OF PEWAUKEE
Enterprise Funds
Water and Sewer Utility

ANALYSIS OF UTILITY PLANT IN SERVICE

Years Ended December 31, 2011 and 2010

	Utility Plant				% Rate	Accumulated Depreciation			
	Balance Dec. 31, 2010	Additions	Disposals	Balance Dec. 31, 2011		Balance Dec. 31, 2010	Additions	Disposals	Balance Dec. 31, 2011
Water Utility									
Source of supply plant:									
Wells and springs	\$ 1,582,150	52,490	-	1,634,640	2.90	577,726	46,643	-	624,369
Supply mains	176,607	-	-	176,607	1.80	59,579	3,179	-	62,758
Pumping plant:									
Land	370,387	-	-	370,387	-	-	-	-	-
Structures and improvements	4,343,286	-	-	4,343,286	3.20	1,421,755	138,985	-	1,560,740
Electric pumping equipment	908,675	-	-	908,675	4.40	207,163	39,982	-	247,145
Other pumping equipment	149,569	-	-	149,569	4.40	107,227	6,581	-	113,808
Water treatment plant	340,980	-	-	340,980	6.00	97,444	20,459	-	117,903
Transmission and distribution plant:									
Distribution reservoirs and standpipes	1,428,254	-	-	1,428,254	1.90	530,610	27,137	-	557,747
Transmission and distribution mains	19,735,109	1,601,420	-	21,336,529	1.30	2,897,717	266,965	-	3,164,682
Services	2,947,908	187,230	-	3,135,138	2.90	984,476	88,204	-	1,072,680
Meters	465,763	24,188	11,500	478,451	12.50	441,553	38,410	11,500	468,463
Hydrants	2,467,792	174,240	-	2,642,032	2.20	602,975	56,208	-	659,183
General plant:									
Transportation equipment	169,633	40,785	26,663	183,755	13.30	166,339	2,925	26,663	142,601
Office furniture and equipment	99,976	12,187	-	112,163	Var.	77,473	16,701	-	94,174
Other general equipment	304,268	-	-	304,268	Var.	155,679	24,298	-	179,977
Power operating equipment	175	-	-	175	7.50	175	-	-	175
	<u>35,490,532</u>	<u>2,092,540</u>	<u>38,163</u>	<u>37,544,909</u>		<u>8,327,891</u>	<u>776,677</u>	<u>38,163</u>	<u>9,066,405</u>
Sewer Utility									
Buildings and structures	3,469,441	-	-	3,469,441	2.00	513,250	69,389	-	582,639
Collection sewers	29,737,422	455,682	620,988	29,572,116	1.00	3,567,102	299,652	34,866	3,831,888
Force mains	2,094,299	-	-	2,094,299	3.33	439,142	69,740	-	508,882
Services	4,162,652	155,290	171,544	4,146,398	1.00	478,529	42,403	8,868	512,064
Pumping equipment	3,629,316	-	-	3,629,316	5.00	1,339,801	181,466	-	1,521,267
Other equipment	283,851	12,186	-	296,037	Var.	213,157	10,468	-	223,625
Treatment plant	11,000,118	23,731	-	11,023,849	5.00	7,577,092	550,603	-	8,127,695
	<u>54,377,099</u>	<u>646,889</u>	<u>792,532</u>	<u>54,231,456</u>		<u>14,128,073</u>	<u>1,223,721</u>	<u>43,734</u>	<u>15,308,060</u>
Construction in progress	<u>1,133,543</u>	<u>539,677</u>	<u>-</u>	<u>1,673,220</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>91,001,174</u>	<u>3,279,106</u>	<u>830,695</u>	<u>93,449,585</u>		<u>22,455,964</u>	<u>2,000,398</u>	<u>81,897</u>	<u>24,374,465</u>