



**VILLAGE OF ARENA, WISCONSIN**

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2019

Johnson Block & Company, Inc.  
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VILLAGE OF ARENA, WISCONSIN  
DECEMBER 31, 2019  
TABLE OF CONTENTS

---

Independent Auditor’s Report ..... 1

Basic Financial Statements

Government-Wide Financial Statements

Exhibit A-1 Statement of Net Position ..... 3  
Exhibit A-2 Statement of Activities ..... 5

Fund Financial Statements

Exhibit A-3 Balance Sheet – Governmental Funds ..... 6  
Exhibit A-4 Reconciliation of the Governmental Funds Balance Sheet with the  
Statement of Net Position ..... 7  
Exhibit A-5 Statement of Revenues, Expenditures and Changes in Fund Balances  
-Governmental Funds ..... 8  
Exhibit A-6 Reconciliation of Statement of Revenues, Expenditures and Changes  
in Fund Balance of Governmental Funds to the Statement of Activities ..... 9  
Exhibit A-7 Statement of Net Position – Proprietary Funds ..... 10  
Exhibit A-8 Statement of Revenues, Expenses and Changes in Net Position-  
Proprietary Funds ..... 12  
Exhibit A-9 Statement of Cash Flows – Proprietary Funds ..... 13  
Exhibit A-10 Statement of Net Position – Fiduciary Funds ..... 15  
Exhibit A-11 Statement of Changes in Net Position – Fiduciary Funds ..... 16

Notes to the Basic Financial Statements ..... 17

Required Supplementary Information:

Exhibit B-1 Budgetary Comparison Schedule for the General Fund ..... 46  
Exhibit B-2 Wisconsin Retirement System Schedule ..... 47  
Notes to the Required Supplementary Information ..... 48

Supplementary Information:

Exhibit C-1 Detailed Statement of Revenues ..... 49  
Exhibit C-2 Detailed Statement of Expenditures ..... 51



## INDEPENDENT AUDITOR'S REPORT

To the Village Board  
Village of Arena, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Arena, Wisconsin ("Village"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, effective January 1, 2019, the Village of Arena adopted the provisions of GASB Statement No. 84, Fiduciary Activities and GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 45 and Wisconsin Retirement System schedules on page 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

## **Other Information**

### *Prior Year Summarized Comparative Information*

We have previously audited the Village's 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated April 11, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Supplementary Information*

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

*Johnson Block & Company, Inc.*

Johnson Block and Company, Inc  
July 7, 2020

## BASIC FINANCIAL STATEMENTS

Exhibit A-1  
Village of Arena, Wisconsin  
Statement of Net Position  
December 31, 2019

(With Summarized Financial Information as of December 31, 2018)

	Governmental Activities	Business-Type Activities	Totals	
			2019	2018
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 926,568	\$ 404,944	\$ 1,331,512	\$ 1,064,288
Receivables:				
Other	1,500		1,500	1,500
Taxes	327,473		327,473	347,325
Customer		92,631	92,631	45,499
Prepays	500		500	6,320
Internal balances	(122,758)	122,758		
Materials and supplies		4,574	4,574	365
Current portion of long-term loan receivable				89,307
<b>Total current assets</b>	<b>1,133,283</b>	<b>624,907</b>	<b>1,758,190</b>	<b>1,554,604</b>
Capital assets:				
Property, plant and equipment	1,729,359	2,479,856	4,209,215	3,606,606
Less: accumulated depreciation	(886,254)	(1,060,280)	(1,946,534)	(1,833,851)
<b>Total capital assets</b>	<b>843,105</b>	<b>1,419,576</b>	<b>2,262,681</b>	<b>1,772,755</b>
Noncurrent assets:				
Long-term loan receivable				89,307
Less: current portion				(89,307)
<b>Total noncurrent assets</b>				
<b>Total assets</b>	<b>1,976,388</b>	<b>2,044,483</b>	<b>4,020,871</b>	<b>3,327,359</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows	17,650	3,557	21,207	
Unamortized DIWC construction grants		27,947	27,947	83,548
<b>Total deferred outflows of resources</b>	<b>17,650</b>	<b>31,504</b>	<b>49,154</b>	<b>83,548</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,994,038</b>	<b>\$ 2,075,987</b>	<b>\$ 4,070,025</b>	<b>\$ 3,410,907</b>

Exhibit A-1 (Continued)  
Village of Arena, Wisconsin  
Statement of Net Position  
December 31, 2019

(With Summarized Financial Information as of December 31, 2018)

	Governmental	Business-Type	Totals	
	Activities	Activities	2019	2018
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 49,274	\$ 47,705	\$ 96,979	\$ 74,773
Accrued payroll	6,507	1,640	8,147	7,702
Interest accrued	10,256	1,883	12,139	8,116
Current portion of:				
Revenue bonds		7,771	7,771	96,891
Notes payable	88,161	31,463	119,624	88,631
Capital lease payable	7,473		7,473	7,054
<b>Total current liabilities</b>	<b>161,671</b>	<b>90,462</b>	<b>252,133</b>	<b>283,167</b>
Long-term liabilities:				
Revenue bonds		58,609	58,609	155,499
Notes payable	490,380	76,971	567,351	325,971
Capital lease payable	7,473		7,473	14,527
Less: current portion	(95,634)	(39,234)	(134,868)	(192,576)
<b>Total long-term liabilities</b>	<b>402,219</b>	<b>96,346</b>	<b>498,565</b>	<b>303,421</b>
<b>Total liabilities</b>	<b>563,890</b>	<b>186,808</b>	<b>750,698</b>	<b>586,588</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	602,556		602,556	533,579
<b>NET POSITION</b>				
Net investment in capital assets	499,773	1,346,788	1,846,561	1,531,297
Restricted for:				
TIF No. 1	232,612		232,612	231,438
Donor purposes	6,974		6,974	2,361
Unrestricted	88,233	542,391	630,624	525,644
<b>Total net position</b>	<b>827,592</b>	<b>1,889,179</b>	<b>2,716,771</b>	<b>2,290,740</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 1,994,038</b>	<b>\$ 2,075,987</b>	<b>\$ 4,070,025</b>	<b>\$ 3,410,907</b>

Exhibit A-2  
Village of Arena, Wisconsin  
Statement of Activities  
For the Year Ended December 31, 2019  
(With Summarized Financial Information for the Year Ended December 31, 2018)

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Totals	
							2019	2018
Primary Government:								
Governmental activities:								
General government	\$ 141,642	\$ 14,116	\$	\$	\$ (127,526)	\$	\$ (127,526)	\$ (114,487)
Public safety	286,060	9,557	3,821		(272,682)		(272,682)	(270,719)
Public works	178,828		34,055	177,000	32,227		32,227	(128,519)
Leisure activities	19,748	7,631			(12,117)		(12,117)	(14,348)
Conservation and development	38,394				(38,394)		(38,394)	(27,730)
Health and social services	80				(80)		(80)	(80)
Interest and fiscal charges	12,461				(12,461)		(12,461)	(13,215)
Total governmental activities	<u>677,213</u>	<u>31,304</u>	<u>37,876</u>	<u>177,000</u>	<u>(431,033)</u>		<u>(431,033)</u>	<u>(569,098)</u>
Business-type activities:								
Water utility	107,519	177,926		106,540		176,947	176,947	39,320
Sewer utility	<u>289,636</u>	<u>247,423</u>		<u>65,210</u>		<u>22,997</u>	<u>22,997</u>	<u>(10,493)</u>
Total business-type activities	<u>397,155</u>	<u>425,349</u>		<u>171,750</u>		<u>199,944</u>	<u>199,944</u>	<u>28,827</u>
Total primary government	<u>\$ 1,074,368</u>	<u>\$ 456,653</u>	<u>\$ 37,876</u>	<u>\$</u>	<u>(431,033)</u>	<u>199,944</u>	<u>(231,089)</u>	<u>(540,271)</u>
General revenues:								
Property taxes								
General purposes					398,625		398,625	395,868
Tax increment					136,454		136,454	117,237
Federal and state aid not restricted for specific purposes					113,281		113,281	114,544
Interest income					19,252	11,680	30,932	20,640
Gain (loss) on sale of fixed assets								(5,458)
Miscellaneous					33,429		33,429	38,713
Transfers					25,968	(25,968)		
Total general revenues					<u>727,009</u>	<u>(14,288)</u>	<u>712,721</u>	<u>681,544</u>
Special item:								
Amortization of DIWC construction grant						(55,601)	(55,601)	(55,601)
Change in net position					295,976	130,055	426,031	85,672
Net position - beginning of year, as previously reported					658,386	1,632,354	2,290,740	2,205,068
Prior period adjustment - See Note 19					(126,770)	126,770		
Net position - beginning of year, restated					<u>531,616</u>	<u>1,759,124</u>	<u>2,290,740</u>	
Net position - end of year					<u>\$ 827,592</u>	<u>\$ 1,889,179</u>	<u>\$ 2,716,771</u>	<u>\$ 2,290,740</u>

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



Exhibit A-3  
Village of Arena, Wisconsin  
Balance Sheet  
Governmental Funds  
December 31, 2019

(With Summarized Financial Information as of December 31, 2018)

	General	TIF District No. 1	Totals	
			2019	2018
<b>ASSETS</b>				
Cash and investments	\$ 500,995	\$ 425,573	\$ 926,568	\$ 598,879
Receivables:				
Other	1,500		1,500	1,500
Taxes	239,639	87,834	327,473	347,325
Prepays	500		500	6,320
Total assets	<u>\$ 742,634</u>	<u>\$ 513,407</u>	<u>\$ 1,256,041</u>	<u>\$ 954,024</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 38,877	10,397	\$ 49,274	\$ 26,860
Due to other funds	20,956	101,802	122,758	
Accrued payroll	6,507		6,507	5,069
Total liabilities	<u>66,340</u>	<u>112,199</u>	<u>178,539</u>	<u>31,929</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenues	433,960	168,596	602,556	533,579
<b>FUND BALANCE</b>				
Nonspendable	500		500	6,320
Assigned	58,044		58,044	
Restricted	47,884	232,612	280,496	233,799
Unassigned	135,906		135,906	148,397
Total fund balance	<u>242,334</u>	<u>232,612</u>	<u>474,946</u>	<u>388,516</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 742,634</u>	<u>\$ 513,407</u>	<u>\$ 1,256,041</u>	<u>\$ 954,024</u>

Exhibit A-4  
Village of Arena, Wisconsin  
Reconciliation of the Governmental Funds Balance Sheet  
with the Statement of Net Position  
December 31, 2019  
(With Summarized Financial Information as of December 31, 2018)

	2019	2018
Total fund balance - governmental funds:	\$ 474,946	\$ 388,516
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:</p>		
Governmental capital asset	1,729,359	1,314,414
Governmental accumulated depreciation	(886,254)	(831,894)
	843,105	482,520
<p>Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plans. These items are reflected in the statement of net position and are being amortized with pension and OPEB expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.</p>		
	17,650	
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:</p>		
Bonds and notes payable	(490,380)	(193,413)
Capital lease payable	(7,473)	(14,527)
Accrued interest on general obligation debt	(10,256)	(4,710)
Net position of governmental activities	\$ 827,592	\$ 658,386

Exhibit A-5  
Village of Arena, Wisconsin  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2019  
(With Summarized Financial Information for the Year Ended December 31, 2018)

	TIF District		Totals	
	General	No. 1	2019	2018
<b>REVENUES</b>				
Taxes	\$ 398,625	\$ 136,454	\$ 535,079	\$ 513,105
Intergovernmental revenues	151,023	133	151,156	153,297
Licenses and permits	14,100		14,100	15,936
Fines and forfeitures	9,557		9,557	10,912
Public charges for services	6,347		6,347	2,332
Interest income	10,813	8,440	19,253	9,055
Miscellaneous revenues	34,735		34,735	40,013
<b>Total revenues</b>	<b>625,200</b>	<b>145,027</b>	<b>770,227</b>	<b>744,650</b>
<b>EXPENDITURES</b>				
Current:				
General government	126,773		126,773	106,971
Public safety	288,349		288,349	252,105
Public works	142,779		142,779	128,423
Leisure activities	17,594		17,594	15,156
Conservation and development	26,426	12,258	38,684	28,180
Health and social services	80		80	80
Capital outlay	251,727		251,727	103,731
Debt service:				
Principal retirement	39,635	26,767	66,402	114,226
Interest and fiscal charges	2,549	3,026	5,575	9,074
<b>Total expenditures</b>	<b>895,912</b>	<b>42,051</b>	<b>937,963</b>	<b>757,946</b>
<b>Excess of revenues (under) expenditures</b>	<b>(270,712)</b>	<b>102,976</b>	<b>(167,736)</b>	<b>(13,296)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	330,000		330,000	
Transfers in	25,968		25,968	24,415
<b>Total other financing sources (uses)</b>	<b>355,968</b>		<b>355,968</b>	<b>24,415</b>
<b>Net change in fund balances</b>	<b>85,256</b>	<b>102,976</b>	<b>188,232</b>	<b>11,119</b>
Fund balance January 1, as previously reported	157,078	231,438	388,516	377,397
Prior period adjustment		(101,802)	(101,802)	
Fund balance January 1, as restated	157,078	129,636	286,714	
<b>Fund balance December 31</b>	<b>\$ 242,334</b>	<b>\$ 232,612</b>	<b>\$ 474,946</b>	<b>\$ 388,516</b>

Exhibit A-6  
Village of Arena, Wisconsin  
Reconciliation of Statement of Revenues, Expenditures and Changes  
in Fund Balance of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2019  
(With Summarized Financial Information for the Year Ended December 31, 2018)

	2019	2018
Net change in fund balance - total governmental funds	\$ 188,232	\$ 11,119
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in governmental fund statements	422,746	78,296
Depreciation expenses reported in the statement of activities	(62,161)	(60,267)
Amount by which capital outlays are greater (less) than depreciation in the current period.	360,585	18,029
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to decrease net position:		(19,958)
The issuance of long-term debt (e.g. bonds, notes, capital leases) provides current financial resources to governmental funds but does not affect the statement of activities	(330,000)	
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan		
Pension expense in the statement of activities is actuarially determined by the defined benefit pension as the difference between the net pension liability from the prior year to the current year, with some adjustments		
Difference between the required contributions into the defined benefit pension plan and the actuarially determined change in net pension liability between years	17,650	
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities		
The amount of long-term debt principal payments in the current year is:	65,062	114,226
In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period	6,915	9,074
The amount of interest accrued during the current period	(12,461)	(7,215)
Interest paid is greater (less) than interest expensed by	(5,546)	1,859
Change in net position - governmental activities	\$ 295,983	\$ 125,275

Exhibit A-7  
Village of Arena, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2019  
(With Summarized Financial Information as of December 31, 2018)

	Water Utility	Sewer Utility	Totals	
			2019	2018
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 222,286	\$ 182,658	\$ 404,944	\$ 465,409
Customer accounts receivable	33,914	58,717	92,631	45,499
Due from other funds	4,847	117,911	122,758	
Materials and supplies	4,574		4,574	365
Current portion of long-term loan receivable				89,307
<b>Total current assets</b>	<b>265,621</b>	<b>359,286</b>	<b>624,907</b>	<b>600,580</b>
Capital assets:				
Utility plant in service	1,441,692	1,038,164	2,479,856	2,292,192
Less: accumulated depreciation	(504,944)	(555,336)	(1,060,280)	(1,001,957)
<b>Net capital assets</b>	<b>936,748</b>	<b>482,828</b>	<b>1,419,576</b>	<b>1,290,235</b>
Noncurrent assets:				
Long-term loan receivable				89,307
Less: current portion				(89,307)
<b>Total noncurrent assets</b>				
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows	2,204	1,353	3,557	
Unamortized DIWC construction grants		27,947	27,947	83,548
<b>Total deferred outflows of resources</b>	<b>2,204</b>	<b>29,300</b>	<b>31,504</b>	<b>83,548</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,204,573</b>	<b>\$ 871,414</b>	<b>\$ 2,075,987</b>	<b>\$ 1,974,363</b>

Exhibit A-7 (Continued)  
Village of Arena, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2019

(With Summarized Financial Information as of December 31, 2018)

	Water Utility	Sewer Utility	Totals	
			2019	2018
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 4,284	\$ 43,421	\$ 47,705	\$ 47,913
Accrued payroll	1,085	555	1,640	2,633
Interest accrued	929	954	1,883	3,406
Current portion of:				
Revenue bonds	7,771		7,771	96,891
Notes payable	10,181	21,282	31,463	41,414
<b>Total current liabilities</b>	<b>24,250</b>	<b>66,212</b>	<b>90,462</b>	<b>192,257</b>
Long-term liabilities:				
Revenue bonds	58,609		58,609	155,499
Notes payable	31,396	45,575	76,971	132,558
Less: current portion	(17,952)	(21,282)	(39,234)	(138,305)
<b>Total long-term liabilities</b>	<b>72,053</b>	<b>24,293</b>	<b>96,346</b>	<b>149,752</b>
<b>Total liabilities</b>	<b>96,303</b>	<b>90,505</b>	<b>186,808</b>	<b>342,009</b>
<b>NET POSITION</b>				
Net investment in capital assets	878,139	468,649	1,346,788	1,174,101
Unrestricted	230,131	312,260	542,391	458,253
<b>Total net position</b>	<b>1,108,270</b>	<b>780,909</b>	<b>1,889,179</b>	<b>1,632,354</b>
<b>Total liabilities and net position</b>	<b>\$ 1,204,573</b>	<b>\$ 871,414</b>	<b>\$ 2,075,987</b>	<b>\$ 1,974,363</b>

Exhibit A-8  
Village of Arena, Wisconsin  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2019  
(With Summarized Financial Information for the Year Ended December 31, 2018)

	Water Utility	Sewer Utility	Totals	
			2019	2018
<b>OPERATING REVENUES</b>				
Sales of water	\$ 163,576	\$	\$ 163,576	\$ 138,758
Sewage service charges		239,959	239,959	238,495
Other	14,350	7,464	21,814	19,948
Total operating revenues	177,926	247,423	425,349	397,201
<b>OPERATING EXPENSES</b>				
Operation and maintenance	67,305	255,481	322,786	291,846
Depreciation	36,578	30,377	66,955	65,104
Taxes	1,199	2,037	3,236	2,577
Total operating expenses	105,082	287,895	392,977	359,527
Net operating income (loss)	72,844	(40,472)	32,372	37,674
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	4,672	7,008	11,680	11,586
Interest expense	(2,437)	(1,741)	(4,178)	(8,847)
Income (loss) before transfers and contributions	75,079	(35,205)	39,874	40,413
Capital contributions	106,540	65,210	171,750	
Transfer of tax equivalent	(25,968)		(25,968)	(24,415)
Change in net position	155,651	30,005	185,656	15,998
Net position - beginning of year, as previously reported	952,619	679,735	1,632,354	1,671,957
Prior period adjustment		126,770	126,770	
Net position - beginning of year, as restated	952,619	806,505	1,759,124	1,671,957
Amortization of DIWC construction grants		(55,601)	(55,601)	(55,601)
Net position - end of year	\$ 1,108,270	\$ 780,909	\$ 1,889,179	\$ 3,304,311

Exhibit A-9  
Village of Arena, Wisconsin  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019  
(With Summarized Financial Information for the Year Ended December 31, 2018)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2019	2018
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES:</b>				
Received from customers	\$ 156,867	\$ 221,350	\$ 378,217	\$ 395,094
Payments to employees	(34,336)	(20,962)	(55,298)	(8,312)
Payments for employee fringe benefits and payroll taxes	(4,789)	(3,389)	(8,178)	(102)
Payments to suppliers	(41,033)	(249,125)	(290,158)	(264,779)
Net cash flows fom operating activities	76,709	(52,126)	24,583	121,901
<b>CASH FLOWS (USED BY) NONCAPITAL FINANCING ACTIVITIES:</b>				
Debt retired	(9,912)	(9,912)	(19,824)	(19,292)
Interest paid	(1,401)	(1,401)	(2,802)	(2,802)
Paid to municipality for tax equivalent	(25,968)		(25,968)	(24,415)
Net cash flows (used by) noncapital financing activities:	(37,281)	(11,313)	(48,594)	(46,509)
<b>CASH FLOWS (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(118,992)	(79,615)	(198,607)	(22,810)
Capital contributions received	106,540	65,210	171,750	
Debt retired	(7,583)	(10,795)	(18,378)	(41,776)
Interest paid	(1,279)	(1,620)	(2,899)	(7,504)
Net cash flows (used by) capital and related financing activities	(21,314)	(26,820)	(48,134)	(72,090)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	4,672	7,008	11,680	11,586
Net change in cash and cash equivalents	22,786	(83,251)	(60,465)	14,888
Cash and cash equivalents - beginning of year	199,500	265,909	465,409	450,521
Cash and cash equivalents - end of year	\$ 222,286	\$ 182,658	\$ 404,944	\$ 465,409



Exhibit A-9 (Continued)  
Village of Arena, Wisconsin  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019  
(With Summarized Financial Information for the Year Ended December 31, 2018)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2019	2018
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>				
<b>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 72,844	\$ (40,472)	\$ 32,372	\$ 37,674
Noncash items in operating income:				
Depreciation expense	38,890	30,377	69,267	67,416
Changes in assets and liabilities:				
Customer accounts receivable	(21,059)	(26,073)	(47,132)	(2,107)
Due from other funds	(4,847)	(16,109)	(20,956)	
Inventory	(4,209)		(4,209)	
Deferred outflows	(2,204)	(1,353)	(3,557)	
Accounts payable	(1,698)	1,490	(208)	17,471
Accrued payroll	(1,008)	14	(994)	1,447
Net cash flows from operating activities	76,709	(52,126)	24,583	121,901
<b>SCHEDULE OF NONCASH ITEMS:</b>				
Revenue bond payments made by				
Dane-Iowa Wastewater Commission:				
Principal	\$	\$ 89,307	\$ 89,307	\$ 87,010
Interest		1,179	1,179	3,506
Total	\$	\$ 90,486	\$ 90,486	\$ 90,516

Exhibit A-10  
 Village of Arena, Wisconsin  
 Statement of Net Position  
 Fiduciary Funds  
 December 31, 2019

(With Summarized Financial Information as of December 31, 2018)

	Custodial Fund	
	Tax Collection Fund	
	2019	2018
<b>ASSETS</b>		
Cash and investments	\$ 368,473	\$ 237,097
Taxes receivable	400,741	470,010
Total assets	\$ 769,214	\$ 707,107
<b>LIABILITIES</b>		
Due to other taxing units	\$ 769,214	\$ 707,107
<b>NET POSITION</b>		
Restricted		
Total liabilities and net position	\$ 769,214	\$ 707,107

Exhibit A-11  
 Village of Arena, Wisconsin  
 Statement of Changes in Net Position - Fiduciary Funds  
 Fiduciary Funds  
 December 31, 2019

(With Summarized Financial Information as of December 31, 2018)

	Custodial Fund		
	Tax Collection		
	Fund	2019	2018
<b>ADDITIONS</b>			
Property tax collections for other governments	\$ 604,174	\$ 604,174	\$ 521,334
<b>DEDUCTIONS</b>			
Property tax collections paid or owed to other governments	\$ 604,174	\$ 604,174	\$ 521,334
Net increase (decrease) in fiduciary net position			
Net position - beginning of year			
Net position - end of year	\$	\$	\$

NOTES TO THE BASIC FINANCIAL STATEMENTS

Village of Arena, Wisconsin  
 Index to the Notes to the Basic Financial Statements  
 December 31, 2019

	<u>PAGE</u>
Note 1. <u>Summary of Significant Accounting Policies</u>	
A. Reporting Entity .....	17
B. Government-Wide and Fund Financial Statements.....	17-19
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation.....	19-20
D. Deposits and Investments.....	21
E. Receivables.....	21
F. Inventories and Prepaid Items .....	22
G. Restricted Assets .....	22
H. Capital Assets.....	22-23
I. Compensated Absences.....	23
J. Long-Term Obligations/Conduit Debt .....	23
K. Claims and Judgments.....	23
L. Equity Classifications.....	24-25
M. Interfund Transactions and Transfers.....	25
N. Income Tax.....	25
O. Risk Management.....	25
P. Encumbrances .....	25
Q. Summarized Comparative Data.....	26
R. Regulation of Municipal Utilities.....	26
S. Nature of Operation.....	26
T. Pensions.....	26
U. Deferred Outflows and Inflows of Resources .....	26
V. Change in Accounting Principle.....	27
Note 2. <u>Explanation of Certain Differences Between Governmental Fund Statements and Government-Wide Statements</u> .....	27
Note 3. <u>Cash and Investments</u> .....	28-30
Note 4. <u>Capital Assets</u> .....	31-32
Note 5. <u>Long-Term Obligations</u> .....	33-35
Note 6. <u>Capital Leases, As Lessee</u> .....	35
Note 7. <u>Defined Benefit Pension Plan</u> .....	36-39
Note 8. <u>Interfund Transfers</u> .....	40
Note 9. <u>Joint Ventures</u> .....	40-41
Note 10. <u>Deferred Inflows of Resources</u> .....	41
Note 11. <u>Commitments and Contingencies</u> .....	41
Note 12. <u>Net Position</u> .....	42
Note 13. <u>Governmental Fund Balances</u> .....	43
Note 14. <u>Tax Levy Limit</u> .....	43

Village of Arena, Wisconsin  
Index to the Notes to the Basic Financial Statements  
December 31, 2019

---

Note 15. Tax Incremental District.....43-44

Note 16. Tax Abatements..... 44

Note 17. Effect of New Accounting Standards on Current Period Financial Statements ..... 45

Note 18. Commitments/Subsequent Events..... 45

Note 19. Prior Period Adjustment..... 45

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Village of Arena, Wisconsin is an incorporated Village, which is governed by the Village Board headed by the Village president, a voting member of the Board. The Village president does not have veto power. The Board consists of seven members, including the president, who are elected at large. Committees of the Board, appointed by the president, oversee the work of employees. A clerk-treasurer, elected by the Board, is the administrative officer.

The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) 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 (1) it is able to impose its will on that organization or (2) 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.

B. Government-Wide and Fund Financial Statements

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

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

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1                    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

**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, deferred outflows of resources, liabilities, deferred inflows of resources, net position/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.

Funds are organized in 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 Village or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- 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 Village believes is particularly important to financial statement users may be reported as a major fund.

Major Governmental Funds:

The Village reports the following major governmental funds:

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

TIF No. 1– Accounts for the activity of Tax Incremental District No. 1.

Major Enterprise Funds:

The Village reports the following major enterprise funds:

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



Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

In addition, the Village reports the following fund type:

Fiduciary Funds

Custodial Funds – used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Village accounts for tax collections payable to overlying taxing jurisdictions a custodial fund.

- Tax Collection

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

**Government-Wide Financial Statements**

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**Fund Financial Statements**

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

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

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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 inflows of resources.

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

The Village reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the Village 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 Village has a legal claim to the resources, the deferred inflows of resources are 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 utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues and expenditures arising from non-exchange transactions, such as property and sales taxes, fines, and grants are recorded according to Governmental Accounting Standards.

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

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments

All deposits of the Village are made in board designated official depositories and are secured as required by State Statute. The Village may designate, as an official depository, any bank or savings association. Also, the Village may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

For purposes of the statement of cash flows, all cash deposits and highly liquid investments with an original maturity of three months or less (including restricted assets) are considered to be cash equivalents.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost, which approximates fair value. Investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value as determined by quoted market prices.

E. Receivables

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

Property tax calendar - 2019 tax roll:

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

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. Delinquent special charges and assessments are not paid in full by the county. Utilities 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 from other funds," Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds," Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position, Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

In the governmental fund financial statements, advances to other funds are offset equally by nonspendable fund balance which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories and Prepaid Items

Inventories of governmental fund types consist of expendable supplies held for consumption. Such items, which are not material, are considered expenditures when purchased and, accordingly, are not reflected on the Balance Sheet- Governmental Funds.

Inventories of proprietary fund types are valued at the lower-of-cost or market using the first-in, first-out method and are charged as expenses or are capitalized when used.

G. Restricted Assets

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

H. 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 \$20,000 for infrastructure and \$2,000 for all other fixed assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at acquisition value.

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. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

Buildings	20-50 Years
Machinery and Equipment	3-40 Years
Utility System	10-100 Years

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1                    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

**Fund Financial Statements**

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

I. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Compensated absences are immaterial to these financial statements. When material, vested vacation and sick leave pay are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019 are determined on the basis of current salary rates and include salary related payments.

J. Long-Term Obligations/Conduit Debt

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

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

The Village does not have any conduit debt outstanding at December 31, 2019.

K. 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.

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications

**Government-Wide Statements**

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

**Fund Statements**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable – includes amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- Committed – includes amounts constrained to specific purposes by the Village Board, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Village Board takes the same highest level action to remove or change the constraint.
- Assigned – includes amounts the Village Board intends to use for a specific purpose; intent can be expressed by the Village Board or by an official or body to which the Village Board delegates the authority. All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- Unassigned – includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications (Continued)

The Village's fund balance policy delegates the authority to assign amounts to be used for specific purposes to the Village Clerk-Treasurer for the purpose of reporting these amounts in the annual financial statements. The Village will also maintain a minimum unassigned fund balance equal to 20% of total general fund expenditures. In the event that the balance drops below the established minimum level, the Village Board will develop a plan to replenish the fund balance to the established minimum level within five years.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the Village to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the Village that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

M. Interfund Transactions and Transfers

The water utility is charged for tax equivalents due to the municipality's general fund. These payments in lieu of taxes are treated as revenues in the general fund.

The general fund pays a fire protection charge to the water utility. In addition, the water and sewer utilities provide basic services to departments in the general fund. Charges for fire protection and basic services are recorded as expenditures in the general fund.

N. Income Tax

Municipal utilities are exempt from income taxes and, therefore, no income tax liability is recorded by the Arena Water and Sewer Utilities.

O. Risk Management

The Village is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

P. Encumbrances

Encumbrances outstanding represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders at year-end are fulfilled. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not represent liabilities or expenditures. Encumbrance accounting applies only to governmental fund types. The municipality does not use encumbrance accounting.

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1                    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Summarized Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position, operations, and cash flows. However, comparative (i.e., presentations of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain prior year classifications have been restated to conform to the current year presentation.

R. Regulation of Municipal Utilities

The Arena Water Utility operates under service rules, which are established by the Public Service Commission of Wisconsin. Rates charged are regulated by the Commission. The accounting records of the utility are maintained in accordance with the Uniform System of Accounts prescribed by the Public Service Commission. The Sewer Utility is not regulated.

S. Nature of Operation

The Arena Water Utility provides water service to properties within the Village of Arena and is managed by the Village Board. The Arena Sewer Utility provides sewer service to properties within the Village of Arena and is managed by the Village Board.

T. Pensions

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

U. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The Village reports deferred outflows of resources for the WRS pension system.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents and acquisition of net position which applies to future periods and will not be recognized as an inflow of resource (revenue) until then. The Village reports deferred inflows of resources for deferred property tax revenue.

The sewer utility financed a portion of its costs to create the Dane-Iowa Wastewater Commission with grants totaling \$1,112,012. The costs associated with these grants are being amortized over 20 years, the length of the agreement between the sewer utility and the Dane-Iowa Wastewater Commission. The unamortized balance of these costs was \$27,947 at December 31, 2019. Amortization of these costs will continue until 2020.



Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Change in Accounting Principle

Effective January 1, 2019, the Village adopted provisions of GASB statement No. 84, Fiduciary Activities. GASB No. 84 on Fiduciary Funds, establishes general criteria for determining what activities should be reported in the fiduciary funds and requires the recognition of a liability when an event has occurred that requires the disbursement of fiduciary resources. Implementation of GASB No. 84 Fiduciary Funds replaces Agency Fund types with Custodial Funds for the accumulation of assets for entities outside the government's reporting entity. Unlike Agency Funds, custodial funds present a statement of net position and a statement of changes in net position. The statement of changes in fiduciary net position report additions and deductions for taxes collected and distributed on behalf of or to other governments.

Effective January 1, 2019 the Village adopted provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

NOTE 2                      EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL  
FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and government-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

**Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities**

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences include (1) the difference between proceeds from the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 3

CASH AND INVESTMENTS

At December 31, 2019, cash and investments included the following:

Deposits with financial institutions	\$ 227,435
Repurchase agreements	<u>1,472,550</u>
Total cash and investments	<u><u>\$ 1,699,985</u></u>

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 1,331,512
Exhibit A-10:	
Cash and investments	<u>368,473</u>
Total cash and investments	<u><u>\$ 1,699,985</u></u>

Investments Authorized by Wisconsin State Statutes

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

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

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Village places no limit on the amount the Village may invest in any one issuer.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Village would not be able to recover the value of its investment of collateral securities that are in possession of another party. The Village does not have an investment policy for custodial credit risk.

*Federal Deposit Insurance Corporation (FDIC) Insurance*

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 3

CASH AND INVESTMENTS (CONTINUED)

*Collateralization of Public Unit Deposits*

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the unlikely event of the failure of an insured bank.

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

As of December 31, 2019, \$250,063 of the Village's deposits were insured by the FDIC. Additionally, the Village has entered into a repurchase agreement with a local bank with a deposit account. As of December 31, 2019, Village deposits totaling \$1,472,550 were in an account with a repurchase agreement. From time to time the bank sells certain securities which are direct obligations of the United States Government or its agencies upon the transfer of funds by the Village with a simultaneous agreement by the Village to sell such Securities to the bank and of the bank to repurchase such securities.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and proceeds from borrowing may have resulted in temporary balances during the year significantly exceeding uninsured amounts at the balance sheet date.

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 4

CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ 11,937	\$	\$	\$ 11,937
Construction work in progress		245,746		245,746
Total capital assets not being depreciated	<u>11,937</u>	<u>245,746</u>		<u>257,683</u>
Other capital assets				
Land improvements	38,835			38,835
Buildings and improvements	527,649		(7,801)	519,848
Machinery and equipment	201,466			201,466
Vehicles	156,956			156,956
Infrastructure	377,571	177,000		554,571
Total other capital assets at historical costs	<u>1,302,477</u>	<u>177,000</u>	<u>(7,801)</u>	<u>1,471,676</u>
Less: accumulated depreciation for:				
Land improvements	38,835			38,835
Buildings and improvements	403,431	12,549	(7,801)	408,179
Machinery and equipment	127,914	15,233		143,147
Vehicles	56,586	15,951		72,537
Infrastructure	205,128	18,428		223,556
Total accumulated depreciation	<u>831,894</u>	<u>62,161</u>	<u>(7,801)</u>	<u>886,254</u>
Total net capital assets	<u>\$ 482,520</u>	<u>\$ 360,585</u>	<u>\$</u>	<u>\$ 843,105</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 10,305
Public safety	11,327
Public works, which includes the depreciation of infrastructure	38,175
Leisure activities	2,354
Total governmental activities depreciation expense	<u>\$ 62,161</u>

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

NOTE 4

CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Removals	Ending Balance
<u>Business-Type Activities:</u>				
Capital assets not being depreciated				
Land and land rights	\$ 10,697	\$	\$	\$ 10,697
Total capital assets not being depreciated	10,697			10,697
Capital assets being depreciated				
Water:				
Source of supply	8,860			8,860
Pumping	133,451	3,419	(2,143)	134,727
Water treatment	4,230			4,230
Transmission and distribution	1,080,439	108,318		1,188,757
General plant	98,807	7,255	(1,500)	104,562
Sewer:				
Collection system	435,666	65,211		500,877
Collecting system pumping	416,685	7,828	(5,800)	418,713
Treatment and disposal	64,544			64,544
General plant	38,813	6,576	(1,500)	43,889
Total capital assets being depreciated	2,281,495	198,607	(10,943)	2,469,159
Total accumulated depreciation	1,001,957	69,266	(10,943)	1,060,280
Net capital assets being depreciated	1,279,538	129,341		1,408,879
Total net capital assets	\$ 1,290,235	\$ 129,341	\$	\$ 1,419,576

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water Utility	\$ 38,889
Sewer Utility	30,377
Total depreciation expense	69,266
Less: allocated to sewer	(2,311)
Total depreciation expense per Exhibit A-8	\$ 66,955

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

NOTE 5

LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
<u>Governmental activities</u>					
Notes from direct borrowings and direct placements	\$ 218,388	\$ 330,000	\$ (58,008)	\$ 490,380	\$ 88,161
Capital lease payable	14,527		(7,054)	7,473	7,473
Total governmental activities Long-term liabilities	<u>\$ 232,915</u>	<u>\$ 330,000</u>	<u>\$ (65,062)</u>	<u>\$ 497,853</u>	<u>\$ 95,634</u>
<u>Business-type activities</u>					
Direct borrowings and direct placements:					
General obligation notes	\$ 107,590	\$	\$ (30,619)	\$ 76,971	\$ 31,463
Clean water revenue bonds	155,499		(96,890)	58,609	7,771
Total business-type activities Long-term liabilities	<u>\$ 263,089</u>	<u>\$</u>	<u>\$ (127,509)</u>	<u>\$ 135,580</u>	<u>\$ 39,234</u>

The compensated absences liability attributed to governmental activities are typically being liquidated in the general fund.

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

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/19
<u>Governmental activities</u>					
State trust fund note	3/15/2013	3/15/2023	2.75%	\$ 158,022	\$ 68,393
State trust fund note	2/19/2013	3/15/2022	2.75%	173,735	62,794
Note payable	4/20/2012	4/20/2022	2.79%	158,776	15,014
Note payable	4/20/2012	4/20/2022	2.79%	71,949	14,179
Note payable	5/7/2019	5/15/2029	3.12%	330,000	330,000
Total governmental activities – notes from direct borrowings					<u>\$ 490,380</u>
<u>Business-type activities</u>					
Note payable	4/20/2012	4/20/2022	2.79%	\$ 71,949	\$ 14,179
State trust fund note	2/19/2013	3/15/2022	2.75%	173,734	62,792
Total business-type activities – notes from direct borrowings					<u>\$ 76,971</u>

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2019 was \$2,522,900. Total general obligation debt outstanding at year-end was \$567,171.

Debt service requirements to maturity are as follows:

Years	Governmental Activities		Business-Type Activities	
	Direct borrowings and direct placements		Direct borrowings and direct placements	
	Principal	Interest	Principal	Interest
2020	\$ 88,161	\$ 15,315	\$ 31,463	\$ 2,536
2021	73,615	12,399	24,006	1,341
2022	69,240	10,161	21,502	591
2023	49,175	8,131		
2024	32,348	6,667		
2025-2029	177,841	17,234		
Totals	<u>\$ 490,380</u>	<u>\$ 69,907</u>	<u>\$ 76,971</u>	<u>\$ 4,468</u>

Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the utility. Revenue debt payable at December 31, 2019, consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/19
State of Wisconsin Clean Water Fund	4/25/2007	5/1/2026	2.48%	\$ 138,445	\$ 58,609
Total business-type activities bonds from direct borrowings					<u>\$ 58,609</u>

Debt service requirements to maturity are as follows:

Years	Business-Type Activities Revenue Debt		
	Principal	Interest	Total
2020	\$ 7,771	\$ 1,354	\$ 9,125
2021	7,964	1,160	9,124
2022	8,161	960	9,121
2023	8,363	756	9,119
2024	8,570	546	9,116
2025-2029	17,780	443	18,223
Totals	<u>\$ 58,609</u>	<u>\$ 5,219</u>	<u>\$ 63,828</u>



Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

As discussed in Note 8, the Village is a member of the Dane Iowa Wastewater Commission (DIWC). All of the amounts drawn on the sewer revenue bonds were advanced to the DIWC to pay the Village's share of construction cost of a joint wastewater treatment system. As of December 31, 2019, the sewer revenue bonds were paid off. The Village had an agency agreement with DIWC requiring the Commission to pay the debt.

*Bond covenant debt coverage*

Under terms of the revenue bond resolutions, revenues must be sufficient to pay operation and maintenance expenses and debt service. By resolution, revenue less expenses must be 1.1 times the annual debt service requirements on the bonds and any other obligations payable. Debt coverage for 2019 was as follows:

	<u>Water Utility</u>
Gross revenues	\$ 177,926
Less: operating expenses	(105,082)
Plus: interest income	4,672
Plus: depreciation	36,578
Total net revenues	\$ 114,094
Highest Village debt service	\$ 9,125
Coverage ratio	110%
Net revenues required	\$ 10,038

NOTE 6

CAPITAL LEASES, AS LESSEE

The following is an analysis of the original cost of leased property under capital leases by major classes as of December 31, 2019:

Equipment	\$ 29,103
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The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2019:

Year Ended December 31,	
2020	\$ 7,919
Less: Interest	(446)
Remaining principal balance	\$ 7,473

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 7

DEFINED BENEFIT PENSION PLAN

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

<b>Year</b>	<b>Core Fund Adjustment</b>	<b>Variable Fund Adjustment</b>
2009	(2.1%)	(42%)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17

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

During the reporting period, the WRS recognized \$21,207 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.55%	6.6%
Protective with social security	6.55%	10.6%
Protective without social security	6.55%	14.95%

Pension amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the pension plan made by the proprietary funds and business-type activities relative to the total contributions made by the Village.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Changes in assumptions		
Net differences between projected and actual earnings on pension plan investments		
Changes in proportion and differences between employer contributions and proportionate share of contributions		
Employer contributions subsequent to the measurement date	21,207	
Total	<u>\$ 21,207</u>	<u>\$</u>

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Village employees started participating in the WRS pension during 2019.

\$21,207 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020.

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

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

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

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

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

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

NOTE 7

DEFINED BENEFIT PENSION PLAN(CONTINUED)

**Asset Allocation Targets and Expected Returns  
As of December 31, 2018**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49	8.1	5.5
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
Variable Fund Asset Class			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

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

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

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

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

Village of Arena, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 8

INTERFUND RECEIVABLES/PAYABLES

The following is a schedule of interfund transfers:

Fund Transfer To	Fund Transferred From	Amount
Governmental Funds		
General	Water	<u>\$ 25,968</u>
Proprietary Funds		
General	Water	<u>\$ 25,968</u>

The following is a schedule of interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
Water	General	4,847
Sewer	General	16,109
Sewer	TIF District No 1	101,802
		<u>\$122,758</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move fund balances whose designated purpose has been removed.

NOTE 9

JOINT VENTURES

*Dane Iowa Wastewater Commission*

The Arena Sewer Utility, an enterprise fund of the Village of Arena, has entered into a contract with the Villages of Black Earth and Mazomanie creating a joint sewerage commission pursuant to Wis. Stat. 66.30 for the purpose of providing facilities for the joint treatment and disposal of sewage and the operation and administration of a regional wastewater collection, treatment, and disposal system. The construction of this facility was completed in 2000. The Dane Iowa Wastewater Commission (DIWC) consists of seven (7) members including the Village President of the three member municipalities. The DIWC established user charges and bills the member municipalities, the Village of Cross Plains, and the Wisconsin Heights School District. The DIWC pays all operating, maintenance and debt service costs and, in turn, bills each member based on actual volumes and loadings and equivalent meters. The Village of Arena expensed \$147,297 in costs for DIWC in 2019.

As discussed in Note 5, sewer revenue bonds in the Village of Arena's name were issued for construction of the DIWC plant. The Village has an agency agreement with DIWC requiring the Commission to pay the debt.

At any time after 20 years from the date upon which all contracting municipalities close on the Clean Water Fund Revenue Bonds, and after payment in full of all obligations of the Commission used to finance the planning, construction, replacement maintenance, operation or extension of the system, any contracting municipality may, upon not less than three years' notice to the commission and the other contracting municipalities, withdraw from this agreement.

Audited financial information of the Commission as of June 30, 2019 is available from the DIWC's office. The financial transactions for the DIWC are not included in the Village's financial statements.

Village of Arena, Wisconsin  
Notes to Financial Statements  
December 31, 2019

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NOTE 9

JOINT VENTURES (CONTINUED)

*Fire Department*

The Village of Arena and Town of Arena jointly operate the local fire department, which is called the Arena Fire Department, and provides fire protection. The communities share in the operation of the district based on the ratio of populations as follows:

Town of Arena	70%
Village of Arena	30%

The governing body is made up of citizens from each community. The village board appoints local representatives. The governing body has authority to adopt its own budget and control the financial affairs of the district. The Village made payments totaling \$23,586 to the district for 2019. The Village believes that the district will continue to provide services in the future at similar rates.

Financial information of the district as of December 31, 2019, is available directly from the district's office.

NOTE 10

DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2019 the component of deferred inflows of resources and unearned revenue reported in the governmental funds was as follows:

Property tax receivable	<u>\$ 602,556</u>
Total deferred inflows of resources – governmental funds	<u>\$ 602,556</u>

NOTE 11

COMMITMENTS AND CONTINGENCIES

From time to time, the Village is party to various pending claims and legal proceedings. As of the date of this audit, the Village was not involved with any lawsuits.

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

Village of Arena, Wisconsin  
Notes to Financial Statements  
December 31, 2019

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NOTE 12

NET POSITION

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

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 843,105
Less: related long-term debt outstanding	<u>(343,332)</u>
Total net investment in capital assets	<u>499,773</u>
Restricted:	
Tax incremental district No. 1	232,612
Donor purposes	<u>6,974</u>
Total restricted	<u>239,586</u>
Unrestricted	
Total governmental activities net position	<u><u>\$ 88,233</u></u>
	<u><u>\$ 827,592</u></u>

Business-type activities and proprietary fund net position at December 31, 2019 includes the following:

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 1,419,576
Less: related long-term debt outstanding	<u>(72,788)</u>
Total net investment in capital assets	1,346,788
Unrestricted:	
Total business-type activities and proprietary fund net position	<u>542,391</u>
	<u><u>\$ 1,889,179</u></u>



Village of Arena, Wisconsin  
Notes to Financial Statements  
December 31, 2019

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NOTE 13

GOVERNMENTAL FUND BALANCES

Fund balance as of December 31, 2019, includes the following items:

**General Fund:**

Nonspendable:

Prepays	\$ 500
Total Nonspendable	\$ 500

Assigned for:

Capital outlay - police	\$ 7,000
Capital outlay - technology	1,700
Capital outlay - park/equipment	6,000
Capital outlay - Village garage	43,344
Total Restricted	\$ 58,044

Restricted for:

Donation - Community Improvement	\$ 731
Donation - Parks	1,630
Donation/fees - archery club	4,613
Village Garage - Unspent Loan Proceeds	40,910
Total Restricted	\$ 47,884

Unassigned

\$ 135,906

**Tax Incremental Financing District No. 1:**

Restricted for:

Future TIF expenditures	\$ 232,612
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NOTE 14

TAX LEVY LIMIT

As part of Wisconsin's Act 32 (2011), legislation was passed that limits the Village's future tax levies. Generally the Village is limited to its prior tax levy dollar amount, increased by the greater of the percentage change in the Village's equalized value due to new construction or zero percent for the 2011 levy collected in 2012 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

In addition, as part of Wisconsin's Act 20 (2013), legislation was passed that further limits future tax levies. If the Village adopts a new fee or a fee increase for covered services (which were partly or wholly funded by property tax levy), the Village must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions. Covered services include garbage collection, snow plowing, and street sweeping.

NOTE 15

TAX INCREMENTAL DISTRICT

The Village of Arena, Wisconsin Tax Incremental Financing District (TID) was created under the provisions of Wisconsin Statute Section 66.46. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

Village of Arena, Wisconsin  
Notes to Financial Statements  
December 31, 2019

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NOTE 15

TAX INCREMENTAL DISTRICT (CONTINUED)

Project costs may not be incurred up to five years before the District's mandatory termination date. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or for a maximum of years. An industrial and mixed-use TID has the option to extend the maximum life by 5 years. Project costs uncollected at the dissolution date are absorbed by the municipality.

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Final Dissolution Date</u>
District #1	9/28/2006	9/28/2021	9/28/2026

Following is the cumulative status of TIF #1 as of December 31, 2019:

Revenue:	
Tax Increments	\$ 1,061,537
Intergovernmental	148
Interest Income	12,481
Total Revenues	<u>1,074,166</u>
Expenditures:	
Administration	62,660
Construction	647,613
Developer Grants Incentive	67,705
Interest and Discounts	140,812
Debt Insurance Costs	5,333
Total Expenditures	<u>924,123</u>
Amount to be Recovered Through Future Increments	<u>\$ (150,043)</u>
Cash	\$ (344,811)
Accounts payable	10,395
Due to other funds	101,802
Notes Payable	82,571
Total	<u>\$ (150,043)</u>

NOTE 16

TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that results from an agreement between one of more governments and an individual or entity in which (a) one of more governments promise to forgo tax revenues which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement had been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Village of Arena, through is TID #1, has entered into tax abatement agreements with developers in the form of tax incremental financing incentives to stimulate economic development. The abatements are authorized through the TID #1 project plan. The developers issue bonds to finance construction and guarantee a certain amount of increment each year. The developers pay property taxes as they become due and if they generate the guaranteed increment, the excess increment is repaid to the developers up to the amount of the developers' debt service. For the year ended December 1, 2019, the Village abated property taxes totaling \$10,398 related to TID #1 developer agreements.

Village of Arena, Wisconsin  
Notes to Financial Statements  
December 31, 2019

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NOTE 17 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 87, *Leases*, effective for periods beginning after June 15, 2021 and GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2020. When these become effective, application of these standards may restate portions of these financial statements.

NOTE 18 COMMITMENTS/SUBSEQUENT EVENTS

Prior to December 31, 2019, the Village approved replacing their 2013 police squad car as soon as the new model was available in 2020. Subsequent to December 31, 2019, the Village approved a general obligation note through a local financial institution for up to 2.5% for four years in the amount of \$34,607. As of July 7, 2020, a repayment schedule was not available.

Prior to December 31, 2019, the Village approved a bid for \$16,640 to complete a full ditch restoration in 2020.

Subsequent to December 31, 2019, the Village approved a contract of \$14,900 for the implementation of new accounting software.

Subsequent to December 31, 2019, the Village approved refinancing the Village shop loan with a local financial institution and adding an additional \$25,000 - \$30,000 of additional funds for the shop at 2.89% over the remaining nine years. As of July 7, 2020, the exact amount of additional funds was unknown and an updated repayment schedule was not available.

The recent spread of the novel coronavirus (COVID-19) has created economic uncertainty domestically and internationally. The potential of COVID-19 having a financial and economic impact on the Village is a possibility, although no such impact is known.

NOTE 19 PRIOR PERIOD ADJUSTMENT

During 2019, it was discovered that the loan for the sewer lift station, which is located in the TIF District, was not allocated properly between the sewer utility and TIF District. A prior period adjustment was recorded as follows to correct this:

	<u>Governmental Activities</u>	<u>TIF District No. 1</u>	<u>Sewer Utility</u>
Total net position as of			
January 1, 2019 as previously reported	\$ 658,386	\$ 231,438	\$ 679,735
Restate long-term debt obligations	<u>(126,770)</u>	<u>(101,802)</u>	<u>126,770</u>
Net position, January 1, 2019 as restated	<u>\$ 531,616</u>	<u>\$ 129,636</u>	<u>\$ 806,505</u>

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit B-1  
 Required Supplementary Information  
 Village of Arena, Wisconsin  
 Budgetary Comparison Schedule for the General Fund  
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variances- Positive (Negative)	
	Original	Final		Original	Final
	Original	Final		to Actual	to Actual
<b>REVENUES</b>					
Taxes	\$ 398,625	\$ 398,625	\$ 398,625	\$	\$
Intergovernmental	149,665	151,006	151,023	1,358	17
Licenses and permits	12,560	14,810	14,100	1,540	(710)
Fines and forfeitures	10,000	10,000	9,557	(443)	(443)
Public charges for services	920	5,920	6,347	5,427	427
Investment income	5,500	10,300	10,813	5,313	513
Miscellaneous revenues	23,580	32,910	34,735	11,155	1,825
<b>Total revenues</b>	<b>600,850</b>	<b>623,571</b>	<b>625,200</b>	<b>24,350</b>	<b>1,629</b>
<b>EXPENDITURES</b>					
Current:					
General government	168,726	125,290	126,773	41,953	(1,483)
Public safety	267,159	303,269	288,349	(21,190)	14,920
Public works	117,765	144,070	142,779	(25,014)	1,291
Leisure activities	19,720	23,598	17,594	2,126	6,004
Conservation and development	12,832	26,427	26,426	(13,594)	1
Health and social services	100	100	80	20	20
Debt service	40,548	40,548	42,184	(1,636)	(1,636)
Capital outlay		349,669	251,727	(251,727)	97,942
<b>Total expenditures</b>	<b>626,850</b>	<b>#####</b>	<b>895,912</b>	<b>(269,062)</b>	<b>117,059</b>
Excess (deficiency) of revenues over over expenditures	(26,000)	(389,400)	(270,712)	(244,712)	118,688
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt proceeds		330,000	330,000	330,000	
Transfer from water utility - tax equivalent	26,000	26,000	25,968	(32)	(32)
<b>Total other financing sources (uses)</b>	<b>26,000</b>	<b>356,000</b>	<b>355,968</b>	<b>329,968</b>	<b>(32)</b>
Net change in fund balances		(33,400)	85,256	85,256	118,656
Fund balance-beginning of year	157,078	157,078	157,078		
Fund balance-end of year	<u>\$ 157,078</u>	<u>\$ 123,678</u>	<u>\$ 242,334</u>	<u>\$ 85,256</u>	<u>\$ 118,656</u>

Village of Arena, Wisconsin  
Wisconsin Retirement System Schedules  
December 31, 2019

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**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
Last 10 Calendar Years \*

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2018	-	\$ -	\$ -	-	-

\* The Village did not join WRS until 2019.

**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Calendar Years \*

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2019	\$ 21,207	\$ (21,207)		\$ 242,828	8.73%

\* The contribution and other amounts presented above for each calendar year are based on information that occurred during that calendar year.

Village of Arena, Wisconsin  
Notes to Required Supplementary Information  
December 31, 2019

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NOTE 1

BUDGET SCHEDULE

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) to the financial statements.

The Village budget is adopted in accordance with state law. Budget amounts in the financial statements include appropriations authorized in the original budget resolution and subsequent revisions authorized by the Village board. Such revisions are required by a statutory provision which states that no expenditure can be made from an expired appropriation. The statutes also require publication of these budget revisions. Revisions require a two-thirds vote of the Village Board. Appropriations for the general fund lapse at year end unless specifically carried forward by Board action.

The Village does not utilize encumbrances in its budget process but does take into consideration certain appropriations, which do not lapse on an annual basis.

NOTE 2

EXCESS EXPENDITURES OVER APPROPRIATIONS

The following expenditures exceeded budget appropriations in the general fund for the year ended December 31, 2019:

<u>Expenditure</u>	<u>Excess Expenditure</u>
General government	\$ 1,483
Debt service	1,636

NOTE 3

CAPITAL LEASES

The Village budgets for its capital lease payment in the public safety expenditure function. This differs from the fund statements where capital lease payments are reported as debt service expenditures.

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULE

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 9 preceding years.

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

*Changes of assumptions.* There were no changes in the assumptions.

SUPPLEMENTARY INFORMATION



Exhibit C-1  
Village of Arena, Wisconsin  
General Fund  
Detailed Statement of Revenues  
For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>
<u>Taxes</u>		
General property	\$ 397,125	\$ 397,125
Payment in lieu of taxes	1,500	1,500
	<hr/>	<hr/>
Totals	<u>\$ 398,625</u>	<u>\$ 398,625</u>
 <u>Intergovernmental</u>		
Shared taxes from state	\$ 112,601	\$ 112,601
State aid - tax exempt computers	98	100
State aid - recycling	1,106	1,000
State aid - personal property aid	448	
State aid - police grant	480	
State aid - fire insurance dues	2,141	2,141
State aid - road allotment	32,949	32,964
State aid - other	1,200	2,200
	<hr/>	<hr/>
Totals	<u>\$ 151,023</u>	<u>\$ 151,006</u>
 <u>Licenses and Permits</u>		
Liquor and malt beverage licenses	\$ 2,400	\$ 3,600
Operators' licenses	320	460
Cigarette licenses	200	300
Building permits	5,804	5,850
Cable TV fees	2,460	2,400
Zoning fees	2,620	1,800
Dog pound and tags	296	400
	<hr/>	<hr/>
Totals	<u>\$ 14,100</u>	<u>\$ 14,810</u>
 <u>Public Charges for Services</u>		
Publication fees	\$ 16	\$ 20
Recreation revenue	6,206	5,700
Park rent	125	200
	<hr/>	<hr/>
Totals	<u>\$ 6,347</u>	<u>\$ 5,920</u>

Exhibit C-1 (Continued)  
Village of Arena, Wisconsin  
General Fund  
Detailed Statement of Revenues  
For the Year Ended December 31, 2019

	Actual	Budget
<u>Fines and Forfeitures</u>		
Court penalties and costs	\$ 9,557	\$ 10,000
 <u>Investment Income</u>		
Investment income	\$ 10,813	\$ 10,300
 <u>Miscellaneous</u>		
Miscellaneous general revenues	\$ 34,735	\$ 32,910
 Debt proceeds	\$ 330,000	\$ 330,000
 Transfer from water utility - tax equivalent	\$ 25,968	\$ 26,000
  Total revenues	\$ 981,168	\$ 979,571

Exhibit C-2  
Village of Arena, Wisconsin  
General Fund  
Detailed Statement of Expenditures  
For the Year Ended December 31, 2019

	Actual	Budget
<u>General Government</u>		
Village board	\$ 9,171	\$ 9,689
Village president	1,439	1,711
Clerk-treasurer	27,354	29,251
Deputy clerk	422	431
Elections	1,781	1,814
Notice ads	1,286	1,849
Assessment of property	2,493	2,495
Long range planning	4,031	4,031
Independent accounting and auditing	6,837	5,750
Legal counsel	22,881	22,900
Village hall	12,997	13,757
League dues	399	406
Property and liability insurance	22,780	19,352
Workmen's compensation	6,494	5,600
Ordinance revision	500	
Unemployment	3,545	3,545
Miscellaneous	2,363	2,709
	\$ 126,773	\$ 125,290
 <u>Public Safety</u>		
Police	\$ 197,744	\$ 212,613
Fire suppression	82,623	82,631
Animal control	75	75
Building inspection	7,907	7,950
	\$ 288,349	\$ 303,269
 <u>Health and Social Services</u>		
Vermin control	\$ 80	\$ 100

Exhibit C-2 (Continued)  
Village of Arena, Wisconsin  
General Fund  
Detailed Statement of Expenditures  
For the Year Ended December 31, 2019

	Actual	Budget
<u>Public Works</u>		
Streets - gas	\$ 5,987	\$ 5,990
Public works - salary	17,875	17,877
Public works - FICA	1,644	1,644
Public works - other		1,627
Street machinery - other	3,407	2,695
Garage and shed	3,749	3,750
Streets and alleys - salary	15,456	15,458
Streets and alleys - FICA	1,067	1,067
Streets and alleys - other	22,130	22,274
Snow control	5,094	5,306
Engineering	168	
Landfill	2,146	2,150
Street signs	312	313
Street lighting	13,026	13,200
Garbage and refuse	37,188	37,188
Recycling	13,530	13,531
	\$ 142,779	\$ 144,070
<u>Conservation and Development</u>		
Strategic planning	\$ 17,500	\$ 17,500
Weed control	8,926	8,927
	\$ 26,426	\$ 26,427
<u>Leisure Activities</u>		
Summer recreation - other	\$ 135	\$ 135
Parks	17,459	23,463
	\$ 17,594	\$ 23,598
<u>Capital Outlay</u>		
General government	\$ 5,981	\$ 7,700
Public works	245,746	341,969
	\$ 251,727	\$ 349,669
<u>Debt Service</u>		
Principal and interest	\$ 42,184	\$ 40,548
	\$ 895,912	\$ 995,471