

Village of Bonduel, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2019



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Village of Bonduel, Wisconsin

DECEMBER 31, 2019

Table of Contents

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet - Governmental Funds	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	10
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	13
Statement of Net Position - Proprietary Funds	14
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	16
Statement of Cash Flows - Proprietary Funds	17
Statement of Fiduciary Net Position - Fiduciary Fund	19
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	20
Notes to Basic Financial Statements	21
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	40
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	41
Detailed Comparison of Budgeted and Actual Revenues - General Fund	42
Detailed Comparison of Budgeted and Actual Expenditures - General Fund	43
ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	44
Schedule of Findings and Responses	46



Independent auditors' report

To the Village Board
Village of Bonduel, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bonduel, Wisconsin (the "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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINIONS

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

EMPHASIS OF MATTER

As described in Note 1.C., during 2019, the Village adopted new accounting guidance, Statement No. 84, *Fiduciary Activities*. As a result, the Village established a custodial fund for taxes and specials collected for other governments. In prior years, these amounts were reported in the general fund. Our opinions are not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

Management has omitted the management's discussion and analysis that 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 opinions on the basic financial statements are not affected by this missing information.


Other 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 combining nonmajor fund financial statements and General Fund Detailed Comparison of Budgeted and Actual Revenues and General Fund Detailed Comparison of Budgeted and Actual Expenditures (the supplementary information) are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2020, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Wausau, Wisconsin

June 16, 2020

BASIC FINANCIAL STATEMENTS

Village of Bonduel, Wisconsin

STATEMENT OF NET POSITION DECEMBER 31, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 1,198,323	\$ 636,956	\$ 1,835,279
Receivables			
Taxes and special charges	540,608	-	540,608
Accounts	5,809	66,489	72,298
Special assessments	244,458	128,675	373,133
Loans	210,066	-	210,066
Internal balances	(875,888)	875,888	-
Inventories and prepaid items	11,336	4,920	16,256
Restricted assets			
Cash and investments	-	364,174	364,174
Capital assets, nondepreciable	20,000	5,063	25,063
Capital assets, depreciable	4,929,774	8,269,905	13,199,679
Total assets	6,284,486	10,352,070	16,636,556
LIABILITIES			
Accounts payable	11,427	1,565	12,992
Accrued and other current liabilities	18,691	-	18,691
Due to other governments	177	-	177
Accrued interest payable	20,230	15,494	35,724
Special deposits	6,940	1,083	8,023
Unearned revenues	2,086	-	2,086
Long-term obligations			
Due within one year	408,268	315,000	723,268
Due in more than one year	2,231,894	3,155,000	5,386,894
Total liabilities	2,699,713	3,488,142	6,187,855
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for subsequent year	993,504	-	993,504
NET POSITION			
Net investment in capital assets	2,309,612	4,804,968	7,114,580
Restricted	363,123	364,174	727,297
Unrestricted	(81,466)	1,694,786	1,613,320
Total net position	\$ 2,591,269	\$ 6,863,928	\$ 9,455,197

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

Village of Bonduel, Wisconsin

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 148,701	\$ 17,663	\$ 350	\$ 910
Public safety	522,463	43,333	42,653	198,446
Public works	352,888	23,871	98,654	2
Health and sanitation	176,806	172,708	12,118	-
Culture and recreation	81,333	796	571	-
Conservation and development	91,233	3,641	-	-
Interest and fiscal charges	130,194	-	-	-
Total governmental activities	<u>1,503,618</u>	<u>262,012</u>	<u>154,346</u>	<u>199,358</u>
BUSINESS-TYPE ACTIVITIES				
Water utility	273,903	327,346	-	4,700
Sewer utility	494,096	490,725	-	-
Total business-type activities	<u>767,999</u>	<u>818,071</u>	<u>-</u>	<u>4,700</u>
Total	<u>\$ 2,271,617</u>	<u>\$ 1,080,083</u>	<u>\$ 154,346</u>	<u>\$ 204,058</u>

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

Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

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

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (129,778)	\$ -	\$ (129,778)
(238,031)	-	(238,031)
(230,361)	-	(230,361)
8,020	-	8,020
(79,966)	-	(79,966)
(87,592)	-	(87,592)
(130,194)	-	(130,194)
<u>(887,902)</u>	<u>-</u>	<u>(887,902)</u>
-	58,143	58,143
-	(3,371)	(3,371)
<u>-</u>	<u>54,772</u>	<u>54,772</u>
<u>(887,902)</u>	<u>54,772</u>	<u>(833,130)</u>
894,103	-	894,103
217,106	-	217,106
9,581	51,920	61,501
96,794	-	96,794
20,230	-	20,230
47,281	(47,281)	-
<u>1,285,095</u>	<u>4,639</u>	<u>1,289,734</u>
397,193	59,411	456,604
<u>2,194,076</u>	<u>6,804,517</u>	<u>8,998,593</u>
<u>\$ 2,591,269</u>	<u>\$ 6,863,928</u>	<u>\$ 9,455,197</u>

Village of Bonduel, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	TIF District	DPW Capital Projects	Equipment Capital Outlay
ASSETS				
Cash and investments	\$ 438,667	\$ 194,179	\$ 120,449	\$ 217,801
Receivables				
Taxes and special charges	172,769	195,500	131,287	41,052
Accounts	5,809	-	-	-
Special assessments	31,185	165,656	47,617	-
Loans	-	-	-	-
Advance to other funds	177,694	-	-	-
Inventories and prepaid items	11,336	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 837,460</u>	<u>\$ 555,335</u>	<u>\$ 299,353</u>	<u>\$ 258,853</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 11,427	\$ -	\$ -	\$ -
Accrued and other current liabilities	18,691	-	-	-
Advance from other funds	-	1,053,582	-	-
Due to other governments	177	-	-	-
Special deposits	280	-	-	-
Unearned revenues	2,086	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>32,661</u>	<u>1,053,582</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	317,262	359,411	241,361	75,470
Loans receivable	-	-	-	-
Special assessments	31,185	165,656	47,617	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>348,447</u>	<u>525,067</u>	<u>288,978</u>	<u>75,470</u>
Fund balances				
Nonspendable	189,030	-	-	-
Restricted	-	-	-	-
Assigned	-	-	10,375	183,383
Unassigned	267,322	(1,023,314)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>456,352</u>	<u>(1,023,314)</u>	<u>10,375</u>	<u>183,383</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 837,460</u>	<u>\$ 555,335</u>	<u>\$ 299,353</u>	<u>\$ 258,853</u>

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

Other Governmental Funds	Total
\$ 227,227	\$ 1,198,323
-	540,608
-	5,809
-	244,458
210,066	210,066
-	177,694
-	11,336
<u>\$ 437,293</u>	<u>\$ 2,388,294</u>

\$ -	\$ 11,427
-	18,691
-	1,053,582
-	177
6,660	6,940
-	2,086
<u>6,660</u>	<u>1,092,903</u>

-	993,504
210,066	210,066
-	244,458
<u>210,066</u>	<u>1,448,028</u>

-	189,030
153,057	153,057
67,510	261,268
-	(755,992)
<u>220,567</u>	<u>(152,637)</u>

<u>\$ 437,293</u>	<u>\$ 2,388,294</u>
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Village of Bonduel, Wisconsin

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total fund balances as shown on previous page	\$ (152,637)
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	4,949,774
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	454,524
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(2,559,208)
Capital leases payable	(44,058)
Premium on debt	(36,896)
Accrued interest on long-term obligations	<u>(20,230)</u>
Net position of governmental activities as reported on the statement of net position (see page 4)	<u>\$ 2,591,269</u>

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

Village of Bonduel, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	General	TIF District	DPW Capital Projects	Equipment Capital Outlay
REVENUES				
Taxes	\$ 263,839	\$ 303,088	\$ 248,911	\$ 85,470
Special assessments	7,052	-	29,484	-
Intergovernmental	320,542	3,883	-	147,414
Licenses and permits	16,009	-	-	-
Fines and forfeits	3,952	-	-	-
Public charges for services	217,823	-	-	-
Miscellaneous	16,593	132	4,491	82,405
	<u>845,810</u>	<u>307,103</u>	<u>282,886</u>	<u>315,289</u>
Total revenues				
EXPENDITURES				
Current				
General government	147,718	-	-	-
Public safety	244,874	-	-	-
Public works	223,864	-	800	-
Health and sanitation	176,806	-	-	-
Culture and recreation	65,865	-	6,452	-
Conservation and development	5,519	2,045	-	-
Debt service				
Principal	-	56,683	316,556	42,789
Interest and fiscal charges	-	61,010	71,532	2,578
Capital outlay	-	-	-	214,996
	<u>864,646</u>	<u>119,738</u>	<u>395,340</u>	<u>260,363</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>(18,836)</u>	<u>187,365</u>	<u>(112,454)</u>	<u>54,926</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	47,281	-	-	-
Transfers out	(3,600)	-	-	-
	<u>43,681</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances	24,845	187,365	(112,454)	54,926
Fund balances - January 1	<u>431,507</u>	<u>(1,210,679)</u>	<u>122,829</u>	<u>128,457</u>
Fund balances - December 31	<u>\$ 456,352</u>	<u>\$ (1,023,314)</u>	<u>\$ 10,375</u>	<u>\$ 183,383</u>

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

Other Governmental Funds	Total
\$ -	\$ 901,308
-	36,536
-	471,839
-	16,009
-	3,952
-	217,823
124,966	228,587
124,966	1,876,054
-	147,718
49,159	294,033
-	224,664
-	176,806
-	72,317
-	7,564
-	416,028
-	135,120
-	214,996
49,159	1,689,246
75,807	186,808
11,830	11,830
3,600	50,881
-	(3,600)
15,430	59,111
91,237	245,919
129,330	(398,556)
\$ 220,567	\$ (152,637)

Village of Bonduel, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net change in fund balances as shown on previous page \$ 245,919

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets reported as capital outlay in governmental fund statements	38,795
Depreciation expense reported in the statement of activities	(183,647)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned. (125,530)

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

Principal repaid	373,239
Capital leases paid	42,789

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

Accrued interest on long-term debt	2,348
Amortization of premium	3,280

Change in net position of governmental activities as reported in the statement of activities (see pages 5 - 6) \$ 397,193

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

Village of Bonduel, Wisconsin

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

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 262,634	\$ 262,634	\$ 263,839	\$ 1,205
Special assessments	-	-	7,052	7,052
Intergovernmental	312,756	312,756	320,542	7,786
Licenses and permits	12,850	12,850	16,009	3,159
Fines and forfeits	8,000	8,000	3,952	(4,048)
Public charges for services	223,406	223,406	217,823	(5,583)
Miscellaneous	7,100	7,100	16,593	9,493
Total revenues	<u>826,746</u>	<u>826,746</u>	<u>845,810</u>	<u>19,064</u>
EXPENDITURES				
Current				
General government	131,655	131,655	147,718	(16,063)
Public safety	275,934	275,934	244,874	31,060
Public works	218,840	218,840	223,864	(5,024)
Health and sanitation	175,763	175,763	176,806	(1,043)
Culture and recreation	64,414	64,414	65,865	(1,451)
Conservation and development	10,845	10,845	5,519	5,326
Total expenditures	<u>877,451</u>	<u>877,451</u>	<u>864,646</u>	<u>12,805</u>
Excess of revenues under expenditures	<u>(50,705)</u>	<u>(50,705)</u>	<u>(18,836)</u>	<u>31,869</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	54,305	54,305	47,281	(7,024)
Transfers out	(3,600)	(3,600)	(3,600)	-
Total other financing sources (uses)	<u>50,705</u>	<u>50,705</u>	<u>43,681</u>	<u>(7,024)</u>
Net change in fund balance	-	-	24,845	24,845
Fund balance - January 1	<u>431,507</u>	<u>431,507</u>	<u>431,507</u>	-
Fund balance - December 31	<u>\$ 431,507</u>	<u>\$ 431,507</u>	<u>\$ 456,352</u>	<u>\$ 24,845</u>

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

Village of Bonduel, Wisconsin

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2019

	Water Utility	Sewer Utility	Total
ASSETS			
Current assets			
Cash and investments	\$ 185,243	\$ 451,713	\$ 636,956
Receivables			
Customer accounts	16,501	49,988	66,489
Special assessments	75,470	53,205	128,675
Current portion of advance	57,582	140,274	197,856
Inventories and prepaid items	4,920	-	4,920
Total current assets	339,716	695,180	1,034,896
Noncurrent assets			
Restricted assets			
Cash and investments	106,500	257,674	364,174
Other assets			
Advance to other funds	2,861	858,865	861,726
Capital assets			
Nondepreciable	3,834	1,229	5,063
Depreciable	1,800,503	6,469,402	8,269,905
Total capital assets	1,804,337	6,470,631	8,274,968
Total assets	2,253,414	8,282,350	10,535,764

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

Village of Bonduel, Wisconsin

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2019

	Water Utility	Sewer Utility	Total
LIABILITIES			
Current liabilities			
Accounts payable	727	838	1,565
Advance from other funds	18,356	-	18,356
Special deposits	1,083	-	1,083
Payable from restricted assets			
Current portion of long-term debt	115,000	200,000	315,000
Accrued interest payable	2,797	12,697	15,494
Total current liabilities	<u>137,963</u>	<u>213,535</u>	<u>351,498</u>
Long-term obligations, less current portion			
Advance from other funds	165,338	-	165,338
Revenue bonds	430,000	2,725,000	3,155,000
Total long-term liabilities	<u>595,338</u>	<u>2,725,000</u>	<u>3,320,338</u>
Total liabilities	<u>733,301</u>	<u>2,938,535</u>	<u>3,671,836</u>
NET POSITION			
Net investment in capital assets	1,259,337	3,545,631	4,804,968
Restricted	106,500	257,674	364,174
Unrestricted	154,276	1,540,510	1,694,786
Total net position	<u>\$ 1,520,113</u>	<u>\$ 5,343,815</u>	<u>\$ 6,863,928</u>

Net position of business-type activities as reported
 on the statement of net position (see page 4)

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

Village of Bonduel, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Water Utility	Sewer Utility	Total
OPERATING REVENUES			
Metered or measured sales			
Residential	\$ 131,504	\$ 324,685	\$ 456,189
Multi-family	12,079	-	12,079
Commercial	28,811	104,434	133,245
Industrial	10,074	27,994	38,068
Public authorities	14,684	32,608	47,292
Public fire protection	124,175	-	124,175
Private fire protection	1,049	-	1,049
Forfeited discounts	1,042	1,004	2,046
Other	3,928	-	3,928
Total operating revenues	<u>327,346</u>	<u>490,725</u>	<u>818,071</u>
OPERATING EXPENSES			
Operation and maintenance			
Supervision and maintenance	26,737	12,037	38,774
Power and fuel purchased	10,558	17,022	27,580
Chemicals	6,707	-	6,707
Operating supplies and expenses	10,930	154,884	165,814
Maintenance of plant and equipment	55,918	8,334	64,252
Administration and general			
Billing, accounting and collection	28,464	28,487	56,951
Office supplies and expenses	6,501	10,075	16,576
Outside services employed	12,058	-	12,058
Employee pensions and benefits	16,088	14,941	31,029
Insurance	13,020	13,020	26,040
Miscellaneous	1,589	5,249	6,838
Depreciation	68,947	151,825	220,772
Taxes	2,374	1,227	3,601
Total operating expenses	<u>259,891</u>	<u>417,101</u>	<u>676,992</u>
Operating income	<u>67,455</u>	<u>73,624</u>	<u>141,079</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	5,306	46,614	51,920
Interest and fiscal charges	<u>(14,012)</u>	<u>(76,995)</u>	<u>(91,007)</u>
Total nonoperating revenues (expenses)	<u>(8,706)</u>	<u>(30,381)</u>	<u>(39,087)</u>
Income before contributions and transfers	58,749	43,243	101,992
Capital contributions	4,700	-	4,700
Transfers out	<u>(47,281)</u>	<u>-</u>	<u>(47,281)</u>
Change in net position	16,168	43,243	59,411
Net position - January 1	<u>1,503,945</u>	<u>5,300,572</u>	<u>6,804,517</u>
Net position - December 31	<u>\$ 1,520,113</u>	<u>\$ 5,343,815</u>	<u>\$ 6,863,928</u>

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

Village of Bonduel, Wisconsin

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 328,038	\$ 491,045	\$ 819,083
Cash paid for employee wages and benefits	(71,289)	(55,465)	(126,754)
Cash paid to suppliers	(115,142)	(212,951)	(328,093)
Net cash provided by operating activities	<u>141,607</u>	<u>222,629</u>	<u>364,236</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer out	<u>(47,281)</u>	<u>-</u>	<u>(47,281)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Repayment of advance	37,062	136,072	173,134
Interest on advance	4,632	50,893	55,525
Acquisition of capital assets	(1,005)	-	(1,005)
Principal paid on long-term debt	(110,000)	(195,000)	(305,000)
Interest paid on long-term debt	(14,562)	(77,401)	(91,963)
Net cash used by capital and related financing activities	<u>(83,873)</u>	<u>(85,436)</u>	<u>(169,309)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>674</u>	<u>(4,279)</u>	<u>(3,605)</u>
Change in cash and investments	11,127	132,914	144,041
Cash and investments - January 1	<u>280,616</u>	<u>576,473</u>	<u>857,089</u>
Cash and investments - December 31	<u>\$ 291,743</u>	<u>\$ 709,387</u>	<u>\$ 1,001,130</u>

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

Village of Bonduel, Wisconsin

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income	\$ 67,455	\$ 73,624	\$ 141,079
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	68,947	151,825	220,772
Depreciation charged to sewer utility	3,806	(3,806)	-
Change in operating assets and liabilities			
Accounts receivables	692	320	1,012
Accounts payable	707	666	1,373
Net cash provided by operating activities	<u>\$ 141,607</u>	<u>\$ 222,629</u>	<u>\$ 364,236</u>
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents in current assets	\$ 185,243	\$ 451,713	\$ 636,956
Cash and cash equivalents in restricted assets	<u>106,500</u>	<u>257,674</u>	<u>364,174</u>
Total cash and investments	<u>\$ 291,743</u>	<u>\$ 709,387</u>	<u>\$ 1,001,130</u>
Noncash capital and related financing activities			
None			

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

Village of Bonduel, Wisconsin

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2019

	<u>Custodial Fund</u>
ASSETS	
Cash and investments	<u>\$ 454,189</u>
LIABILITIES	
Due to other governments	<u>454,189</u>
NET POSITION	
Fiduciary net position - held for others	<u><u>\$ -</u></u>

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

Village of Bonduel, Wisconsin

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Custodial Fund</u>
ADDITIONS	
Taxes and special charges collected	<u>\$ 734,209</u>
DEDUCTIONS	
Payments to other taxing districts	<u>734,209</u>
Change in net position	-
Net position - January 1	<u>-</u>
Net position - December 31	<u><u>\$ -</u></u>

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

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The Village is a municipal corporation governed by an elected seven member board. In accordance with GAAP, the basic financial statements are required to include the Village (the primary government) and any separate component units that have a significant operational or financial relationship with the Village. The Village has not identified any component units that are required to be included in the basic financial statements in accordance with standards established in GASB Statement No. 61.

B. JOINT OPERATION

The Village is a 60% partner with the Town of Hartland in a joint operation to fund activities for a fire station located in the Village. In accordance with a joint agreement, the Village Clerk receives all operations funds on behalf of the joint operations and pays the costs and expenses of the joint operations. Monthly, the Town and Village contribute 40 percent and 60 percent, respectively for expenses and revenues are shared 50/50 for equipment and 40/60 for supplies and personnel.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

The Village reports the following major governmental funds:

General Fund

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

T.I.F. District Capital Projects Fund

This fund is used to account for financial activity of TIF District #1.

DPW Capital Projects Fund

This fund is used to account for major capital projects of the Village.

Equipment Capital Outlay Fund

This fund is used to account for capital outlay of the Village.

The Village reports the following major enterprise funds:

Water Utility Fund

This fund accounts for the operations of the Village's water utility.

Sewer Utility Fund

This fund accounts for the operations of the Village's sewer utility.

The Village also reports the following fiduciary fund:

Custodial Fund

The custodial fund accounts for property taxes and specials collected on behalf of other governments. These amounts were recorded in the general fund in prior years. Due to the implementation of GASB 84, *Fiduciary Activities*, they are now recorded in a custodial fund.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

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

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

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

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.

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

1. Cash and Investments

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

2. Property Taxes and Special Charges/Receivable

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

The Village bills and collects its own property taxes and also levies and collects taxes for the Bonduel Public School District, Shawano County, and Northeast Wisconsin Technical College.

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

3. Accounts Receivable

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

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2019 tax roll are recognized as revenue in 2020.) Special assessments are subject to collection procedures.

5. Loans Receivable

The Village has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The Village records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the Village records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

6. Interfund Receivables and Payables

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

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

7. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

8. Prepaid Items

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

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

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

9. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. General infrastructure assets acquired prior to January 1, 2004 are not reported in the basic financial statements.

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

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

<u>Assets</u>	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
	<u>Years</u>	
Land improvements	25 -50	25 - 100
Buildings and improvements	50	40
Machinery and equipment	10 - 25	6 - 25
Infrastructure	50	-

10. Deferred Outflows/Inflows of Resources

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

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

11. Long-term Obligations

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

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

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

12. Fund Equity

Governmental Fund Financial Statements

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

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

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

Government-Wide and Proprietary Fund Statements

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

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

F. USE OF ESTIMATES

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

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. During November, the Village Clerk/Treasurer and Finance and Insurance Committee submit to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general fund.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.
5. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2019.

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2019 as follows:

<u>Funds</u>	<u>Excess Expenditures</u>
General	
General Government	
Assessment of property	\$ 1,371
Legal	1,847
Independent audit	2,125
Office supplies and expenses	8,052
Property and liability insurance	2,635
Uncollected taxes	2,952
Public Works	
Street maintenance and construction	9,117
Storm sewer	382
Equipment	16,171
Health and Sanitation	
Solid waste disposal	18,452
Culture and Recreation	
Parks	1,612
Other	147

C. DEFICIT FUND EQUITY

The following fund had deficit fund balance as of December 31, 2019:

<u>Fund</u>	<u>Deficit Fund Balance</u>
TIF District	\$ 1,023,314

The Village anticipates future tax increments will finance the deficit of the TIF District.

D. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2019 and 2020 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2019 budget was 0.16%. The actual limit for the Village for the 2020 budget was 0.76%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

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

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

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

The carrying amount of the Village's cash and investments totaled \$2,653,642 on December 31, 2019 as summarized below:

Deposits with financial institutions	<u>\$ 2,653,642</u>
Reconciliation to the basic financial statements:	
Government-wide statement of net position	
Cash and investments	\$ 1,835,279
Restricted cash and investments	364,174
Fiduciary Fund statement of net position	
Agency fund	454,189
	<u>\$ 2,653,642</u>

Fair Value Measurements

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

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

Custodial Credit Risk

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

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

As of December 31, 2019, \$2,007,810 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. \$1,195,000 was collateralized with securities held by the pledging financial institution or its trust department or agent.

B. RESTRICTED ASSETS

Restricted assets on December 31, 2019 totaled \$364,174 and consisted of cash and investments held for the following purposes:

<u>Funds</u>	<u>Amount</u>	<u>Purpose</u>
Water Utility debt reserve	\$ 106,500	Debt service
Sewer Utility debt reserve	257,674	Debt service
Total restricted assets	<u>\$ 364,174</u>	

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

C. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Capital assets, depreciable:				
Land improvements	72,275	-	-	72,275
Buildings and improvements	1,207,982	-	-	1,207,982
Machinery and equipment	1,696,871	38,795	-	1,735,666
Infrastructure	3,999,030	-	-	3,999,030
Subtotals	6,976,158	38,795	-	7,014,953
Less accumulated depreciation for:				
Land improvements	13,495	2,891	-	16,386
Buildings and improvements	409,351	23,660	-	433,011
Machinery and equipment	882,217	77,115	-	959,332
Infrastructure	596,469	79,981	-	676,450
Subtotals	1,901,532	183,647	-	2,085,179
Total capital assets, depreciable, net	5,074,626	(144,852)	-	4,929,774
Governmental activities capital assets, net	\$ 5,094,626	\$ (144,852)	\$ -	4,949,774
Less: Capital related debt				2,640,162
Net investment in capital assets				\$ 2,309,612
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 5,063	\$ -	\$ -	\$ 5,063
Capital assets, depreciable:				
Buildings and improvements	1,105,282	-	-	1,105,282
Improvements other than buildings	10,233,277	5,705	-	10,238,982
Machinery and equipment	1,113,197	-	-	1,113,197
Subtotals	12,451,756	5,705	-	12,457,461
Less accumulated depreciation for:				
Water utility	1,276,696	72,753	-	1,349,449
Sewer utility	2,690,088	148,019	-	2,838,107
Subtotals	3,966,784	220,772	-	4,187,556
Total capital assets, depreciable, net	8,484,972	(215,067)	-	8,269,905
Business-type activities capital assets, net	\$ 8,490,035	\$ (215,067)	\$ -	8,274,968
Less: Capital related debt				3,470,000
Net investment in capital assets				\$ 4,804,968

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

Governmental activities	
General government	\$ 833
Public safety	46,051
Public works	123,047
Culture and recreation	13,716
Total depreciation expense - governmental activities	<u>\$ 183,647</u>
Business-type activities	
Water utility	\$ 68,947
Sewer utility	151,825
Total depreciation expense - business-type activities	<u>\$ 220,772</u>

D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund advances between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2019 are detailed below:

	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
Long-term advances		
General Fund	\$ 177,694	\$ -
Capital Projects Fund		
TIF District	-	1,053,582
Enterprise Funds		
Water Utility	60,443	183,694
Sewer Utility	999,139	-
Totals	<u>\$ 1,237,276</u>	<u>\$ 1,237,276</u>

Advances due from the Water Utility Enterprise Fund to the Sewer Utility Enterprise Fund were created during 2010. An advance of \$60,000 was made to finance the water meter replacement project. The advance is being repaid at a rate of \$6,000 per year for 10 years. As of December 31, 2019, a balance of \$6,000 remains outstanding.

Annual payments due on the long-term advance as of December 31, 2019, is detailed below:

Year Ended	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
December 31, 2020	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ 6,000</u>

The Water Utility Enterprise Fund and the Sewer Utility Enterprise Fund provided funding for expenditures within the TIF Fund. As of December 31, 2019, a balance of \$1,053,582 remains outstanding.

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

Annual payments due on the long-term advance as of December 31, 2019, is detailed below:

Year Ended December 31,	Water Utility		Sewer Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 57,582	\$ 2,418	\$ 140,274	\$ 39,726	\$ 197,856	\$ 42,144
2021	2,861	114	215,885	34,115	218,746	34,229
2022	-	-	636,980	25,478	636,980	25,478
	<u>\$ 60,443</u>	<u>\$ 2,532</u>	<u>\$ 993,139</u>	<u>\$ 99,319</u>	<u>\$ 1,053,582</u>	<u>\$ 101,851</u>

The General Fund provided funding for expenditures within the Water Utility Enterprise Fund. As of December 31, 2019, a balance of \$177,694 remains outstanding.

Annual payments due on the long-term advance as of December 31, 2019, is detailed below:

Year Ended December 31,	Principal	Interest	Total
2020	\$ 12,356	\$ 707	\$ 13,063
2021	12,407	656	13,063
2022	12,458	605	13,063
2023	12,509	554	13,063
2024	12,561	502	13,063
2025-2029	63,586	1,732	65,318
2030-2033	51,817	436	52,253
	<u>\$ 177,694</u>	<u>\$ 5,192</u>	<u>\$ 182,886</u>

Interfund transfers for the year ended December 31, 2019 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 47,281	\$ 3,600
EMS	3,600	-
Water Utility	-	47,281
	<u>\$ 50,881</u>	<u>\$ 50,881</u>

Interfund transfers were made for the following purposes:

Tax equivalent payment made by water utility to general fund \$ 47,281

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

E. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2019:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation debt					
General obligation bonds	\$ 2,850,000	\$ -	\$ 325,000	\$ 2,525,000	\$ 330,000
Notes from direct borrowings	82,447	-	48,239	34,208	34,208
Total general obligation debt	2,932,447	-	373,239	2,559,208	364,208
Debt premium	40,176	-	3,280	36,896	-
Capital leases	86,847	-	42,789	44,058	44,058
Governmental activities					
Long-term obligations	<u>\$ 3,059,470</u>	<u>\$ -</u>	<u>\$ 419,308</u>	<u>\$ 2,640,162</u>	<u>\$ 408,266</u>
Business-type activities:					
Direct borrowings					
Revenue bonds	\$ 3,460,000	\$ -	\$ 305,000	\$ 3,155,000	\$ 315,000
Bond anticipation notes	315,000	-	-	315,000	-
Business-type activities					
Long-term obligations	<u>\$ 3,775,000</u>	<u>\$ -</u>	<u>\$ 305,000</u>	<u>\$ 3,470,000</u>	<u>\$ 315,000</u>

The Village's outstanding notes from direct borrowings related to governmental activities of \$34,208 contain a provision that in an event of default, outstanding amounts shall at the option of the lender, without notice, mature and become immediately payable.

Total interest paid during the year on long-term debt totaled \$174,090.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/19</u>
General obligation bond	12/22/09	5/1/24	1.50 - 4.60%	\$ 1,890,000	\$ 725,000
General obligation bond	5/29/12	5/1/21	0.7 - 2.25%	1,025,000	150,000
General obligation bond	3/30/16	3/1/31	1.00 - 3.00%	1,850,000	1,650,000
Notes from direct borrowing	3/23/18	3/23/20	1.89%	82,447	34,208
Total outstanding general obligation debt					<u>\$ 2,559,208</u>

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

Annual principal and interest maturities of the outstanding general obligation debt of \$2,559,208 on December 31, 2019 are detailed below:

Year Ended December 31,	Governmental Activities					
	G.O. Refunding Bonds		Notes from Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 330,000	\$ 71,757	\$ 34,208	\$ 657	\$ 364,208	\$ 72,414
2021	310,000	61,606	-	-	310,000	61,606
2022	260,000	52,038	-	-	260,000	52,038
2023	200,000	34,475	-	-	200,000	34,475
2024	200,000	38,200	-	-	200,000	38,200
2025-2029	875,000	117,250	-	-	875,000	117,250
2030-2034	350,000	10,500	-	-	350,000	10,500
	<u>\$ 2,525,000</u>	<u>\$ 385,826</u>	<u>\$ 34,208</u>	<u>\$ 657</u>	<u>\$ 2,559,208</u>	<u>\$ 386,483</u>

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

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2019 was \$1,429,902 as follows:

Equalized valuation of the Village		\$ 79,782,200
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>3,989,110</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 2,559,208	
Less: Net outstanding general obligation debt applicable to debt limitation		<u>2,559,208</u>
Legal margin for new debt		<u>\$ 1,429,902</u>

Revenue Bonds

Revenue bonds outstanding on December 31, 2019 totaled \$3,155,000 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
Water System Revenue Bonds	10/31/11	5/1/21	2.00 - 3.25%	\$ 1,065,000	\$ 230,000
Sewer System Revenue Bonds	11/17/16	5/1/39	1.05 - 3.80%	3,490,000	<u>2,925,000</u>
Total outstanding revenue bonds					<u>\$ 3,155,000</u>

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

Annual principal and interest maturities of the outstanding revenue bonds of \$3,155,000 on December 31, 2019 are detailed below:

Year Ended December 31,	Business-type Activities		
	Direct borrowings - revenue bonds		
	Principal	Interest	Total
2020	\$ 315,000	\$ 80,367	\$ 395,367
2021	320,000	73,865	393,865
2022	215,000	68,790	283,790
2023	110,000	66,108	176,108
2024	110,000	64,100	174,100
2025-2029	600,000	283,629	883,629
2030-2034	685,000	198,869	883,869
2035-2039	800,000	75,525	875,525
	<u>\$ 3,155,000</u>	<u>\$ 911,253</u>	<u>\$ 4,066,253</u>

Revenue Bond Anticipation Notes

Revenue bond anticipation notes outstanding on December 31, 2019 totaled \$315,000 and were comprised of the following issue:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
Water System Revenue Bond Anticipation Note	3/30/16	3/1/21	1.50%	\$ 315,000	<u>\$ 315,000</u>

Annual principal and interest maturities of the outstanding revenue bond anticipation notes of \$315,000 on December 31, 2019 are detailed below:

Year Ended December 31,	Business-type Activities		
	Direct borrowings - revenue bond anticipation notes		
	Principal	Interest	Total
2020	\$ -	\$ 4,725	\$ 4,725
2021	315,000	2,363	317,363
	<u>\$ 315,000</u>	<u>\$ 7,088</u>	<u>\$ 322,088</u>

Utility Revenues Pledged

The Village has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the water and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the utilities. The sewer revenue bonds are payable solely from sewer customer net revenues and are payable through 2039. The total principal and interest remaining to be paid on the revenue bonds is \$3,828,849. Principal and interest paid for the current year and total customer net revenues were \$272,401 and \$272,063, respectively. The water revenue bonds are payable solely from water customer net revenues and are payable through 2021. The total principal and interest remaining to be paid on the revenue bonds is \$237,403. Principal and interest paid for the current year and total customer net revenues were \$118,981 and \$141,708, respectively.

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

Capital Lease

The Village is obligated under a lease accounted for as capital lease that was used to finance the acquisition of capital assets. The cost of the capital assets under the capital lease is \$379,831 and the related accumulated depreciation is \$100,022 as of December 31, 2019.

The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments at December 31, 2019:

<u>Year Ending</u>	<u>Governmental Activities</u>
2020	\$ 45,368
Less: Amount representing interest	1,310
Present value of future minimum lease payments	<u>\$ 44,058</u>

F. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2019, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Inventories and prepaid items	\$ 11,336
Advance to water utility	177,694
Total nonspendable fund balance	<u>\$ 189,030</u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2019, restricted fund balance was as follows:

Special revenue funds	
Restricted for	
Future loans	\$ 135,563
Cell tower	3,003
Public safety expenditures	14,491
Total restricted fund balance	<u>\$ 153,057</u>

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2019, fund balance was assigned as follows:

Capital Projects Funds	
Assigned for subsequent year's expenditures	
Capital Improvements	
Equipment replacement	\$ 183,383
Business park expansion	67,510
Future capital improvements	<u>10,375</u>
Total	<u>\$ 261,268</u>

Net Position

The Village reports restricted net position at December 31, 2019 as follows:

Governmental Activities	
Restricted for	
Public safety expenditures	\$ 14,491
Future loans	345,629
Cell tower	<u>3,003</u>
Total governmental activities restricted net position	<u>363,123</u>
Business-type Activities	
Restricted for	
Debt service	<u>364,174</u>
Total restricted net position	<u>\$ 727,297</u>

NOTE 4: OTHER INFORMATION

A. TAX INCREMENTAL FINANCING DISTRICTS

The Village has established a separate capital projects fund for Tax Incremental Financing District (TIF) No. 1 which was created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date.

Since creation of the above District, the Village has provided various financing sources to the TIF. The foregoing amounts are not recorded as liabilities in the TIF capital project fund but can be recovered by the Village from any future excess tax increment revenues. As of December 31, 2019, the Village can recover \$1,258,143 from future excess tax increment revenues.

The intent of the Village is to recover the above amounts from future TIF surplus funds, if any, prior to termination of the respective District. Unless terminated by the Village prior thereto, the District has a statutory termination year of 2024.

Village of Bonduel, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage.

C. CONTINGENCIES

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

D. SUBSEQUENT EVENTS

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Village, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness, revenue short-falls in user fees and taxes, increased delinquent accounts receivable and shortages of personnel. Management believes the Village is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

SUPPLEMENTARY INFORMATION

Village of Bonduel, Wisconsin

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Special Revenue				Capital Projects	Total
	Fire Department Fund	EMS Fund	CDBG	Cell Tower	Business Park Expansion	
ASSETS						
Cash and investments	\$ 12,482	\$ 2,009	\$ 142,223	\$ 3,003	\$ 67,510	\$ 227,227
Receivables						
Loans	-	-	210,066	-	-	210,066
Total assets	<u>\$ 12,482</u>	<u>\$ 2,009</u>	<u>\$ 352,289</u>	<u>\$ 3,003</u>	<u>\$ 67,510</u>	<u>\$ 437,293</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Special deposits	\$ -	\$ -	\$ 6,660	\$ -	\$ -	\$ 6,660
Deferred inflows of resources						
Loans receivable	-	-	210,066	-	-	210,066
Fund balances						
Restricted	12,482	2,009	135,563	3,003	-	153,057
Assigned	-	-	-	-	67,510	67,510
Total fund balances	<u>12,482</u>	<u>2,009</u>	<u>135,563</u>	<u>3,003</u>	<u>67,510</u>	<u>220,567</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,482</u>	<u>\$ 2,009</u>	<u>\$ 352,289</u>	<u>\$ 3,003</u>	<u>\$ 67,510</u>	<u>\$ 437,293</u>

Village of Bonduel, Wisconsin

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

	Special Revenue				Capital Projects	Total
	Fire Department Fund	EMS Fund	CDBG	Cell Tower	Business Park Expansion	
REVENUES						
Miscellaneous	\$ 31,375	\$ 6,580	\$ 83,869	\$ 3,003	\$ 139	\$ 124,966
EXPENDITURES						
Current						
Public safety	34,420	14,739	-	-	-	49,159
Excess of revenues over (under) expenditures	(3,045)	(8,159)	83,869	3,003	139	75,807
OTHER FINANCING SOURCES						
Proceeds from sale of capital assets	-	-	-	-	11,830	11,830
Transfers in	-	3,600	-	-	-	3,600
Total other financing sources	-	3,600	-	-	11,830	15,430
Net change in fund balances	(3,045)	(4,559)	83,869	3,003	11,969	91,237
Fund balances - January 1	15,527	6,568	51,694	-	55,541	129,330
Fund balances - December 31	\$ 12,482	\$ 2,009	\$ 135,563	\$ 3,003	\$ 67,510	\$ 220,567

Village of Bonduel, Wisconsin

GENERAL FUND DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Taxes				
General property	\$ 256,634	\$ 256,634	\$ 256,634	\$ -
Shawano County Housing Authority	6,000	6,000	7,205	1,205
Total taxes	<u>262,634</u>	<u>262,634</u>	<u>263,839</u>	<u>1,205</u>
Special assessments	-	-	7,052	7,052
Intergovernmental				
State				
State shared taxes	202,611	202,611	210,278	7,667
Fire insurance dues	3,000	3,000	3,422	422
Tax exempt computer aid	1,723	1,723	1,765	42
Law enforcement	480	480	160	(320)
Transportation	98,699	98,699	98,654	(45)
Recycling aid	6,208	6,208	6,219	11
DNR - in lieu of taxes	35	35	44	9
Total intergovernmental	<u>312,756</u>	<u>312,756</u>	<u>320,542</u>	<u>7,786</u>
Licenses and permits				
Licenses				
Liquor and malt beverage	3,560	3,560	3,285	(275)
Operators, cigarette and other licenses	8,590	8,590	9,549	959
Dog	700	700	440	(260)
Permits				
Building	-	-	2,735	2,735
Total licenses and permits	<u>12,850</u>	<u>12,850</u>	<u>16,009</u>	<u>3,159</u>
Fines and forfeits				
Court fines and penalties	<u>8,000</u>	<u>8,000</u>	<u>3,952</u>	<u>(4,048)</u>
Public charges for services				
General government	2,740	2,740	4,938	2,198
Law enforcement	-	-	310	310
Fire protection	41,466	41,466	39,071	(2,395)
Refuse and garbage collection	175,000	175,000	170,324	(4,676)
Recycling	3,000	3,000	2,340	(660)
Weed control	-	-	44	44
Park fees	1,200	1,200	796	(404)
Total public charges for services	<u>223,406</u>	<u>223,406</u>	<u>217,823</u>	<u>(5,583)</u>
Miscellaneous				
Interest on investments	5,000	5,000	8,347	3,347
Insurance recoveries and dividends	1,600	1,600	2,745	1,145
Donations	-	-	571	571
Other	500	500	4,930	4,430
Total miscellaneous	<u>7,100</u>	<u>7,100</u>	<u>16,593</u>	<u>9,493</u>
Total revenues	<u>\$ 826,746</u>	<u>\$ 826,746</u>	<u>\$ 845,810</u>	<u>\$ 19,064</u>

Village of Bonduel, Wisconsin

GENERAL FUND DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
General government				
Village board and president	\$ 21,637	\$ 21,637	\$ 19,241	\$ 2,396
Village clerk-treasurer	54,435	54,435	54,282	153
Assessment of property	4,464	4,464	5,835	(1,371)
Elections	2,469	2,469	2,099	370
Legal	10,000	10,000	11,847	(1,847)
Independent audit	7,350	7,350	9,475	(2,125)
Office supplies and expenses	7,895	7,895	15,947	(8,052)
Property and liability insurance	23,405	23,405	26,040	(2,635)
Uncollected taxes	-	-	2,952	(2,952)
Total general government	<u>131,655</u>	<u>131,655</u>	<u>147,718</u>	<u>(16,063)</u>
Public safety				
Police department	165,000	165,000	153,448	11,552
Fire department	106,934	106,934	89,325	17,609
Inspection	4,000	4,000	2,101	1,899
Total public safety	<u>275,934</u>	<u>275,934</u>	<u>244,874</u>	<u>31,060</u>
Public works				
Street maintenance and construction	77,515	77,515	86,632	(9,117)
Shop operations	59,865	59,865	44,587	15,278
Street lighting	43,000	43,000	38,185	4,815
Storm sewer	5,100	5,100	5,482	(382)
Equipment	30,960	30,960	47,131	(16,171)
Weed control	2,400	2,400	1,847	553
Total public works	<u>218,840</u>	<u>218,840</u>	<u>223,864</u>	<u>(5,024)</u>
Health and sanitation				
Solid waste disposal	102,223	102,223	120,675	(18,452)
Recycling	73,540	73,540	56,131	17,409
Total health and sanitation	<u>175,763</u>	<u>175,763</u>	<u>176,806</u>	<u>(1,043)</u>
Culture and recreation				
Library	2,750	2,750	2,442	308
Parks	60,914	60,914	62,526	(1,612)
Other	750	750	897	(147)
Total culture and recreation	<u>64,414</u>	<u>64,414</u>	<u>65,865</u>	<u>(1,451)</u>
Conservation and Development				
Planning and zoning	<u>10,845</u>	<u>10,845</u>	<u>5,519</u>	<u>5,326</u>
Total expenditures	<u>\$ 877,451</u>	<u>\$ 877,451</u>	<u>\$ 864,646</u>	<u>\$ 12,805</u>

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS



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

To the Village Board
Village of Bonduel, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bonduel, Wisconsin, (the "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, and have issued our report thereon dated June 16, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001, 2019-002, and 2019-003 that we consider to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

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

VILLAGE OF BONDUEL’S RESPONSE TO FINDINGS

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

PURPOSE OF THIS REPORT

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



CliftonLarsonAllen LLP

Wausau, Wisconsin
June 16, 2020

Village of Bonduel, Wisconsin

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I. INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING NO.	CONTROL DEFICIENCIES
2019-001	Segregation of Duties - Clerk/Treasurer Repeat of Finding 2018-001
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	The Village has a combined clerk/treasurer position to essentially complete all financial and recordkeeping duties of the general Village's operations. Accordingly, this does not allow for a proper segregation of duties for internal control purposes.
Context:	While performing audit procedures, it was noted that the Village does not have adequate segregation of duties for internal control purposes.
Criteria:	Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.
Cause:	The lack of segregation of duties is due to the limited number of employees and the size of the Village's operations.
Effect:	Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.
Recommendation:	We recommend the Village Board continue to monitor the transactions and the financial records of the Village.
Management Response:	Management believes that the cost of segregating cash receipts and cash disbursement duties from the related recording functions outweighs the benefits to be received.

Village of Bonduel, Wisconsin

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2019

FINDING NO.	CONTROL DEFICIENCIES
2019-002	Preparation of Annual Financial Report Repeat of Finding 2018-002
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	Current Village staff maintains accounting records which reflect the Village's financial transactions; however, preparing the Village's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Village contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. For the same reasons, the Village contracts with us to compile the Wisconsin Municipal Report Form C and the Public Service Commission Report.
Context:	While performing audit procedures, it was noted that management does not have internal controls in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.
Criteria:	The preparation and review of the annual financial report, Municipal Financial Report, and Public Service Commission Report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required State Financial reports.
Cause:	Village management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, the Village may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the Village continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Village is necessary to obtain a complete and adequate understanding of the Village's annual financial report, Municipal Financial Report and Public Service Commission Report.
Management Response:	Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.

Village of Bonduel, Wisconsin

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2019

FINDING NO.	CONTROL DEFICIENCIES
2019-003	Adjustments to the Village's Financial Records Repeat of Finding 2018-003
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the Village's financial statements. The material adjustments were related to taxes receivable.
Context:	While performing audit procedures, it was noted that management does not have sufficient controls in place related to year end closing procedures.
Criteria:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While Village staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the Village may contain material misstatements.
Recommendation:	We recommend the Village Clerk/Treasurer continue to obtain additional training in order to prepare the adjusting and closing entries.
Management Response:	The Village Clerk/Treasurer is receptive to receiving the necessary training to record all Village transactions.

SECTION II. COMPLIANCE AND OTHER MATTERS

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2019.

