

VILLAGE OF PEWAUKEE

Pewaukee, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

Year Ended December 31, 2009

VILLAGE OF PEWAUKEE

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Pewaukee
Pewaukee, Wisconsin

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 Pewaukee, Wisconsin, as of and for the year ended December 31, 2009, which collectively comprise the village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Pewaukee's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Pewaukee, Wisconsin, as of December 31, 2009, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Pewaukee's basic financial statements. The combining financial statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
May 11, 2010

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED December 31, 2009

The management of the Village of Pewaukee offers all persons interested in the financial position of the village this narrative overview and analysis of the village's financial performance during the fiscal year ended December 31, 2009. You are invited to read this narrative in conjunction with the village's financial statements.

FINANCIAL HIGHLIGHTS

- > The assets of the Village of Pewaukee exceeded its liabilities by \$44,807,329 (net assets). Of this amount, \$11,225,583 is considered unrestricted net assets, \$4,619,222 is restricted for specific purposes (restricted net assets), and \$28,962,524 is invested in capital assets, net of related debt.
- > The village's total net assets increased by \$655,954. Governmental activities net assets increased by \$545,143, while business-type net assets increased by \$110,811.
- > On December 31, 2009, the village's governmental funds reported combined fund balances of \$5,006,274, a decrease of \$115,016 from 2008. Undesignated fund balance was \$2,476,096.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the village's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the village:

- > The first two statements are government-wide financial statements that provide both long-term and short-term information about the village's overall financial status.
- > The remaining statements are fund financial statements that focus on individual parts of village government, reporting the village's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED December 31, 2009

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the village as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the village's net assets and how they have changed. Net Assets – the difference between the village's assets and liabilities – is one way to measure the village's financial health, or position. Over time, increases or decreases in the village's net assets are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the village you need to consider additional non-financial factors such as changes in the village's property tax base and the condition of the village's roads.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED December 31, 2009

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

The village maintains seven (7) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, Pension Pay-off fund, TID No. 1 debt service, and the capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The village adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds – The village maintains three different types of proprietary funds, all of which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

An analysis of the village's financial position begins with a review of the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets. These two statements report the village's net assets and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED December 31, 2009

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

A summary of the village's Statement of Net Assets is presented below in Table 1.

**Table 1
Condensed Statements of Net Assets**

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$ 10,881,013	\$ 10,963,091	\$ 13,740,272	\$ 14,205,666	\$ 24,621,285	\$ 25,168,757
Capital Assets	<u>15,906,136</u>	<u>15,526,960</u>	<u>25,897,077</u>	<u>26,313,127</u>	<u>41,803,213</u>	<u>41,840,087</u>
Total Assets	<u>26,787,149</u>	<u>26,490,051</u>	<u>39,637,349</u>	<u>40,518,793</u>	<u>66,424,498</u>	<u>67,008,844</u>
Long-term Liabilities	9,199,462	9,479,506	6,863,082	7,858,625	16,062,544	17,338,131
Other Liabilities	<u>5,332,676</u>	<u>5,300,677</u>	<u>221,949</u>	<u>218,661</u>	<u>5,554,625</u>	<u>5,519,338</u>
Total Liabilities	<u>14,532,138</u>	<u>14,780,183</u>	<u>7,085,031</u>	<u>8,077,286</u>	<u>21,617,169</u>	<u>22,857,469</u>
Invested in Capital Assets,						
Net of Related Debt	9,536,035	8,861,053	19,522,409	19,380,712	28,962,524	28,139,792
Restricted	1,426,461	1,183,746	3,192,761	998,315	4,619,222	2,182,061
Unrestricted	<u>1,292,515</u>	<u>1,665,069</u>	<u>9,837,148</u>	<u>12,062,480</u>	<u>11,225,583</u>	<u>13,829,522</u>
Total Net Assets	<u>\$ 12,255,011</u>	<u>\$ 11,709,868</u>	<u>\$ 32,552,318</u>	<u>\$ 32,441,507</u>	<u>\$ 44,807,329</u>	<u>\$ 44,151,375</u>

The largest portion of the village's net assets (65%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the village's net assets (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (24%) may be used to meet the government's ongoing obligation to citizens and creditors.

VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED December 31, 2009

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

Table 2
Condensed Statement of Revenues,
Expenses and Changes in Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues						
Charges for services	\$ 1,244,972	\$ 1,194,162	\$ 3,126,860	\$ 2,897,312	\$ 4,371,832	\$ 4,091,474
Operating grants and contributions	449,868	485,909	-	-	449,868	485,909
Capital grants and contributions	31,098	15,059	63,851	140,051	94,949	155,110
General Revenues						
Property taxes	4,690,787	4,554,932	-	-	4,690,787	4,554,932
Other taxes	72,825	83,986	-	-	72,825	83,986
Intergovernmental	319,194	320,109	-	-	319,194	320,109
Investment income	29,446	199,166	43,166	185,080	72,612	384,246
Gain on sale of assets	41,753	15,889	-	-	41,753	15,889
Miscellaneous	43,488	18,350	-	-	43,488	18,350
Total Revenues	<u>6,923,431</u>	<u>6,887,562</u>	<u>3,233,877</u>	<u>3,222,443</u>	<u>10,157,308</u>	<u>10,110,005</u>
Expenses						
General Government	886,105	859,484	-	-	886,105	859,484
Public Safety	3,539,014	3,374,337	-	-	3,539,014	3,374,337
Health and Social Services	21,245	22,829	-	-	21,245	22,829
Public Works	1,287,407	1,347,177	-	-	1,287,407	1,347,177
Leisure Activities	583,213	677,106	-	-	583,213	677,106
Conservation and Development	33,013	32,984	-	-	33,013	32,984
Water	-	-	1,084,249	1,027,704	1,084,249	1,027,704
Sewer	-	-	1,569,571	1,589,790	1,569,571	1,589,790
Stormwater	-	-	83,277	90,632	83,277	90,632
Interest and Fiscal Charges	414,260	483,839	-	-	414,260	483,839
Total Expenses	<u>6,764,257</u>	<u>6,797,756</u>	<u>2,737,097</u>	<u>2,708,126</u>	<u>9,501,354</u>	<u>9,505,882</u>
Income Before Transfers	159,174	89,806	496,780	514,317	655,954	604,123
Transfers	<u>385,969</u>	<u>274,341</u>	<u>(385,969)</u>	<u>(274,341)</u>	<u>-</u>	<u>-</u>
Changes in Net Assets	545,143	364,147	110,811	239,976	655,954	604,123
Beginning Net Assets	<u>11,709,868</u>	<u>11,345,721</u>	<u>32,441,507</u>	<u>32,201,531</u>	<u>44,151,375</u>	<u>43,547,252</u>
Ending Net Assets	<u>\$ 12,255,011</u>	<u>\$ 11,709,868</u>	<u>\$ 32,552,318</u>	<u>\$ 32,441,507</u>	<u>\$ 44,807,329</u>	<u>\$ 44,151,375</u>

VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED December 31, 2009

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

As previously noted, the Statement of Net Assets shows the change in financial position of net assets. The specific nature or source of these changes then becomes more evident in the Statement of Revenues, Expenses and Changes in Net Assets as shown above in Table 2.

GOVERNMENTAL ACTIVITIES

Governmental activities increased the village's net assets by \$545,143. This is the result of the net change in fund balances of the governmental funds, a decrease of \$115,016 less the reconciling items as detailed on page 9 of the financial statements.

BUSINESS-TYPE ACTIVITIES

Net assets of the business-type activities increased \$110,811 due to positive operating results for the year.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

GOVERNMENTAL FUNDS

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

At December 31, 2009, the village's governmental funds reported combined fund balances of \$5,006,274. Approximately 49% of this amount, \$2,421,916 constitutes unreserved and undesignated fund balance, which is available to meet the village's current and future needs. An additional \$766,228 is unreserved, but has been designated for specific projects or expenditures. The remaining \$1,818,130 is reserved for delinquent personal property taxes, debt retirement, prepaid items, tax equivalent, encumbrances, and non-current receivables.

General Fund

The village's general fund is the chief operating fund of the village. Total fund balance in the general fund decreased by \$164,409 during 2009. Undesignated fund balance decreased by \$114,714. See the following General Fund Budgetary Highlights section for further details.

The village evaluates general fund balance by measuring the undesignated general fund balance as a percentage of the subsequent year's general fund budget. For 2009, undesignated fund balance is \$2,060,486, and the 2010 general fund expenditure budget is \$6,016,244, resulting in an undesignated fund balance ratio of 34%. The prior year was 35%.

VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED December 31, 2009

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (cont.)

GOVERNMENTAL FUNDS (cont.)

Pension Pay-off Fund

The village created the pension payoff special revenue fund during 2005 to account for the accumulation of resources to finance the village's transition from its former defined benefit plan to the Wisconsin Retirement System. For 2009, the undesignated fund balance is (\$54,180). This negative fund balance will most likely have to be funded by an operating transfer from the general fund during 2010.

General Debt Service Fund

The village's debt service fund accounts for the accumulation of resources for, and payment of, long-term debt principal, interest, and related costs. The entire fund balance of \$717,626, which is an increase of 1% over the prior year, is reserved for future debt service. Included in this reserved fund balance is \$90,000 received from the Pewaukee Public Library Foundation and \$156,711 from unspent debt proceeds, for a total of \$246,711 to be used for debt service on obligations previously issued to construct the Pewaukee Public Library.

TID District No. 1 Debt Service Fund

The village's TID District No. 1 debt service fund accounts for the accumulation of resources for, and payment of long-term debt, principal, interest and related costs. The fund balance is \$766,577, an improvement of \$373,073 over the prior year.

General Capital Projects

The village's general capital projects fund is used to account for the purchase or construction of major capital items, other than those reported in the other capital project funds. The fund balance is \$415,610, a decrease of \$329,326 over the prior year due to spent bond proceeds from the construction of the new police department and village hall.

NON-MAJOR GOVERNMENTAL FUNDS

Fund balance of all other governmental funds is \$322,555, which is designated for future projects and expenditures.

PROPRIETARY FUNDS

The Village of Pewaukee's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. At December 31, 2009, the village's proprietary funds reported combined net assets of \$32,552,318.

VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED December 31, 2009

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (cont.)

Water Utility

The water utility net assets increased \$6,638 or 0.05%. Operating revenues increased \$10,673 or 0.71%. Operating expenses increased \$74,561 or 9%.

Sewer Utility

The sewer utility net assets increased \$53,320 or 0.3%. Operating revenues increased \$228,883 or 17%. Operating expenses increased \$1,861 or 0.1% due to increases in various expenses.

Stormwater Utility

The stormwater utility net assets increased \$50,853 or 34%. Operating revenues decreased \$10,008 or 7%. Operating expenses decreased \$7,355 or 8%.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no budget amendments made during the year

Total revenues were \$5,666,484, \$53,678 less than the budget. The primary reasons for this were:

- > Investment income revenues were below budget by \$175,322.
- > Intergovernmental revenues exceeded budget by \$38,109 mainly due to additional FEMA aid received.

Total expenses were \$6,217,175, \$15,545 less than budgeted. The primary reasons for this were:

- > Fire service was \$60,000 under budget.
- > Parks and recreation was \$23,181 under budget.

VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED December 31, 2009

CAPITAL ASSETS

At the end of 2009, the village had invested a total of \$41,803,213 in capital assets. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, and infrastructure.

**Table 3
Capital Assets**

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 6,244,400	\$ 6,244,400	\$ 10,992	\$ 10,992	\$ 6,255,392	\$ 6,255,392
Buildings	8,903,811	8,669,986	-	-	8,903,811	8,669,986
Machinery and equipment	2,392,997	2,256,181	-	-	2,392,997	2,256,181
Water plant	-	-	15,835,223	15,812,975	15,835,223	15,812,975
Sewer plant	-	-	20,833,470	20,728,573	20,833,720	20,728,573
Storm water	-	-	159,283	108,342	159,283	108,342
Construction in progress	9,381	19,156	23,400	-	32,781	19,156
Infrastructure	474,072	260,524	-	-	474,072	260,524
Total Capital Assets	18,024,661	17,450,247	36,862,368	36,660,882	54,887,029	54,111,129
Less: Accumulated Depreciation	(2,118,525)	(1,923,287)	(10,965,291)	(10,347,755)	(13,083,816)	(12,271,042)
Net Capital Assets	\$ 15,906,136	\$ 15,526,960	\$ 25,897,077	\$ 26,313,127	\$ 41,803,213	\$ 41,840,087

Significant projects for 2009 include:

- > Completed the village hall at a cost of \$3,176,974.

See Note IV.D. for additional information.

LONG-TERM DEBT

At December 31, 2009, the village and utilities had \$16,095,589 of long-term bonds. Of this amount, \$6,131,240 represents water and sewer revenue debt, and \$9,964,349 are general obligation issues.

Total long-term bonds and loans outstanding at December 31, 2009 decreased by a net amount of \$1,322,981.

At the end of the year the village was at 20.3% of its general obligation debt capacity. The prior year was 20.4%.

See Note IV.F. for additional information.

VILLAGE OF PEWAUKEE

MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED
December 31, 2009

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

All currently known facts and economic conditions were considered in preparing the 2009 village budget. None of these conditions are anticipated to change the overall financial position of the village.

The Village of Pewaukee is located approximately 25 miles west of Milwaukee. The village has successful business and commercial areas, which continue to see activity and interest.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the village's finances. If you have questions about this report or need any additional information, contact Scott A. Gosse, Village Administrator at 262-691-5660 or sgosse@villageofpewaukee.com.

General information relating to the Village of Pewaukee, Wisconsin, can be found at the village's website, www.villageofpewaukee.us.

VILLAGE OF PEWAUKEE

STATEMENT OF NET ASSETS December 31, 2009

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 4,871,069	\$ 5,192,979	\$ 10,064,048
Receivables			
Taxes	4,946,513	-	4,946,513
Accounts	137,438	659,382	796,820
Loans	22,215	-	22,215
Special assessments	3,544	-	3,544
Internal balances	226,775	(226,775)	-
Inventories and prepaid items	58,121	33,710	91,831
Investment in Brookfield Plant (net)	-	4,349,754	4,349,754
Investment in Pewaukee Public Library	513,721	-	513,721
Restricted assets			
Cash and investments	-	3,689,547	3,689,547
Other assets	101,617	41,675	143,292
Capital assets			
Land (including right of way)	6,244,400	10,992	6,255,392
Construction in progress	9,381	23,400	32,781
Other capital assets, net of accumulated depreciation	<u>9,652,355</u>	<u>25,862,685</u>	<u>35,515,040</u>
Total Assets	<u>26,787,149</u>	<u>39,637,349</u>	<u>66,424,498</u>
LIABILITIES			
Accounts payable and accrued expenses	546,497	221,949	768,446
Unearned revenue	4,771,862	-	4,771,862
Deposits	14,317	-	14,317
Noncurrent liabilities			
Due within one year	355,590	873,521	1,229,111
Due in more than one year	<u>8,843,872</u>	<u>5,989,561</u>	<u>14,833,433</u>
Total Liabilities	<u>14,532,138</u>	<u>7,085,031</u>	<u>21,617,169</u>
NET ASSETS			
Invested in capital assets, net of related debt	9,536,035	19,522,409	28,962,524
Restricted for			
Debt service	1,187,116	1,139,046	2,326,162
Replacement	-	2,053,715	2,053,715
Loans	239,345	-	239,345
Unrestricted	<u>1,292,515</u>	<u>9,837,148</u>	<u>11,225,583</u>
TOTAL NET ASSETS	<u>\$ 12,255,011</u>	<u>\$ 32,552,318</u>	<u>\$ 44,807,329</u>

See accompanying notes to financial statements.

VILLAGE OF PEWAUKEE

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 886,105	\$ 127,855	\$ 5,200	\$ -
Public safety	3,539,014	753,968	53,743	14,302
Public works	1,287,407	267,642	390,925	16,796
Health and human services	21,245	22,030	-	-
Culture, recreation and education	583,213	64,809	-	-
Conservation and development	33,013	8,668	-	-
Interest and fiscal charges	414,260	-	-	-
Total Governmental Activities	6,764,257	1,244,972	449,868	31,098
Business-type Activities				
Water	1,084,249	1,439,089	-	2,400
Sewer	1,569,571	1,553,641	-	61,451
Stormwater	83,277	134,130	-	-
Total Business-type Activities	2,737,097	3,126,860	-	63,851
Totals	\$ 9,501,354	\$ 4,371,832	\$ 449,868	\$ 94,949

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for other purposes

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Gain on disposal of assets

Miscellaneous

Total General Revenues

Transfers

Change in net assets

NET ASSETS - Beginning of Year

NET ASSETS - END OF YEAR

Net (Expenses) Revenues and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (753,050)	\$ -	\$ (753,050)
(2,717,001)	-	(2,717,001)
(612,044)	-	(612,044)
785	-	785
(518,404)	-	(518,404)
(24,345)	-	(24,345)
(414,260)	-	(414,260)
<u>(5,038,319)</u>	<u>-</u>	<u>(5,038,319)</u>
-	357,240	357,240
-	45,521	45,521
-	<u>50,853</u>	<u>50,853</u>
-	<u>453,614</u>	<u>453,614</u>
<u>(5,038,319)</u>	<u>453,614</u>	<u>(4,584,705)</u>
3,502,656	-	3,502,656
752,378	-	752,378
435,753	-	435,753
72,825	-	72,825
319,194	-	319,194
29,446	43,166	72,612
41,753	-	41,753
43,488	-	43,488
<u>5,197,493</u>	<u>43,166</u>	<u>5,240,659</u>
<u>385,969</u>	<u>(385,969)</u>	<u>-</u>
545,143	110,811	655,954
<u>11,709,868</u>	<u>32,441,507</u>	<u>44,151,375</u>
<u>\$ 12,255,011</u>	<u>\$ 32,552,318</u>	<u>\$ 44,807,329</u>

See accompanying notes to financial statements.

VILLAGE OF PEWAUKEE

BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2009

	General Fund	Pension Pay- off Fund	General Debt Service
ASSETS			
Cash and investments	\$ 2,648,626	\$ -	\$ 709,911
Receivables			
Taxes	3,779,443	-	716,734
Delinquent personal property tax	1,413	-	-
Accounts	137,338	-	-
Special assessments	-	-	-
Loans	-	-	-
Due from other funds	282,471	-	-
Prepaid items	50,043	-	8,078
	<u>\$ 6,899,334</u>	<u>\$ -</u>	<u>\$ 1,434,723</u>
TOTAL ASSETS			
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 383,441	\$ -	\$ 363
Accrued liabilities	22,505	-	-
Due to other funds	1,516	54,180	-
Deferred revenues	3,639,469	-	716,734
Deposits	14,317	-	-
Total Liabilities	<u>4,061,248</u>	<u>54,180</u>	<u>717,097</u>
Fund Balances			
Reserved			
Delinquent personal property taxes	1,413	-	-
Prepaid items	50,043	-	8,078
Debt service	-	-	709,548
Tax equivalent	228,291	-	-
Non-current receivables	54,180	-	-
Unreserved, reported in:			
General fund, designated	443,673	-	-
Special revenue funds, designated	-	-	-
General fund, undesignated	2,060,486	-	-
Special revenue funds, undesignated (deficit)	-	(54,180)	-
Capital projects funds, undesignated	-	-	-
Total Fund Balances	<u>2,838,086</u>	<u>(54,180)</u>	<u>717,626</u>
	<u>\$ 6,899,334</u>	<u>\$ -</u>	<u>\$ 1,434,723</u>
TOTAL LIABILITIES AND FUND BALANCES			

See accompanying notes to financial statements.

<u>TID No. 1</u> <u>Debt Service</u>	<u>Capital</u> <u>Projects Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Totals</u>
\$ 766,577	\$ 423,167	\$ 322,788	\$ 4,871,069
447,800	1,123	-	4,945,100
-	-	-	1,413
-	-	100	137,438
-	3,544	-	3,544
-	-	22,215	22,215
-	-	-	282,471
-	-	-	58,121
<u>\$ 1,214,377</u>	<u>\$ 427,834</u>	<u>\$ 345,103</u>	<u>\$ 10,321,371</u>

\$ -	\$ 7,557	\$ 333	\$ 391,694
-	-	-	22,505
-	-	-	55,696
447,800	4,667	22,215	4,830,885
-	-	-	14,317
<u>447,800</u>	<u>12,224</u>	<u>22,548</u>	<u>5,315,097</u>

-	-	-	1,413
-	-	-	58,121
766,577	-	-	1,476,125
-	-	-	228,291
-	-	-	54,180
-	-	-	443,673
-	-	322,555	322,555
-	-	-	2,060,486
-	-	-	(54,180)
-	415,610	-	415,610
<u>766,577</u>	<u>415,610</u>	<u>322,555</u>	<u>5,006,274</u>
<u>\$ 1,214,377</u>	<u>\$ 427,834</u>	<u>\$ 345,103</u>	<u>\$ 10,321,371</u>

See accompanying notes to financial statements.

VILLAGE OF PEWAUKEE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS December 31, 2009

Total Fund Balances - Governmental Funds	\$ 5,006,274
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note II. A.	15,906,136
Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note IV.B.	59,023
The Village's investment in the library joint venture is not a financial resource and, therefore, is not reported in the fund statements.	513,721
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II. A.	<u>(9,230,143)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 12,255,011</u>

VILLAGE OF PEWAUKEE

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

For the Year Ended December 31, 2009

	General Fund	Pension Pay- off Fund	General Debt Service
REVENUES			
Taxes	\$ 3,583,472	\$ -	\$ 752,378
Intergovernmental	767,688	-	-
Licenses and permits	197,167	-	-
Fines, forfeitures and penalties	186,007	-	-
Public charges for services	824,547	-	-
Special assessments	-	-	-
Investment income	24,678	-	-
Miscellaneous	82,925	-	-
Total Revenues	<u>5,666,484</u>	<u>-</u>	<u>752,378</u>
EXPENDITURES			
Current			
General government	849,705	-	-
Public safety	3,404,029	-	-
Public works	1,187,440	-	-
Health and human services	5,193	-	-
Culture, recreation and education	476,805	-	-
Conservation and development	27,843	-	-
Capital Outlay	266,160	-	-
Debt Service			
Principal	-	-	308,963
Interest and fiscal charges	-	-	437,507
Total Expenditures	<u>6,217,175</u>	<u>-</u>	<u>746,470</u>
Excess (deficiency) of revenues over expenditures	<u>(550,691)</u>	<u>-</u>	<u>5,908</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	386,282	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>386,282</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(164,409)	-	5,908
FUND BALANCES (DEFICIT) - Beginning of Year	<u>3,002,495</u>	<u>(54,180)</u>	<u>711,718</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 2,838,086</u>	<u>\$ (54,180)</u>	<u>\$ 717,626</u>

See accompanying notes to financial statements.

<u>TID No. 1</u> <u>Debt Service</u>	<u>Capital</u> <u>Projects Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Totals</u>
\$ 435,753	\$ -	\$ -	\$ 4,771,603
839	23,632	-	792,159
-	-	-	197,167
-	-	-	186,007
-	-	23,030	847,577
-	7,492	-	7,492
-	3,340	1,428	29,446
-	-	-	82,925
<u>436,592</u>	<u>34,464</u>	<u>24,458</u>	<u>6,914,376</u>
1,019	-	-	850,724
-	-	-	3,404,029
-	-	-	1,187,440
-	-	16,052	21,245
-	-	-	476,805
-	-	8,668	36,511
-	425,977	-	692,137
-	-	-	308,963
-	-	-	437,507
<u>1,019</u>	<u>425,977</u>	<u>24,720</u>	<u>7,415,361</u>
<u>435,573</u>	<u>(391,513)</u>	<u>(262)</u>	<u>(500,985)</u>
-	62,500	-	448,782
<u>(62,500)</u>	<u>(313)</u>	<u>-</u>	<u>(62,813)</u>
<u>(62,500)</u>	<u>62,187</u>	<u>-</u>	<u>385,969</u>
373,073	(329,326)	(262)	(115,016)
<u>393,504</u>	<u>744,936</u>	<u>322,817</u>	<u>5,121,290</u>
<u>\$ 766,577</u>	<u>\$ 415,610</u>	<u>\$ 322,555</u>	<u>\$ 5,006,274</u>

See accompanying notes to financial statements.

VILLAGE OF PEWAUKEE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2009

Net change in fund balances - total governmental funds	\$	(115,016)
Amounts reported for governmental activities in the statement of net assets are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net assets the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		692,137
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements		42,441
Depreciation is reported in the government-wide financial statements		(341,275)
Net book value of assets retired		(28,429)
Contributed capital assets are reported as revenues in the government-wide financial statements.		14,302
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		(2,347)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Principal repaid		308,963
Governmental funds report debt premiums, discounts and issuance costs as other financing sources (uses) or expenditures. However, in the statement of net assets, these are deferred and reported as other assets or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.		
Amortization of issuance costs		(7,104)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(28,919)
Accrued interest on debt		27,451
The proportionate share of the change in net assets related to joint ventures reported in the statement of activities neither provides nor uses current financial resources and is not reported in the fund financial statements.		<u>(17,061)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>545,143</u>

See accompanying notes to financial statements.

VILLAGE OF PEWAUKEE

STATEMENT OF NET ASSETS PROPRIETARY FUNDS December 31, 2009

ASSETS	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Nonmajor Stormwater Utility	Totals
Current Assets				
Cash and investments	\$ 2,397,553	\$ 862,589	\$ 11,020	\$ 3,271,162
Accounts receivable	218,168	371,868	-	590,036
Due from municipality	-	1,516	-	1,516
Other accounts receivable	431	33,483	35,432	69,346
Materials and supplies	19,014	-	-	19,014
Prepayments	6,162	7,312	1,222	14,696
Restricted Assets				
Redemption account	75,577	481,574	-	557,151
Total Current Assets	2,716,905	1,758,342	47,674	4,522,921
Noncurrent Assets				
Restricted Assets				
Reserve account	446,739	-	-	446,739
Depreciation account	100,000	531,942	-	631,942
Replacement account	-	2,053,715	-	2,053,715
Capital Assets				
Plant in service	15,845,965	20,833,720	159,283	36,838,968
Construction work in progress	23,400	-	-	23,400
Accumulated depreciation	(4,019,494)	(6,942,038)	(3,759)	(10,965,291)
Other Assets				
Cash and investments	-	1,826,409	-	1,826,409
Designated investments	95,408	-	-	95,408
Unamortized debt issuance costs	41,675	-	-	41,675
Investment in Brookfield plant	-	6,192,698	-	6,192,698
Accumulated amortization	-	(1,842,944)	-	(1,842,944)
Total Noncurrent Assets	12,533,693	22,653,502	155,524	35,342,719
Total Assets	15,250,598	24,411,844	203,198	39,865,640

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Nonmajor Stormwater Utility	Totals
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 19,984	\$ 148,087	\$ 1,823	\$ 169,894
Due to municipality	228,291	-	-	228,291
Accrued wages	1,004	1,004	-	2,008
Accrued interest	11,600	-	-	11,600
Current portion of general obligation debt	85,000	-	-	85,000
Current Liabilities Payable from Restricted Assets				
Current portion of revenue bonds	320,000	468,521	-	788,521
Accrued interest	19,220	19,227	-	38,447
Total Current Liabilities	<u>685,099</u>	<u>636,839</u>	<u>1,823</u>	<u>1,323,761</u>
Noncurrent Liabilities				
Long-Term Debt				
General obligation debt	715,000	-	-	715,000
Revenue bonds	2,200,000	3,142,719	-	5,342,719
Unamortized loss on advance refunding	(68,158)	-	-	(68,158)
Total Noncurrent Liabilities	<u>2,846,842</u>	<u>3,142,719</u>	<u>-</u>	<u>5,989,561</u>
Total Liabilities	<u>3,531,941</u>	<u>3,779,558</u>	<u>1,823</u>	<u>7,313,322</u>
NET ASSETS				
Invested in capital assets net of related debt	9,086,443	10,280,442	155,524	19,522,409
Restricted for				
Debt service	144,757	994,289	-	1,139,046
Replacement	-	2,053,715	-	2,053,715
Unrestricted net assets	<u>2,487,457</u>	<u>7,303,840</u>	<u>45,851</u>	<u>9,837,148</u>
TOTAL NET ASSETS	<u>\$ 11,718,657</u>	<u>\$ 20,632,286</u>	<u>\$ 201,375</u>	<u>\$ 32,552,318</u>

See accompanying notes to financial statements.

VILLAGE OF PEWAUKEE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS For the Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds			Totals
	Water utility	Sewer Utility	Nonmajor Stormwater Utility	
OPERATING REVENUES				
Charges for services	\$ 1,227,760	\$ 1,537,919	\$ 133,385	\$ 2,899,064
Other operating revenue	211,329	15,722	745	227,796
Total Operating Revenues	1,439,089	1,553,641	134,130	3,126,860
OPERATING EXPENSES				
Operation and maintenance	598,459	904,981	80,601	1,584,041
Depreciation	297,821	327,935	2,676	628,432
Amortization	-	230,368	-	230,368
Total Operating Expenses	896,280	1,463,284	83,277	2,442,841
Operating Income	542,809	90,357	50,853	684,019
NONOPERATING REVENUES (EXPENSES)				
Investment income	15,287	27,879	-	43,166
Interest expense	(158,696)	(106,060)	-	(264,756)
Amortization of debt issuance costs	(10,927)	(98)	-	(11,025)
Amortization of loss on advance refunding	(18,346)	(129)	-	(18,475)
Total Nonoperating Revenues (Expenses)	(172,682)	(78,408)	-	(251,090)
Income Before Contributions and Transfers	370,127	11,949	50,853	432,929
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	2,400	61,451	-	63,851
Transfers out	(137,598)	(20,080)	-	(157,678)
Transfers - tax equivalent	(228,291)	-	-	(228,291)
Total Contributions and Transfers	(363,489)	41,371	-	(322,118)
Change in Net Assets	6,638	53,320	50,853	110,811
NET ASSETS - Beginning of Year	11,712,019	20,578,966	150,522	32,441,507
NET ASSETS - END OF YEAR	\$ 11,718,657	\$ 20,632,286	\$ 201,375	\$ 32,552,318

See accompanying notes to financial statements.

VILLAGE OF PEWAUKEE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Nonmajor Stormwater Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 909,331	\$ 1,492,336	\$ 168,291	\$ 2,569,958
Received from municipality for services	410,330	-	-	410,330
Paid to suppliers for goods and services	(418,066)	(721,675)	(70,604)	(1,210,345)
Paid to employees for services	(178,116)	(173,724)	(35,726)	(387,566)
Net Cash Flows From Operating Activities	<u>723,479</u>	<u>596,937</u>	<u>61,961</u>	<u>1,382,377</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>15,287</u>	<u>27,879</u>	-	<u>43,166</u>
Net Cash Flows From Investing Activities	<u>15,287</u>	<u>27,879</u>	-	<u>43,166</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(218,969)	-	-	(218,969)
Transfers to other funds	(7,178)	(20,080)	-	(27,258)
Net Cash Flows From Noncapital Financing Activities	<u>(226,147)</u>	<u>(20,080)</u>	-	<u>(246,227)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(385,000)	(629,018)	-	(1,014,018)
Interest paid	(162,113)	(111,242)	-	(273,355)
Acquisition and construction of capital assets	(52,686)	(120,396)	(50,941)	(224,023)
Capital contributions received	<u>2,400</u>	<u>61,451</u>	-	<u>63,851</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(597,399)</u>	<u>(799,205)</u>	<u>(50,941)</u>	<u>(1,447,545)</u>
Net Change in Cash and Cash Equivalents	(84,780)	(194,469)	11,020	(268,229)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,200,057</u>	<u>5,950,698</u>	-	<u>9,150,755</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,115,277</u>	<u>\$ 5,756,229</u>	<u>\$ 11,020</u>	<u>\$ 8,882,526</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Nonmajor Stormwater Utility	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	\$ 542,809	\$ 90,357	\$ 50,853	\$ 684,019
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	297,821	327,935	2,676	628,432
Depreciation charged to other funds	11,641	-	-	11,641
Transfers	(130,420)	-	-	(130,420)
Other operating amortization expenses	-	230,368	-	230,368
Changes in assets and liabilities				
Customer accounts receivable	(1,226)	(58,132)	(9,226)	(68,584)
Other accounts receivable	577	(1,657)	43,387	42,307
Materials and supplies	(1,183)	-	-	(1,183)
Prepayments	832	728	1,221	2,781
Accounts payable	2,398	8,624	405	11,427
Accrued wages	230	230	-	460
Due to municipality	-	-	(27,355)	(27,355)
Due from other funds	-	(1,516)	-	(1,516)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 723,479	\$ 596,937	\$ 61,961	\$ 1,382,377
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Cash and investments - statement of net assets	\$ 2,397,553	\$ 862,589	\$ 11,020	\$ 3,271,162
Redemption account	75,577	481,574	-	557,151
Reserve account	446,739	-	-	446,739
Depreciation account	100,000	531,942	-	631,942
Replacement account	-	2,053,715	-	2,053,715
Other cash and investments	-	1,826,409	-	1,826,409
Designated investments	95,408	-	-	95,408
Total Cash and Investments	<u>3,115,277</u>	<u>5,756,229</u>	<u>11,020</u>	<u>8,882,526</u>
CASH AND CASH EQUIVALENTS	\$ 3,115,277	\$ 5,756,229	\$ 11,020	\$ 8,882,526
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer out to general fund for cell tower revenue	<u>\$ 130,420</u>	<u>\$ -</u>	<u>\$ -</u>	

See accompanying notes to financial statements.

VILLAGE OF PEWAUKEE

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS December 31, 2009

	2005 Pension Trust	Agency
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 109,036	\$ 6,132,886
Taxes receivable	-	6,855,589
Prepaid items	<u>-</u>	<u>5,153</u>
TOTAL ASSETS	<u>\$ 109,036</u>	<u>\$ 12,993,628</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ -	\$ 14,383
Other accrued liabilities	-	7,686
Due to other governmental units	<u>-</u>	<u>12,971,559</u>
Total Liabilities	-	12,993,628
Net Assets		
Held in trust for pension benefits	<u>109,036</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 109,036</u>	<u>\$ 12,993,628</u>

See accompanying notes to financial statements.

VILLAGE OF PEWAUKEE

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
For the Year Ended December 31, 2009**

	<u>2005</u> <u>Pension Trust</u>
ADDITIONS	
Investment income	\$ <u>521</u>
Change in Net Assets	521
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - Beginning of Year	<u>108,515</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - END OF YEAR	<u>\$ <u>109,036</u></u>

See accompanying notes to financial statements.

VILLAGE OF PEWAUKEE

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VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Pewaukee, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Village of Pewaukee. 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. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. 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.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Government-Wide Financial Statements (cont.)

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.

Fund Financial Statements

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

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

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

Separate financial statements are provided for governmental funds and 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.

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.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements (cont.)

The village reports the following major governmental funds: (cont.)

Pension Pay-off Special Revenue Fund - accounts for resources legally restricted to supporting expenditures for the portion of the employee trust program used for future contingencies and debt used to finance the transition from the former to the current retirement plan.

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

TID No. 1 Debt Service Fund - accounts for resources accumulated and payments made for principal and interest on long-term debt for tax increment district No. 1.

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities.

The village reports the following major enterprise funds:

Water Utility - accounts for operations of the water system

Sewer Utility - accounts for operations of the sewer system

The village reports the following non-major governmental and enterprise funds:

Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Cemetery Fund

Downtown Loan Fund

Enterprise Funds - may be used to report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Stormwater Utility

In addition, the village reports the following fund types:

Pension (and other employee benefit) trust fund is used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

2005 Pension Trust

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements (cont.)

Agency funds are 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.

Pewaukee Public Library
Tax Collection

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

Government-Wide Financial Statements

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

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements (cont.)

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

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

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 revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the 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 liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. 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, sewer, and stormwater funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

All Financial Statements

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

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

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

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

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The village has adopted an investment policy. That policy follows the state statute for allowable investments.

The village is exposed to custodial credit risk for its deposits as well as credit risk and interest rate risk for its investments (see Note IV. A.). The village's investment policy addresses all three of these types of risks. For depository custodial credit risk, the investment policy requires all financial institutions acting as depository for the village to enter into a depository agreement pledging collateral to secure amounts over and above the guaranteed amounts. All collateral is required to be held by a third party.

Investment credit risk is the risk of loss due to the failure of the security issuer or backer of the security. The policy states that investments are to be limited to the types authorized within the policy. In addition, the portfolio is to be diversified so that the impact of potential losses from any one individual issuer will be minimized.

Interest rate risk is the risk that the market value of the securities will fall due to changes in market interest rates. The village's policy states that the portfolio is to be structured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. In addition, funds are to be invested in shorter-term securities, money market mutual funds, or similar investment pools that limit the average maturity of the portfolio.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated to the general fund. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2009, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the 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 on the accompanying agency fund statement of fiduciary net assets.

Property tax calendar - 2009 tax roll:

Lien date and levy date	December 2009
Tax bills mailed	December 2009
Payment in full, or	January 31, 2010
First installment due	January 31, 2010
Second installment due	July 31, 2010
Personal property taxes in full	January 31, 2010
Tax sale - 2009 delinquent real estate taxes	October 2012

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

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

The village has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The village records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has not been reduced by an allowance for uncollectible accounts.

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

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$15,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

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

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

Buildings	20-75	Years
Land Improvements	20-75	Years
Machinery and Equipment	5-30	Years
Utility System	7-108	Years
Infrastructure	30-75	Years

Fund Financial Statements

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

6. Other Assets

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

Other assets in the utility funds represents unamortized utility debt issuance expenses that have been deferred and are being amortized to expenses on a straight-line basis, preliminary survey and investigation costs and the investment in the Brookfield Wastewater Treatment Plant (see Note V.I.)

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Sick leave does not vest to employees and accumulated vacation pay is not material to these financial statements.

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, 2009, are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

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

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt (cont.)

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.

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

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At year end, the aggregate principal amount for the 2000 series outstanding could not be determined; however, their original issue amounts totaled \$1,900,000.

9. 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. The liability for claims and judgments is only reported in governmental funds if it has matured. 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.

10. Equity Classifications

Government-Wide Statements

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

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

10. Equity Classifications (cont.)

Government-Wide Statements (cont.)

- c. Unrestricted net assets - All other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt."

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Invested in capital assets, net of related debt	\$ 9,536,035	\$ 19,522,409	\$ (95,920)	\$ 28,962,524
Unrestricted	1,292,515	9,837,148	95,920	11,225,583

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is that portion of fund balance that is not available for the subsequent year's budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

Fiduciary fund equity is classified as held in trust for pension benefits on the statement of fiduciary net assets. Various donor restrictions apply, including authorizing and spending trust income, and the village believes it is in compliance with all significant restrictions. Net appreciation of \$521 was available for the year ended December 31, 2009.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

11. Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on April 2, 1996.

Sewer Utility

Current sewer rates were approved by the village board on December 2, 2008.

Stormwater Utility

Current stormwater rates were approved by the village board on December 2, 2008.

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

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

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

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

Land and right of way	\$	6,244,400
Construction in progress		9,381
Other capital assets, net of accumulated depreciation		<u>9,652,355</u>
Combined Adjustment for Capital Assets	\$	<u>15,906,136</u>

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS (cont.)

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

Bonds and notes payable	\$	9,164,349
Compensated absences		35,113
Accrued interest		132,298
Unamortized issuance costs		<u>(101,617)</u>
Combined Adjustment for Long-Term Liabilities	\$	<u>9,230,143</u>

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

A budget has been adopted for the general fund, debt service funds, cemetery special revenue fund and capital projects fund. Budgets have not been formally adopted for Pension Pay-off and Downtown Loan special revenue funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
TID No. 1 Debt Service	\$ -	\$ 63,519	\$ 63,519
Capital Projects Fund	216,000	426,290	210,290

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

C. DEFICIT BALANCES

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

As of December 31, 2009, the following individual funds held a deficit balance:

Fund	Amount	Reason
Pension Pay-off Fund	\$ 54,180	Bond proceeds were not sufficient to finance all of the costs associated with the pension transition

D. LIMITATIONS ON THE VILLAGE'S TAX LEVY

As part of Wisconsin's Act 28 (2009), legislation was passed that limits the village's future tax levies. Generally the village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the village's equalized value due to new construction or 3% for the 2009 levy collected in 2010 and 3% for the 2010 levy collected in 2011. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit is set to expire after the 2010 levy.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The village's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 8,169,186	\$ 8,172,898	Custodial credit
LGIP	11,826,081	11,826,081	Credit, interest rate
Petty cash	250	-	N/A
 Total Deposits and Investments	 \$ 19,995,517	 \$ 19,998,979	
 Reconciliation to financial statements			
Per statement of net assets			
Unrestricted cash and investments	\$ 10,064,048		
Restricted cash and investments	3,689,547		
Per statement of net assets- fiduciary funds			
Private purpose trust	109,036		
Agency	6,132,886		
 Total Deposits and Investments	 \$ 19,995,517		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts for noninterest bearing accounts.

Bank accounts 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 not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The village maintains collateral agreements with its banks. At December 31, 2009, the banks had pledged various government securities in the amount of \$12,129,331 to secure the village's deposits.

Custodial Credit Risk

Deposits

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

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

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Investments

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

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

Credit Risk

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

The village also held investments in the following external pool which is not rated:

Local Government Investment Pool

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2009, the village's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
External investment pools	<u>\$ 11,826,081</u>	88

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

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except for loans and delinquent personal property taxes receivable.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ -	\$ 4,771,862	\$ 4,771,862
Deferred loan receivable	22,215	-	22,215
Special assessments	30,730	-	30,730
Charges for services	6,078	-	6,078
Total Deferred/Unearned Revenue for Governmental Funds	\$ 59,023	\$ 4,771,862	\$ 4,830,885

For economic development loans, the village is limited by the Wisconsin Department of Commerce to the amount of program income from economic development loans that it may retain and loan to other businesses. Program income includes the principal and interest received from economic development loans repayments. Based upon its current population, the village may generally retain \$500,000.

At December 31, 2009, the village has not exceeded its maximum retention cap. When it does, a liability to the state will be recorded.

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Depreciation - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS (cont.)

Equipment Replacement Account (cont.)

Following is a list of restricted assets at December 31, 2009:

Restricted Assets	
Redemption account	\$ 557,151
Reserve account	446,739
Replacement account	2,053,715
Depreciation account	<u>631,942</u>
Total Restricted Assets	<u>3,689,547</u>
Reserve from borrowing	<u>(446,739)</u>
Current Liabilities Payable From Restricted Assets	<u>(50,047)</u>
Total Restricted Net Assets	<u><u>\$ 3,192,761</u></u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land and right of way	\$ 6,244,400	\$ -	\$ -	\$ 6,244,400
Construction in progress	<u>19,156</u>	<u>9,381</u>	<u>19,156</u>	<u>9,381</u>
Total Capital Assets Not Being Depreciated	<u>6,263,556</u>	<u>9,381</u>	<u>19,156</u>	<u>6,253,781</u>
Capital assets being depreciated				
Buildings	8,669,986	233,825	-	8,903,811
Machinery and equipment	2,256,181	311,282	174,466	2,392,997
Infrastructure	<u>260,524</u>	<u>213,548</u>	<u>-</u>	<u>474,072</u>
Total Capital Assets Being Depreciated	<u>11,186,691</u>	<u>758,655</u>	<u>174,466</u>	<u>11,770,880</u>
Total Capital Assets	<u>17,450,247</u>	<u>768,036</u>	<u>193,622</u>	<u>18,024,661</u>

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Buildings	\$ (823,052)	\$ (170,604)	\$ -	\$ (993,656)
Machinery and equipment	(1,096,612)	(164,158)	146,037	(1,114,733)
Infrastructure	(3,623)	(6,513)	-	(10,136)
Total Accumulated Depreciation	(1,923,287)	(341,275)	146,037	(2,118,525)
Net Capital Assets Being Depreciated	9,263,404	417,380	28,429	9,652,355
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 15,526,960	\$ 426,761	\$ 47,585	\$ 15,906,136

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 13,503
Public safety	104,810
Public works	108,705
Culture, recreation, and education	114,257
Total Governmental Activities Depreciation Expense	\$ 341,275

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 10,742	\$ -	\$ -	\$ 10,742
Construction work in progress	-	23,400	-	23,400
Total Capital Assets Not Being Depreciated	10,742	23,400	-	34,142

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water (cont.)</u>				
Capital assets being depreciated				
Source of supply	\$ 1,035,333	\$ -	\$ -	\$ 1,035,333
Pumping	2,476,789	-	-	2,476,789
Water treatment	166,292	-	-	166,292
Transmission and distribution	11,859,985	29,286	7,288	11,881,983
General	<u>274,826</u>	<u>-</u>	<u>-</u>	<u>274,826</u>
Total Capital Assets Being Depreciated	<u>15,813,225</u>	<u>29,286</u>	<u>7,288</u>	<u>15,835,223</u>
Total Capital Assets	<u>15,823,967</u>	<u>52,686</u>	<u>7,288</u>	<u>15,869,365</u>
Less: Accumulated depreciation	<u>(3,717,320)</u>	<u>(309,462)</u>	<u>7,288</u>	<u>(4,019,494)</u>
Net Capital Assets Being Depreciated	<u>12,095,905</u>	<u>(280,176)</u>	<u>-</u>	<u>11,815,729</u>
Net Water Plant	<u>\$ 12,106,647</u>	<u>\$ (256,776)</u>	<u>\$ -</u>	<u>\$ 11,849,871</u>
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Land and land rights	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>
Capital assets being depreciated				
Collection system	17,898,706	95,081	2,515	17,991,272
Pumping	2,393,399	25,315	12,734	2,405,980
Treatment and disposal	214,034	-	-	214,034
General	<u>222,184</u>	<u>-</u>	<u>-</u>	<u>222,184</u>
Total Capital Assets Being Depreciated	<u>20,728,323</u>	<u>120,396</u>	<u>15,249</u>	<u>20,833,470</u>
Total Capital Assets	<u>20,728,573</u>	<u>120,396</u>	<u>15,249</u>	<u>20,833,720</u>
Less: Accumulated depreciation	<u>(6,629,352)</u>	<u>(327,935)</u>	<u>15,249</u>	<u>(6,942,038)</u>
Net Capital Assets Being Depreciated	<u>14,098,971</u>	<u>448,331</u>	<u>-</u>	<u>13,891,432</u>
Net Sewer Plant	<u>\$ 14,099,221</u>	<u>\$ 448,331</u>	<u>\$ -</u>	<u>\$ 13,891,682</u>

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Stormwater</u>				
Capital assets being depreciated				
Mains	\$ 108,342	\$ 50,941	\$ -	\$ 159,283
Less: Accumulated depreciation	(1,083)	(2,676)	-	(3,759)
Net Stormwater Plant	\$ 107,259	\$ 48,265	\$ -	\$ 155,524
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 26,313,127	\$ 239,820	\$ -	\$ 25,897,077

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 297,821
Sewer	327,935
Storm	2,676
Total Business-type Activities Depreciation Expense	\$ 628,432

The difference in depreciation expense and additions to accumulated depreciation is due to salvage and cost of removal.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water utility	\$ 228,291
General	Pension pay-off	54,180
Sewer utility	General	<u>1,516</u>
Total - Fund Financial Statements		283,987
Less: Fund eliminations		<u>(57,212)</u>
Total Internal Balances - Government-Wide Statement of Net Assets		<u>\$ 226,775</u>

All amounts are due within one year.

The purpose of the water utility interfund is for the tax equivalent. The Pension pay-off interfund is due to deficit cash and is expected to be paid from the general fund during 2010 (of which fund balance has been reserved in the general fund). The sewer utility interfund is for charges put on the tax roll.

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

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Water utility	\$ 228,291	Payment in lieu of taxes
General	Water utility	130,420	Reimbursement for rental tower fees
General	Water utility	7,178	Reimbursement for labor
General	Sewer utility	20,080	Reimbursement for labor
General	Capital projects	313	Transfer of remaining unspent bond proceeds for library construction
Capital projects	TID 1 debt service	<u>62,500</u>	Reimbursement for parking lot expenditures located within Tax Incremental District No. 1
Total - Fund Financial Statements		448,782	
Less: Fund eliminations		<u>(62,813)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 385,969</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) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 9,473,312	\$ -	\$ 308,963	\$ 9,164,349	\$ 320,477
Add/(Subtract) Deferred Amounts For					
Vested compensated absences	6,194	35,113	6,194	35,113	35,113
Sub-totals	9,479,506	35,113	315,157	9,199,462	355,590
Total Governmental Activities Long- Term Liabilities	\$ 9,479,506	\$ 35,113	\$ 315,157	\$ 9,199,462	\$ 355,590
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 885,000	\$ -	\$ 85,000	\$ 800,000	\$ 85,000
Revenue bonds	7,060,258	-	929,018	6,131,240	788,521
Add/(Subtract) Deferred Amounts For					
Refundings - Gains/(Losses)	(86,633)	-	(18,475)	(68,158)	-
Sub-totals	7,858,625	-	995,543	6,863,082	873,521
Total Business-type Activities Long- Term Liabilities	\$ 7,858,625	\$ -	\$ 995,543	\$ 6,863,082	\$ 873,521

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2009, was \$49,183,140. Total general obligation debt outstanding at year end was \$9,964,349.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds 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 accumulated by the debt service fund. 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.

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/09
G.O. promissory notes	8/1/1992	12/1/2011	4.75 - 6.00%	\$ 2,670,000	\$ 20,000
G.O. refunding bonds	4/1/1999	12/1/2011	3.50 - 4.65	2,180,000	115,000
G.O. promissory notes	9/3/2002	2/1/2010	0.00%	58,512	5,625
State trust fund loan	9/3/2004	3/15/2014	4.00%	112,374	68,462
G.O. refunding bonds	8/15/2005	3/1/2025	2.90 - 4.35%	3,755,000	3,670,000
State trust fund loan	4/28/2005	3/15/2015	4.00%	30,500	19,622
G.O. taxable refunding bonds	12/15/2005	3/1/2023	5.06 - 5.50%	2,440,000	2,440,000
State trust fund loan	7/30/2007	3/15/2012	5.00%	98,179	60,640
G.O. refunding bonds	5/1/2008	9/1/2028	3.20 - 4.00%	2,765,000	<u>2,765,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 9,164,349</u>

Business-type Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/09
G.O. bonds	08/15/2007	03/01/2015	4.35%	\$ 960,000	<u>\$ 800,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2010	\$ 320,477	\$ 388,175	\$ 85,000	\$ 32,951
2011	356,439	375,075	90,000	29,145
2012	383,039	358,613	95,000	25,121
2013	392,547	342,306	100,000	20,880
2014	423,248	325,539	100,000	16,530
2015-2019	2,678,599	1,310,583	330,000	21,968
2020-2024	3,340,000	618,536	-	-
2025-2028	<u>1,270,000</u>	<u>92,168</u>	-	-
Totals	<u>\$ 9,164,349</u>	<u>\$ 3,810,995</u>	<u>\$ 800,000</u>	<u>\$ 146,595</u>

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water and sewer utilities.

The water and sewer utilities has pledged future revenues, net of specified operating expenses, to repay \$7,060,258 in revenue bonds issued in prior years. Proceeds from the bonds provided financing for the construction of the capital assets in the water and sewer utility funds. The bonds are payable solely from water and sewer revenues and are payable through 2016. Annual principal and interest payments on the bonds are expected to require 59.02% of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,026,474. Principal and interest paid for the current year and total customer net revenues were \$1,181,243 and \$1,322,773, respectively.

Revenue debt payable at December 31, 2009, consists of the following:

Business-type Activities Revenue Debt

<u>Revenue Bonds Water Utility</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/09</u>
Revenue Bonds	5/15/1996	11/1/2016	4.75 - 5.95%	\$ 5,145,000	\$ 45,000
Revenue bonds	10/15/2001	11/1/2016	3.00 - 4.65%	3,205,000	<u>2,475,000</u>
			Total Revenue Bonds Utility		<u>2,520,000</u>
<u>Revenue Bonds Sewer Utility</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/09</u>
Revenue Bonds	5/8/1996	5/1/2016	3.156%	\$ 1,879,610	\$ 826,827
Revenue bonds	10/9/1996	5/1/2016	3.26%	5,815,672	<u>2,784,413</u>
			Total Revenue Bonds Utility		<u>3,611,240</u>
Total Business-type Activities Revenue Debt					<u><u>\$ 6,131,240</u></u>

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Revenue Debt	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 788,521	\$ 220,523
2011	813,488	191,248
2012	838,934	161,614
2013	869,872	130,720
2014	901,320	98,313
2015-2016	<u>1,919,105</u>	<u>92,816</u>
Totals	<u>\$ 6,131,240</u>	<u>\$ 895,234</u>

Other Debt Information

A statutory mortgage lien upon the village's system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The village's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The village believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

G. LEASE DISCLOSURES

Lessor - Operating Leases

The village has entered into two lease agreements with the Pewaukee Public Library. One is a land lease with a cost of \$230,000 and the other is a building lease with a cost of \$4,083,547 and accumulated depreciation of \$327,334 at December 31, 2009. Both lease agreements expire on August 31, 2024. The library does not pay rent on either lease.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2009, includes the following:

Governmental Activities

Invested in Capital Assets, Net of Related Debt	
Land	\$ 6,244,400
Construction in progress	9,381
Other capital assets, net of accumulated depreciation	9,652,355
Less: Long-term debt outstanding	(9,164,349)
Plus: Unspent capital related debt proceeds	156,711
Plus: Non-capital debt proceeds	2,535,920
Plus: Unamortized debt issuance costs	101,617
Total Invested in Capital Assets, Net of Related Debt	<u>9,536,035</u>
Restricted	
Debt service	1,187,116
Downtown loan fund	239,345
Total Restricted	<u>1,426,461</u>
Unrestricted	
	<u>1,292,515</u>
Total Governmental Activities Net Assets	<u>\$ 12,255,011</u>

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2009, include the following:

Reserved	
Major Funds	
General Fund	
Delinquent personal property taxes	\$ 1,413
Prepaid items	50,043
Tax equivalent	228,291
Non-current receivables	54,180
Total	<u>\$ 333,927</u>
Debt Service Funds	
Debt service	\$ 1,476,125
Prepays	8,078
Total	<u>\$ 1,484,203</u>

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Funds (cont.)

Unreserved (designated)

Major Funds		
General Fund		
DARE funds	\$	6,540
Fund balances applied to 2010		12,740
Park and open spaces		415,363
Police forfeitures		4,276
Joint pistol range		<u>4,754</u>
Total	\$	<u><u>443,673</u></u>

Non-Major Fund		
Special Revenue Fund		
Cemetery	\$	105,425
Downtown loan fund		<u>217,130</u>
Total	\$	<u><u>322,555</u></u>

Unreserved (undesignated) (deficit)

Major Funds		
General fund	\$	2,060,486
Pension Pay-off fund		(54,180)
Capital projects fund		<u>415,610</u>
Total	\$	<u><u>2,421,916</u></u>

Business-type Activities

Invested in capital assets, net of related debt		
Land	\$	10,992
Construction in progress		23,400
Other capital assets, net of accumulated depreciation		25,862,685
Less: Long-term debt outstanding		(6,484,501)
Plus: Unamortized loss on advance refunding		68,158
Plus: Unamortized debt issuance costs		<u>41,675</u>
Total Invested in Capital Assets, Net of Related Debt		<u><u>19,522,409</u></u>

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Business-type Activities (cont.)

Restricted	
Debt service	\$ 1,585,785
Replacement	<u>2,053,715</u>
Total Restricted	<u>3,639,500</u>
Unrestricted	<u>9,837,148</u>
Total Business-type Activities Net Assets	<u>\$ 32,552,318</u>

NOTE V - OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLAN

The village maintained a single employer, defined benefit pension plan called the Village of Pewaukee Defined Benefit Pension Trust and Plan ("the plan"). The plan covered substantially all of the village's employees and is reported as a pension trust fund in these financial statements. The plan was closed during 2005 when the village joined the Wisconsin Retirement System (see Note V.C.)

B. PENSION TRANSITION PLAN

On June 20, 2005, the Village of Pewaukee approved the creation of the Village of Pewaukee Pension Transition Plan (referred to as the "plan") to accumulate contributions designed to recompense employees who previously participated in the employer's prior defined benefit pension plan and who will now participate in the Wisconsin Retirement System. Per an IRS ruling, this qualifies as a tax-exempt plan under Code Section 401(a). The Village of Pewaukee is the administrator of this plan.

No employees were eligible to participate unless his or her name was included in the Village of Pewaukee Transition Plan and he or she returned a properly completed election form, as prepared by the Administrator. The election to participate in this plan was a one-time irrevocable election. There were twenty-one (21) eligible participants of this plan.

During 2009, the village contributed \$-0- to the plan. The money is invested in the village's local government investment pool. A total of \$2,605 in investment income was earned on the plan assets during the year.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V - OTHER INFORMATION (cont.)

C. EMPLOYEES' RETIREMENT SYSTEM

All eligible village employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 6.0% of their salary (3.0% for Executives and Elected Officials, 5.1% for Protective Occupations with Social Security, and 3.4% for Protective Occupations without Social Security) to the plan. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for village employees covered by the system for the year ended December 31, 2009, was \$2,792,844; the employer's total payroll was \$2,884,340. The total required contribution for the year ended December 31, 2009, was \$347,574 or 12.4% of covered payroll. Of this amount, 100% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2008, and 2007 were \$338,436 and \$319,398, respectively, equal to the required contributions for each year.

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

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

As of December 31, 2009 there was no pension related debt for the village.

D. RISK MANAGEMENT

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

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE V - OTHER INFORMATION (cont.)

E. COMMITMENTS AND CONTINGENCIES

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the village attorney 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.

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.

Funding for the operating budget of the village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the village.

F. JOINT VENTURES

Pewaukee Public Library

The Village of Pewaukee and the City of Pewaukee jointly operate the library, which is called the Pewaukee Public Library and provides library services to both communities.

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the district. The village made a payment totaling \$226,341 to the district for 2009. The village believes that the district will continue to provide services in the future at similar rates.

Financial information of the library as of December 31, 2009 is available directly from the library's office.

The equity interest is reported in the governmental activities column of the government-wide statement of net assets. Changes in the equity interest are reported on the statement of activities.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V - OTHER INFORMATION (cont.)

F. JOINT VENTURES (cont.)

Park and Recreation Service

The Village of Pewaukee and the City of Pewaukee jointly operate the local park and recreation service. The communities share in the operation of the district based 50% on their percentage of total equalized value and 50% on their percentage of total population.

The governing boards are made up of citizens from each community. Local representatives are appointed by the village board. The governing boards control the financial affairs of the district. The governing boards prepare budgets which are then approved by the village and city governing bodies. The village believes the joint venture will continue to provide services in the future at similar rates. The village share for 2009 was \$250,464.

Financial information of the district as of December 31, 2009 is available directly from the park and recreation service office.

The village does not have an equity interest in the joint venture.

G. SUBSEQUENT EVENTS

On February 8, 2010, the village obtained a \$50,000 state trust fund loan with an interest rate of 4.5% due on March 15, 2019. The loan is to finance capital expenditures.

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Application of these standards may restate portions of these financial statements.

VILLAGE OF PEWAUKEE

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V - OTHER INFORMATION (cont.)

I. INVESTMENT IN BROOKFIELD WASTEWATER TREATMENT FACILITY

The Village of Pewaukee sewer utility and the City of Brookfield, Town of Brookfield, City of Pewaukee, Village of Menomonee Falls, Lake Pewaukee Sanitary District and City of New Berlin are all contributing parties for a construction upgrade at the City of Brookfield Wastewater Treatment Facility. The communities share in the upgrade costs as follows:

<u>Municipality</u>	<u>% Exp Paid</u>
City of Brookfield	53.66
Town of Brookfield Sanitary District #4	12.17
City of Pewaukee Sanitary District #3	13.94
Village of Pewaukee	18.14
Village of Menomonee Falls	<u>2.09</u>
Totals	<u><u>100.00</u></u>

The costs reflected in the Village of Pewaukee's sewer utility financial statements reflect the pro-rata share of costs for treatment plant capacity and do not constitute an ownership right in the facility. These costs will be amortized over the life of the facility. The Village of Pewaukee sewer utility's investment balance as of December 31, 2009 was \$6,192,698 with accumulated amortization of \$1,842,944.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PEWAUKEE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
TAXES			
General property taxes	\$ 3,501,170	\$ 3,510,647	\$ 9,477
Payments in lieu of taxes	<u>74,500</u>	<u>72,825</u>	<u>(1,675)</u>
Total Taxes	<u>3,575,670</u>	<u>3,583,472</u>	<u>7,802</u>
INTERGOVERNMENTAL REVENUES			
State shared revenues	306,000	306,966	966
State aid - general transportation aids	340,561	340,638	77
State aid - fire insurance tax	27,000	28,160	1,160
State aid - DARE	4,000	-	(4,000)
Federal aid - FEMA	5,760	28,880	23,120
Federal grants	1,500	-	(1,500)
Other state and county grants	<u>44,758</u>	<u>63,044</u>	<u>18,286</u>
Total Intergovernmental Revenues	<u>729,579</u>	<u>767,688</u>	<u>38,109</u>
LICENSES AND PERMITS			
Liquor and malt beverage licenses	10,600	22,050	11,450
Operators' license	5,500	4,545	(955)
Cigarette and soda licenses	2,040	2,010	(30)
Bicycle licenses	2,500	4,736	2,236
Dog licenses	2,800	2,804	4
Cable television franchise fees	62,120	68,995	6,875
Building permits	50,000	40,915	(9,085)
HVAC permits	5,000	9,688	4,688
Electrical permits	15,000	14,616	(384)
Plumbing permits	10,000	14,251	4,251
Occupancy permits	750	850	100
Mobile home parking licenses	3,000	3,040	40
Zoning permits	1,000	750	(250)
Other permits	<u>5,000</u>	<u>7,917</u>	<u>2,917</u>
Total Licenses and Permits	<u>175,310</u>	<u>197,167</u>	<u>21,857</u>
FINES, FORFEITURES AND PENALTIES			
Court penalties and costs	157,000	144,973	(12,027)
Parking tickets	42,000	41,034	(966)
Other law and ordinance violations	<u>5,760</u>	<u>-</u>	<u>(5,760)</u>
Total Fines, Forfeitures and Penalties	<u>204,760</u>	<u>186,007</u>	<u>(18,753)</u>

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

VILLAGE OF PEWAUKEE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance with Final Budget
PUBLIC CHARGES FOR SERVICES			
Ambulance	\$ 190,100	\$ 225,275	\$ 35,175
Garbage and refuse collection	257,744	259,536	1,792
Special assessment letters	1,000	983	(17)
Weed control	800	1,045	245
Fire and rescue calls	18,770	24,555	5,785
Fire department tank inspections	66,598	53,465	(13,133)
Law enforcement fees	165,023	167,061	2,038
Recreation fees	66,000	62,601	(3,399)
Joint pistol range	3,308	1,000	(2,308)
Park users fees	3,400	2,208	(1,192)
Fiscal agent fees	19,500	19,200	(300)
Miscellaneous	7,000	7,618	618
Total Public Charges for Services	<u>799,243</u>	<u>824,547</u>	<u>25,304</u>
INVESTMENT INCOME			
Interest on temporary investments	<u>200,000</u>	<u>24,678</u>	<u>(175,322)</u>
MISCELLANEOUS REVENUES			
Miscellaneous	2,000	15,000	13,000
Rent	6,000	5,200	(800)
Insurance recoveries	-	20,893	20,893
Sale of police equipment	12,400	8,249	(4,151)
Sale of other equipment	15,000	32,110	17,110
Sale of materials and supplies	200	1,473	1,273
Total Miscellaneous Revenues	<u>35,600</u>	<u>82,925</u>	<u>47,325</u>
 Total Revenues	 <u>5,720,162</u>	 <u>5,666,484</u>	 <u>(53,678)</u>

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

VILLAGE OF PEWAUKEE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2009

EXPENDITURES	Original and Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT			
Village board	\$ 28,454	\$ 28,978	\$ (524)
Municipal court	50,516	52,721	(2,205)
Legal	88,760	69,869	18,891
General administration	129,933	128,096	1,837
Clerk's office	203,911	202,798	1,113
Elections	17,500	14,747	2,753
Data processing	12,000	12,685	(685)
Consolidation Study	-	39,000	(39,000)
Assessment of property	41,100	40,873	227
Special accounting and auditing	36,150	38,340	(2,190)
Village hall	40,800	48,439	(7,639)
Property and liability insurance	184,805	164,070	20,735
Miscellaneous general government	21,635	9,089	12,546
Total General Government	855,564	849,705	5,859
PUBLIC SAFETY			
Police	1,992,657	2,014,531	(21,874)
Water patrol	6,100	4,375	1,725
Fire service	862,560	802,560	60,000
Public fire protection	455,414	450,459	4,955
Fire inspection	56,280	65,880	(9,600)
Building inspection	67,000	66,224	776
Total Public Safety	3,440,011	3,404,029	35,982
HEALTH AND SOCIAL SERVICES			
Animal control	4,300	5,193	(893)
PUBLIC WORKS			
Public works administration	74,463	74,141	322
Public works wages and benefits	608,385	585,121	23,264
General engineering	6,000	3,152	2,848
Machinery and equipment	63,000	57,892	5,108
Garage and shed	43,650	42,502	1,148
Street maintenance	24,000	18,475	5,525
Snow and ice control	37,388	47,299	(9,911)
Street lighting	79,500	89,592	(10,092)
Sidewalk	3,500	2,205	1,295
Curb and gutter	2,800	-	2,800
Tree and brush removal	1,000	-	1,000
Garbage and refuse collection	164,655	175,027	(10,372)
Recycling	88,898	91,681	(2,783)
Other sanitation	500	353	147
Total Public Works	1,197,739	1,187,440	10,299

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

VILLAGE OF PEWAUKEE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
LEISURE ACTIVITIES			
Library	\$ 226,341	\$ 226,341	\$ -
Parks and recreation	<u>273,645</u>	<u>250,464</u>	<u>23,181</u>
Total Leisure Activities	<u>499,986</u>	<u>476,805</u>	<u>23,181</u>
CONSERVATION AND DEVELOPMENT			
Urban development	13,250	13,158	92
Weed control	1,500	3,498	(1,998)
Planning commission	9,624	10,431	(807)
Planning/engineering consulting	-	240	(240)
Lake weed control planning	<u>1,000</u>	<u>516</u>	<u>484</u>
Total Conservation and Development	<u>25,374</u>	<u>27,843</u>	<u>(2,469)</u>
CAPITAL OUTLAY			
Police	59,566	59,318	248
Parks	15,180	15,155	25
Highway	<u>135,000</u>	<u>191,687</u>	<u>(56,687)</u>
Total Capital Outlay	<u>209,746</u>	<u>266,160</u>	<u>(56,414)</u>
 Total Expenditures	 <u>6,232,720</u>	 <u>6,217,175</u>	 <u>15,545</u>
 Deficiency of revenues under expenditures	 <u>(512,558)</u>	 <u>(550,691)</u>	 <u>(38,133)</u>
OTHER FINANCING SOURCES			
Debt issued	50,000	-	(50,000)
Transfers in	<u>340,420</u>	<u>386,282</u>	<u>45,862</u>
Total Other Financing Sources	<u>390,420</u>	<u>386,282</u>	<u>(4,138)</u>
 Net Change in Fund Balance	 (122,138)	 (164,409)	 (42,271)
 FUND BALANCE - Beginning of Year	 <u>3,002,495</u>	 <u>3,002,495</u>	 <u>-</u>
 FUND BALANCE - END OF YEAR	 <u>\$ 2,880,357</u>	 <u>\$ 2,838,086</u>	 <u>\$ (42,271)</u>

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

VILLAGE OF PEWAUKEE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2009

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows:

	Original and Final Budget	Expenditures	Excess
<u>General Fund</u>			
Village board	\$ 28,454	\$ 28,978	\$ 524
Municipal court	50,516	52,721	2,205
Data processing	12,000	12,685	685
Consolidation study	-	39,000	39,000
Special accounting and auditing	36,150	38,340	2,190
Village hall	40,800	48,439	7,639
Police	1,992,657	2,014,531	21,874
Fire inspection	56,280	65,880	9,600
Animal control	4,300	5,193	893
Snow and ice control	37,388	47,299	9,911
Street lighting	79,500	89,592	10,092
Garbage and refuse collection	164,655	175,027	10,372
Recycling	88,898	91,681	2,783
Weed control	1,500	3,498	1,998
Planning commission	9,624	10,431	807
Planning/engineering consulting	-	240	240
Highway capital outlay	135,000	191,687	56,687

SUPPLEMENTARY INFORMATION

VILLAGE OF PEWAUKEE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009

	Special Revenue Funds		Total
	Cemetery Fund	Downtown Loan Fund	Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 105,658	\$ 217,130	\$ 322,788
Receivables			
Accounts	100	-	100
Loans	-	22,215	22,215
TOTAL ASSETS	\$ 105,758	\$ 239,345	\$ 345,103
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 333	\$ -	\$ 333
Deferred revenues	-	22,215	22,215
Total Liabilities	333	22,215	22,548
Fund Balances			
Unreserved, designated for			
Special revenue funds	105,425	217,130	322,555
Total Fund Balances	105,425	217,130	322,555
TOTAL LIABILITIES AND FUND BALANCES	\$ 105,758	\$ 239,345	\$ 345,103

VILLAGE OF PEWAUKEE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009

	Special Revenue Funds		Total
	Cemetery Fund	Downtown Loan Fund	Nonmajor Governmental Funds
REVENUES			
Charges for services	\$ 22,030	\$ 1,000	\$ 23,030
Investment income	356	1,072	1,428
Total Revenues	22,386	2,072	24,458
EXPENDITURES			
Current			
Health and human services	16,052	-	16,052
Conservation and development	-	8,668	8,668
Total Expenditures	16,052	8,668	24,720
Net Change in Fund Balances	6,334	(6,596)	(262)
FUND BALANCES - Beginning of Year	99,091	223,726	322,817
FUND BALANCES - END OF YEAR	\$ 105,425	\$ 217,130	\$ 322,555

VILLAGE OF PEWAUKEE

COMBINING STATEMENT OF NET ASSETS PENSION TRUST FUNDS December 31, 2009

	Pewaukee Library Fund	Tax Collection Fund	Total
ASSETS			
Cash and investments	\$ 148,679	\$ 5,984,207	\$ 6,132,886
Taxes receivable	-	6,855,589	6,855,589
Prepaid items	<u>5,153</u>	<u>-</u>	<u>5,153</u>
TOTAL ASSETS	<u>\$ 153,832</u>	<u>\$ 12,839,796</u>	<u>\$ 12,993,628</u>
LIABILITIES			
Accounts payable	\$ 14,383	\$ -	\$ 14,383
Other accrued liabilities	7,686	-	7,686
Due to other governments	<u>131,763</u>	<u>12,839,796</u>	<u>12,971,559</u>
TOTAL LIABILITIES	<u>\$ 153,832</u>	<u>\$ 12,839,796</u>	<u>\$ 12,993,628</u>