

# **Village of River Hills**

Financial Statements and  
Supplementary Information

December 31, 2020

# Village of River Hills

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December 31, 2020

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**INDEPENDENT AUDITORS' REPORT**

## **Independent Auditors' Report**

To the Village Board of  
Village of River Hills  
Milwaukee, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of River Hills, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village of River Hills' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village of River Hills, Wisconsin, as of December 31, 2020 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary Information*

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

*Baker Tilly US, LLP*

Milwaukee, Wisconsin  
May 28, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Village of River Hills, Wisconsin**  
**December 31, 2020**  
**(unaudited)**

Our discussion and analysis of the Village of River Hills' financial performance provides an overview of the Village's financial activities for the fiscal year that ended on December 31, 2020. Please read it in conjunction with the Village's financial statements following this section.

**Financial Highlights**

- The Village's total net position increased by \$450,229, or 21%, from December 31, 2019 to December 31, 2020. The Village's unrestricted portion of net position increased \$296,405 during 2020.
- Fund balance for total governmental funds increased \$1,744,467 during 2020. The general fund's fund balance increased by \$1,285,357 during 2020.
- Capital asset balances increased by a net total of \$2,484,440, or 55%, while total long-term debt increased by a net total of \$3,399,015, or 79% during 2020.

**Overview of the Financial Statements**

This annual financial report consists of three parts:

- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information

The basic financial statements include Statements of Net Position, Statement of Activities, Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balances and Notes to the Financial Statements. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The Statement of Net Position reports information about the Village as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all government 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.

These two government-wide statements report the Village's net position and how they have changed. Net position – 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 position are an indicator of whether its financial health is improving or deteriorating, respectively.
- 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, economy and rate of growth.

The government-wide financial statements of the Village include:

- Governmental activities – The Village's basic services are included here such as police, fire, public works, assessing, finance and administration. Property taxes and state aid finance most of these activities.

The fund financial statements provide detailed information about the Village's significant funds. Funds are accounting devices that the Village uses to keep track of specific sources of funding and spending for particular purposes.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Village of River Hills, Wisconsin**  
**December 31, 2020**  
**(unaudited)**

**Overview of the Financial Statements (continued)**

The Village has two kinds of funds:

- Governmental funds – Most of the Village’s basic services are included in governmental funds which focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out, and (2) the balances left at year end that are available for spending. Consequently, governmental funds statements tell how general government services like public safety and public works were financed in the short term as well as what future spending remains. Because this information does not encompass the additional long-term focus of government-wide statements, additional information is provided on separate pages explaining the differences between them.
- Fiduciary funds – Trust and Agency funds are used to account for assets held by the village in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The Trust and Agency fund included in these statements is the Tax Collection Fund. The Village is an agent for collection of all taxing districts, including Maple Dale/Indian Hill School District, Glendale-River Hills School District, Nicolet Union High School District, Milwaukee Area Technical College, Milwaukee Metropolitan Sewerage District, Milwaukee County and the State of Wisconsin. All of the Village’s fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the Village’s government-wide financial statements because these assets cannot be used to finance operations.

**Financial Analysis of the Village as a Whole**

A summary of the Village’s Statement of Net Position is presented below in Table 1.

**Table 1**  
**Condensed Statement of Net Position**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Current and other assets	\$ 7,002,783	\$ 5,012,570
Capital assets	6,999,143	4,514,703
<b>Total assets</b>	<b>14,001,926</b>	<b>9,527,273</b>
Deferred outflows of resources	1,027,536	1,264,626
Current and other liabilities	855,089	1,006,995
Long-term liabilities	7,142,985	3,511,252
<b>Total liabilities</b>	<b>7,998,074</b>	<b>4,518,247</b>
Deferred inflow of resources	4,423,966	4,116,459
Net investment in capital assets	1,531,121	1,820,474
Restricted	771,495	328,318
Unrestricted	304,806	8,401
<b>Total net position</b>	<b>\$ 2,607,422</b>	<b>\$ 2,157,193</b>



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Village of River Hills, Wisconsin**  
**December 31, 2020**  
**(unaudited)**

**Financial Analysis of the Village as a Whole (continued)**

Statement of Net Position: During 2020, total assets increased by \$4,474,653 or 47% as a result of:

- Increase in cash and investments of \$1,372,964.
- Increase in taxes receivable of \$76,131.
- Increase in land, easements and construction in progress by \$1,686,355.

Capital assets increased by \$2,484,440, or 55% mainly due to the acquisition of five parcels along Brown Deer Road. Please refer to page 7 for further discussion about capital asset activity.

Deferred outflows related to OPEB liability increased \$37,001.

There was an increase in deferred inflows of \$307,507 due to the difference between actual and expected experience related to the unearned revenue, pension liability and OPEB liability.

Long-term debt increased by \$4,716,403, during 2020, due mainly to the borrowing of general obligation bonds and notes.

**Table 2**  
**Condensed Statement of Activities**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>		
Program:		
Charges for services	\$ 877,639	\$ 1,035,125
Operating grants and contributions	380,594	390,366
Capital grants and contributions	91,199	570,496
General:		
Taxes	3,401,156	3,408,049
Other	596,185	195,437
<b>Total Revenues</b>	<b>5,346,773</b>	<b>5,599,473</b>
<b>Expenses:</b>		
General government	614,909	631,793
Public safety	2,194,801	2,276,833
Public works	1,415,805	1,159,916
Culture, recreation and education	72,544	60,315
Health, conservation and sanitation	372,628	366,400
Interest and fiscal charges	225,857	99,720
Unallocated depreciation	-	13,689
<b>Total expenses</b>	<b>4,896,544</b>	<b>4,608,666</b>
<b>Change in net position</b>	<b>450,229</b>	<b>990,807</b>
Net Position – beginning	2,157,193	1,166,386
Net Position – ending	<b>\$ 2,607,422</b>	<b>\$ 2,157,193</b>

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Village of River Hills, Wisconsin**  
**December 31, 2020**  
**(unaudited)**

**Financial Analysis of the Village as a Whole (continued)**

The Village's charges for services decreased \$157,486; operating grants and contributions decreased \$9,772; capital grants and contributions decreased \$479,297; and Property taxes increased by 393,855 or 11%.

Overall, the Village's expenses increased by 6.2%. Increases in total are mostly driven by cost-of-living adjustments to salaries, materials and equipment.

**Financial Analysis of Village's Funds**

**General fund:** Revenues collected increased by \$420,787 or 12%. General government expenditures decreased by \$64,876. There were additional expenses in 2020 due to the COVID-19 Pandemic such as establishing rotating shifts to protect our employees, additional expenses for the 2020 elections to protect poll workers and residents, and additional expenses for tax collection as receipts were mailed to residents instead of processing payments in person. There were several additional factors including the reduction of deficit fund balances, and the acquisition of a WEC Cares Grant and a Routes to Recovery Grant which helped to offset some of the COVID-19 expenses. Public safety expenditures increased \$87,676. Public works expenditures decreased \$323,932 specifically due to the fact there were no road projects planned for 2020. Other expenditures remained fairly static during 2020.

**Debt Service fund:** Debt service payments increased in 2020 specifically due to the Village refunding \$1,598,064 of outstanding bonds (2017, 2018, and 2019) and \$192,879 to pay off a loan for the Bayside Dispatch Center.

**Sewer fund:** The sewer fund balance decreased a total of \$163,463 from \$218,465 to \$55,002. The Village purchased a tanker (\$83,400) and paid for the construction of a fence around the Lift Station on Lodgewood Road (\$8196). The Village plans to utilize the fund balance to offset future capital purchases.

**Non-major, Capital projects funds:** During 2020, the capital projects funds fund balance increased by \$482,110 overall. This increase is due to efforts to reduce the deficit fund balance. Public safety expenditures included a new squad, Bayside capital for dispatch, taser weapons, the purchase of computers for the Village Hall, and the purchase of software for paperless Accounts Payable.

**General Fund Budgetary Highlights**

Budgets are adopted at the departmental level. There was one budget adjustment approved by the Board during 2020.

Actual revenues collected in the General Fund were relatively consistent with budgeted amounts, with an overall positive variance of \$450,072. This variance is mostly due to unbudgeted revenue sources such as unanticipated grants received in the Police Department, and also higher than anticipated permit revenue and special service job orders.

Actual expenditures in the General Fund were decreased \$64,876. The 2020 Elections were over-budget \$4,237 due to precautions taken due to COVID-19, Police Department was over-budget by \$55,172 due to contractual services and a retirement, and Building inspection was over-budget by \$32,835 which was offset by additional revenue from permits, however a majority of the costs are due to services provided which were reimbursed and the reduction of deficit fund balances.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Village of River Hills, Wisconsin**  
**December 31, 2020**  
**(unaudited)**

**Capital Assets and Debt Administration**

There were no Capital Road projects in 2020. The Village's Department of Public Works purchased a V-Box Salter (\$12,549) and Pick-up Truck (\$17,013). The Green Bay Court sewer project which is being paid for by MMSD was completed in 2020.

**Table 3**  
**Capital Assets**

	<b>January 1, 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>December 31, 2020</b>
<b>Capital Assets:</b>				
Land and easements	\$ 101,800	\$ 2,500,000	\$ -	\$ 2,601,800
Construction in progress	830,290	16,645	830,290	16,645
Land improvements	2,625,464	1,064,115	-	3,689,579
Buildings	307,332	-	-	307,332
Building improvements	645,587	-	-	645,587
Equipment	1,222,711	12,551	-	1,235,262
Office equipment	48,469	-	-	48,469
Computer software	44,794	5,200	-	49,994
Vehicles	972,320	193,747	75,100	1,090,967
Infrastructure	1,149,486	-	-	1,149,486
<b>Total capital assets</b>	<u>7,948,253</u>	<u>3,792,258</u>	<u>905,390</u>	<u>10,835,121</u>
Less: Accumulated depreciation	3,433,550	468,188	65,760	3,835,978
<b>Net capital assets</b>	<u>\$ 4,514,703</u>	<u>\$ 3,324,070</u>	<u>\$ 839,630</u>	<u>\$ 6,999,143</u>

**Table 4**  
**Long-Term Obligations**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Long-term debt:</b>				
General obligation debt	\$ 595,000	\$ 6,060,000	\$ (595,000)	\$ 6,060,000
Direct borrowings: State Trust	2,609,620	0	(1,744,146)	865,474
(Discounts) / Premiums	0	118,225	(13,136)	105,089
<b>Other liabilities:</b>				
Accumulated unpaid sick pay	457,747	28,540	(13,216)	470,071
Accumulated unpaid merit days	97,433	0	(23,030)	74,403
Net OPEB liability	76,267	37,001	0	113,268
Net pension liability	456,223	0	(456,223)	0
<b>Total long-term obligations</b>	<u>\$ 4,289,290</u>	<u>\$ 6,243,766</u>	<u>\$ (2,844,751)</u>	<u>\$ 7,688,305</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Village of River Hills, Wisconsin**  
**December 31, 2020**  
**(unaudited)**

Long-term Debt: At year end the Village had general obligation promissory notes and State Trust Fund Loans that totaled \$6,925,474 and total long-term obligations of \$7,688,305. The Village has the power to incur indebtedness for Village purposes specified by statute in an aggregate amount, not to exceed five percent of the equalized value of taxable property in the Village. Our legal debt capacity as of December 31, 2020 was \$24,389,620 so the Village is currently at 28.4% of capacity. We have additional borrowing capacity of \$17,464,146.

**Economic Factors and Next Year's Budget**

One historic strength of the Village is its tax base. For a municipal government such as River Hills, with most revenue derived from property taxes, protecting the tax base is primary. We are seeing trends in post-recession River Hills where housing sales are clearly on the rebound. We are convinced the turnover of homes caused by the recession has stabilized and strengthened the tax base. In 2020, the Village purchased 53.4 acres of property along Brown Deer Road and created a tax-incremental district (TID). The Village is in the process of creating a plan for the property.

With the 2020 Budget we see the continuation of borrowing for capital improvements. In 2020, the Village took advantage of low interest rates and borrowed funds for a three-year period for capital improvements. The 2020 budget explores opportunities to enhance revenues and cut expenditures with our 10-year capital expenditure plan. This plan helps to forecast annual operation and maintenance costs, including a long-range capital expenditure forecast so that the two can be better balanced. Our goal is to develop a sustainable plan for financing the ongoing maintenance of current services as well as creating a plan to address and eliminate deficit fund balances.

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have any questions about this report or need additional information, please contact the Village of River Hills, 7650 North Pheasant Lane, River Hills, WI 53217.

## **BASIC FINANCIAL STATEMENTS**

# Village of River Hills

## Statement of Net Position

December 31, 2020

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and investments	\$ 3,928,592
Taxes receivable	2,164,218
Special assessments receivable	124,887
Accounts receivable, net	215,726
PILT receivable	3,532
Prepaid items	141,364
Restricted net pension asset	424,464
Capital assets:	
Land	2,601,800
Construction progress	16,645
Other capital assets	8,216,676
Less accumulated depreciation/amortization	<u>(3,835,978)</u>
Total assets	<u>14,001,926</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pension	983,066
Deferred outflows related to OPEB	<u>44,470</u>
Total deferred outflows of resources	<u>1,027,536</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	257,795
Accrued interest	41,374
Refundable deposits	10,600
Noncurrent liabilities:	
Net OPEB liability	113,268
Due within one year	432,052
Due in more than one year	<u>7,142,985</u>
Total liabilities	<u>7,998,074</u>
<b>Deferred Inflows of Resources</b>	
Unearned revenue	3,066,818
PILOT revenue	53,487
Deferred inflows related to pension	1,271,492
Deferred inflows related to OPEB	<u>32,169</u>
Total deferred inflows of resources	<u>4,423,966</u>
<b>Net Position</b>	
Net investment in capital assets	1,531,121
Restricted:	
Pension	424,464
Debt service	292,029
Sewer	55,002
Unrestricted	<u>304,806</u>
Total net position	<u>\$ 2,607,422</u>

See notes to financial statements

## Village of River Hills

Statement of Activities  
Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
General government	\$ 614,909	\$ 331,893	\$ -	\$ -	\$ (283,016)
Public safety	2,194,801	229,725	58,631	-	(1,906,445)
Public works	1,415,805	316,021	321,963	91,199	(686,622)
Health, conservation and sanitation	372,628	-	-	-	(372,628)
Culture, recreation and education	72,544	-	-	-	(72,544)
Interest and fiscal charges	225,857	-	-	-	(225,857)
Total governmental activities	4,896,544	877,639	380,594	91,199	(3,547,112)
<b>General Revenues</b>					
Taxes:					
Property taxes, levied for general purposes					2,540,501
Property taxes, levied for debt service					860,655
Payments in lieu of property taxes					57,613
Intergovernmental					96,113
Investment income					9,709
Gain on sale of Village assets					7,775
Miscellaneous					424,975
Total general revenues					3,997,341
Change in net position before transfers					3,997,341
Change in net position					450,229
<b>Net Position, Beginning</b>					2,157,193
<b>Net Position, Ending</b>					\$ 2,607,422

*See notes to financial statements*

**Village of River Hills**

Balance Sheet  
Governmental Funds  
December 31, 2020

	Special Revenue Fund				Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service Fund	Sewer Fund	TID #1 Fund		
<b>Assets</b>						
Cash and investments	\$ 3,365,088	\$ 329,891	\$ -	\$ -	\$ 233,613	\$ 3,928,592
Taxes receivable	1,645,466	514,543	-	-	4,209	2,164,218
PILOT receivable	3,532	-	-	-	-	3,532
Accounts receivable (net)	46,768	-	168,958	-	-	215,726
Special assessments receivable	-	124,887	-	-	-	124,887
Due from other funds	143,510	3,512	55,002	-	-	202,024
Prepaid items	141,364	-	-	-	-	141,364
<b>Total assets</b>	<b>\$ 5,345,728</b>	<b>\$ 972,833</b>	<b>\$ 223,960</b>	<b>\$ -</b>	<b>\$ 237,822</b>	<b>\$ 6,780,343</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>						
<b>Liabilities</b>						
Accounts payable	\$ 197,418	\$ -	\$ -	\$ -	\$ -	\$ 197,418
Accrued payroll and taxes	60,377	-	-	-	-	60,377
Refundable deposits	10,600	-	-	-	-	10,600
Due to other funds	58,514	-	-	86,064	57,446	202,024
<b>Total liabilities</b>	<b>326,909</b>	<b>-</b>	<b>-</b>	<b>86,064</b>	<b>57,446</b>	<b>470,419</b>
<b>Deferred Inflows of Resources</b>						
Unearned tax revenue	2,548,066	514,543	-	-	4,209	3,066,818
Deferred special assessments	-	124,887	-	-	-	124,887
Unavailable project reimbursements	-	-	168,958	-	-	168,958
Unearned PILOT revenue	53,487	-	-	-	-	53,487
<b>Total deferred inflows of resources</b>	<b>2,601,553</b>	<b>639,430</b>	<b>168,958</b>	<b>-</b>	<b>4,209</b>	<b>3,414,150</b>
<b>Fund Balances (Deficits)</b>						
Nonspendable	141,364	-	-	-	-	141,364
Restricted	-	333,403	55,002	-	-	388,405
Committed	-	-	-	-	233,613	233,613
Assigned	1,201,588	-	-	-	-	1,201,588
Unassigned (deficits)	1,074,314	-	-	(86,064)	(57,446)	930,804
<b>Total fund balances (deficits)</b>	<b>2,417,266</b>	<b>333,403</b>	<b>55,002</b>	<b>(86,064)</b>	<b>176,167</b>	<b>2,895,774</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 5,345,728</b>	<b>\$ 972,833</b>	<b>\$ 223,960</b>	<b>\$ -</b>	<b>\$ 237,822</b>	

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	6,999,143
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	424,464
Deferred outflows of resources related to pension do not relate to current financial resources and are not reported in the governmental funds.	983,066
Deferred outflows of resources related to OPEB do not relate to current financial resources reported in the governmental funds	44,470
Deferred inflows of resources related to pension do not relate to current financial resources and are not reported in the governmental funds.	(1,271,492)
Deferred inflows of resources related to OPEB do not relate to current financial resources reported in the governmental funds	(32,169)
Unavailable project reimbursements are not currently available, and therefore, are not reported in the governmental funds	168,958
The Village's special assessments are completed but payment on them will not be available to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.	124,887
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds - includes accrued interest on long-term debt.	(7,729,679)
<b>Net position of governmental activities</b>	<b>\$ 2,607,422</b>

See notes to financial statements



**Village of River Hills**

Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds  
Year Ended December 31, 2020

	General Fund	Debt Service Fund	Special Revenue Fund		Nonmajor Governmental Funds	Total Governmental Funds
			Sewer Fund	TID #1 Fund		
<b>Revenues</b>						
Taxes levied by Village	\$ 2,540,501	\$ 860,655	\$ -	\$ -	\$ -	\$ 3,401,156
Special assessments	-	44,950	-	-	-	44,950
Intergovernmental revenues	490,590	-	40,140	-	-	530,730
Licenses, fees and permits	453,349	-	-	-	-	453,349
Fines and costs	106,674	-	-	-	-	106,674
Miscellaneous revenues	458,473	-	-	-	-	458,473
Public charges for service	21,137	-	275,436	-	-	296,573
<b>Total revenues</b>	<b>4,070,724</b>	<b>905,605</b>	<b>315,576</b>	<b>-</b>	<b>-</b>	<b>5,291,905</b>
<b>Expenditures</b>						
Current:						
General government	594,619	-	-	-	-	594,619
Public safety	2,111,305	-	-	-	-	2,111,305
Public works	536,387	-	58,972	-	-	595,359
Health, conservation and sanitation	360,632	-	-	-	-	360,632
Culture, recreation and education	58,854	-	-	-	-	58,854
Capital outlay	80,927	-	420,067	2,762,079	139,616	3,402,689
Debt service:						
Principal	-	2,339,146	-	-	-	2,339,146
Interest and fiscal charges	39,088	157,931	-	66,040	-	263,059
<b>Total expenditures</b>	<b>3,781,812</b>	<b>2,497,077</b>	<b>479,039</b>	<b>2,828,119</b>	<b>139,616</b>	<b>9,725,663</b>
Excess (deficiency) of revenues over expenditures	288,912	(1,591,472)	(163,463)	(2,828,119)	(139,616)	(4,433,758)
<b>Other Financing Sources (Uses)</b>						
Debt issued	1,283,274	1,753,843	-	2,701,157	321,726	6,060,000
Premium on debt issued	13,171	64,156	-	40,898	-	118,225
Operating transfers in	-	-	-	-	300,000	300,000
Operating transfers out	(300,000)	-	-	-	-	(300,000)
<b>Total other financing sources (uses)</b>	<b>996,445</b>	<b>1,817,999</b>	<b>-</b>	<b>2,742,055</b>	<b>621,726</b>	<b>6,178,225</b>
Net change in fund balances	1,285,357	226,527	(163,463)	(86,064)	482,110	1,744,467
<b>Fund Balance, Beginning</b>	<b>1,131,909</b>	<b>106,876</b>	<b>218,465</b>	<b>-</b>	<b>(305,943)</b>	<b>1,151,307</b>
<b>Fund Balance (Deficit), Ending</b>	<b>\$ 2,417,266</b>	<b>\$ 333,403</b>	<b>\$ 55,002</b>	<b>\$ (86,064)</b>	<b>\$ 176,167</b>	<b>\$ 2,895,774</b>

See notes to financial statements

## Village of River Hills

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2020

Net change in fund balances, total governmental funds \$ 1,744,467

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position 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.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.	3,402,689
Some items reported as current expenditures were not capitalized.	(440,721)
Depreciation is recorded in the government-wide statements.	(468,188)
Net book value of assets disposed of	(9,340)

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.

Special assessments and interest	(36,331)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(6,060,000)
Principal repaid	2,339,146
Premium on debt issued	(118,225)

In the Statement of Activities, revenues related to future reimbursements are reported as capital grants. In the governmental funds, however, revenues for these items are measured by the amount of financial resources available.

Future reimbursements	168,958
Available reimbursements	(77,759)

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.

Accumulated unpaid sick and merit pay	7,706
Net pension asset	880,687
Deferred outflows of resources related to pension and OPEB	(237,090)
Deferred inflows of resources related to pension and OPEB	(645,971)
Total other postemployment benefit liability	(37,001)
Amortization of premium on long-term debt	13,136
Accrued interest on debt	24,066

Change in net position of governmental activities \$ 450,229

# Village of River Hills

## Statement of Fiduciary Net Position December 31, 2020

	<u>Custodial Fund</u> <u>Tax Roll</u> <u>Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 3,689,237
Taxes receivable	<u>6,005,738</u>
Total assets	<u>9,694,975</u>
<b>Liabilities</b>	
Due to other taxing units	<u>9,694,975</u>
Total liabilities	<u>9,694,975</u>
Net position	<u>\$ -</u>

See notes to financial statements

## Village of River Hills

### Statement of Change in Fiduciary Net Position Year Ended December 31, 2020

	<u>Custodial Fund</u> <u>Tax Roll</u> <u>Fund</u>
<b>Additions</b>	
Collection of property tax	\$ 8,211,874
<b>Deductions</b>	
Distributions to other governmental units	8,211,874
Net change in net position	-
<b>Net Position, Beginning</b>	-
<b>Net Position, Ending</b>	<u>\$ -</u>

See notes to financial statements

# Village of River Hills

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December 31, 2020

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# Village of River Hills

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Notes to Financial Statements  
December 31, 2020

## 1. Summary of Significant Accounting Policies

The accounting policies of the Village of River Hills, Wisconsin (the "Village") 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).

### Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or 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. The Village has not identified any organizations that meet this criteria.

### Fiduciary Component Units

## Government-Wide and Fund Financial Statements

### Government-Wide Financial Statements

The statement of net position 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. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. 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 Village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental funds combined.

## Village of River Hills

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Notes to Financial Statements  
December 31, 2020

- c. In addition, any other governmental 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 fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

### **General Fund**

General Fund accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

### **Special Revenue Funds**

Special Revenue Fund - Sewer Fund is used to account for revenues requiring separate accounting because of legal, regulatory or administrative provisions.

Special Revenue Fund - TID #1 is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.

### **Debt Service Fund**

Debt Service Fund - the Debt Service Fund is the Fund that accounts for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

The Village reports the following nonmajor governmental funds:

### **Capital Projects Funds**

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Fund  
Police Department

Annual Road Program

In addition, the Village reports the following fund types:

### **Custodial Fund**

Custodial Funds are used to account for and report assets controlled by the Village and the assets are for the benefit of individuals, private organizations and/or other governmental units.

# Village of River Hills

Notes to Financial Statements  
December 31, 2020

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## Measurement Focus, Basis of Accounting and Financial Statement Presentation

### Government-Wide Financial Statements

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

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

### Fund Financial Statements

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

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

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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 unavailable 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.

### Fiduciary Funds

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



# Village of River Hills

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Notes to Financial Statements  
December 31, 2020

## 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, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## Assets, Liabilities and Net Position or Equity

### 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.
- 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, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace 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.

The Village has not adopted an investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. 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 based on average balances. 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, 2020, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

# Village of River Hills

Notes to Financial Statements  
December 31, 2020

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See Note 3. for further information.

## 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 statement of fiduciary net position.

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	March 31, 2021
Third installment due	May 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

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.

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

## Prepaid Items

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.

## Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

## 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 and having an estimated useful life in excess of 4 years. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

# Village of River Hills

Notes to Financial Statements  
December 31, 2020

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

Land Improvements	20 Years
Building and improvements	40 Years
Infrastructure (except traffic signals - 15)	25-80 Years
Vehicles	5 Years
Computer Equipment	5 Years
Equipment	7 Years
Computer Software	3 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.

## Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

## Accumulated Sick Pay and Merit Pay

Under terms of employment, employees are granted sick leave and merit pay in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All merit pay and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Sick leave is earned at the rate of one day for each month of employment and may be accumulated to a maximum of 140 days. Merit days are earned at the end of each calendar year of service based on the actual number of sick days used during a year. If zero sick days are used, then six merit days are earned. If one sick day is used, then five merit days are earned, etc. If six or more sick days are used within the year, then zero merit days are earned. Due to the long-term nature of these liabilities, the governmental funds do not report these liabilities in the fund financial statements unless they have matured. The government-wide financial statements record this liability as it is incurred.

Payments for merit pay and sick leave will be made at rates in effect when the benefits are used. Accumulated merit pay and sick leave liabilities at December 31, 2020, are determined on the basis of current salary rates and include salary related payments.

## Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental 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 River Hills

Notes to Financial Statements  
December 31, 2020

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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.

For the government-wide statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

## Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## Equity Classifications

### Government-Wide Statements

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

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (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 position* - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

### Fund Statements

Governmental fund balances are displayed as follows:

- a. *Nonspendable* - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. *Restricted* - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. *Committed* - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.

## Village of River Hills

Notes to Financial Statements  
December 31, 2020

- d. *Assigned* - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board may assign amounts for specific purposes at the recommendation of the Village Manager. Assignments may take place after the end of the reporting period.
- e. *Unassigned* - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Village's current fund balance policy is to seek to maintain its unassigned fund balance at a minimum of 25% of total general fund annual revenues. The purpose of this unassigned fund balance is to provide adequate cash flow throughout the year and to allow the village the means to respond to unanticipated emergencies, contingencies, and opportunities that may not have been anticipated at the time of budget preparation. Use of the fund balance below the minimum balance required by this policy shall require the approval of the Village board.

See Note 3. for further information.

### **Pension**

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

### **Postemployment Benefits Other Than Pensions (OPEB)**

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **2. Stewardship, Compliance and Accountability**

### **Budgetary Information**

A budget has been adopted for the General Fund, Sewer Fund, Debt Service Fund, Capital Fund, Police Department Fund, Annual Road Program Fund, and the Equipment Replacement Fund. A budget has not been formally adopted for Tax Increment District #1 Fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

# Village of River Hills

Notes to Financial Statements  
December 31, 2020

## Excess Expenditures Over Appropriations

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Special Revenue Fund - Sewer Fund	\$ 298,688	\$ 479,038	\$ 180,350
Debt Service Fund- Debt Service Fund	860,655	2,497,077	1,636,422

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.

## Deficit Balances

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

As of December 31, 2020, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Capital Project Fund - Capital Fund	\$ (57,446)
Special Revenue Fund - TID #1	(86,064)

Fund deficits are anticipated to be funded with future contributions, general tax revenues or long-term borrowing.

## Limitations on the Village's Tax Levy

Wisconsin law 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 zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

### 3. Detailed Notes on All Funds

#### Deposits and Investments

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

## Village of River Hills

Notes to Financial Statements  
December 31, 2020

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

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 6,325,459	\$ 6,757,314	Custodial Credit Risk
LGIP	1,292,070	1,292,070	Credit Risk
Petty cash	<u>300</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 7,617,829</u>	<u>\$ 8,049,384</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 3,928,592		
Per statement of net position - fiduciary fund			
Custodial Fund cash and investments	<u>3,689,237</u>		
Total deposits and investments	<u>\$ 7,617,829</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

### 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.

As of December 31, 2020, \$6,257,314 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging financial institution's trust department or agent not in the Village's name	<u>\$ 6,257,314</u>
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### Credit Risk

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

The Village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

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

## Village of River Hills

Notes to Financial Statements  
December 31, 2020

### Receivables

All of the receivables on the balance sheet are expected to be collected within one year, except for special assessments.

Governmental funds report *unavailable* or *unearned 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 *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 3,066,818	\$ -
Special assessments not yet due	-	124,887
Unavailable project reimbursements	-	168,958
PILOT revenue	<u>53,487</u>	<u>-</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 3,120,305</u>	<u>\$ 293,845</u>

### Restricted Assets

The following represent the balances of the restricted assets:

#### Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.



# Village of River Hills

Notes to Financial Statements  
December 31, 2020

## Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated / amortized:				
Land and easements	\$ 101,800	\$ 2,500,000	\$ -	\$ 2,601,800
Construction in progress	<u>830,290</u>	<u>16,645</u>	<u>830,290</u>	<u>16,645</u>
Total capital assets not being depreciated / amortized	<u>932,090</u>	<u>2,516,645</u>	<u>830,290</u>	<u>2,618,445</u>
Capital assets being depreciated / amortized:				
Land Improvements	2,625,464	1,064,115	-	3,689,579
Buildings	307,332	-	-	307,332
Building Improvements	645,587	-	-	645,587
Equipment	1,222,711	12,551	-	1,235,262
Office Equipment	48,469	-	-	48,469
Computer Software	44,794	5,200	-	49,994
Vehicles	972,320	193,747	75,100	1,090,967
Infrastructure	<u>1,149,486</u>	<u>-</u>	<u>-</u>	<u>1,149,486</u>
Total capital assets being depreciated / amortized	<u>7,016,163</u>	<u>1,275,613</u>	<u>75,100</u>	<u>8,216,676</u>
Total capital assets	<u>7,948,253</u>	<u>3,792,258</u>	<u>905,390</u>	<u>10,835,121</u>
Less accumulated depreciation / amortization for:				
Land Improvements	(870,619)	(206,874)	-	(1,077,493)
Buildings	(265,831)	(1,349)	-	(267,180)
Building Improvements	(341,294)	(18,590)	-	(359,884)
Equipment	(947,380)	(83,707)	-	(1,031,087)
Office Equipment	(48,469)	-	-	(48,469)
Computer Software	(44,472)	(1,190)	-	(45,662)
Vehicles	(731,390)	(123,902)	65,760	(789,532)
Infrastructure	<u>(184,095)</u>	<u>(32,576)</u>	<u>-</u>	<u>(216,671)</u>
Total accumulated depreciation / amortization	<u>(3,433,550)</u>	<u>(468,188)</u>	<u>65,760</u>	<u>(3,835,978)</u>
Net capital assets being depreciated / amortized	<u>3,582,613</u>	<u>807,425</u>	<u>9,340</u>	<u>4,380,698</u>
Total governmental activities capital assets, net of accumulated depreciation / amortization	<u>\$ 4,514,703</u>	<u>\$ 3,324,070</u>	<u>\$ 839,630</u>	<u>\$ 6,999,143</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Government	\$ 30,770
Health, Conservation and Sanitation	10,238
Public Safety	23,802
Public Works	<u>403,378</u>
Total governmental activities Depreciation expense	<u>\$ 468,188</u>

# Village of River Hills

Notes to Financial Statements  
December 31, 2020

## Interfund Receivables/Payables 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>
Special Revenue-Sewer Fund	General Fund	\$ 55,002
General Fund	Capital Projects- Capital Fund	57,446
General Fund	Special Revenue-TID #1 Fund	86,064
Debt Service Fund	General Fund	<u>3,512</u>
Total		<u>\$ 202,024</u>

All amounts are due within one year.

### 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>
Capital Projects-Capital Fund	General Fund	\$ 30,346	Board approved transfer
Capital Projects-Annual Road Program Fund	General Fund	<u>269,654</u>	Board approved transfer
Total, fund financial statements		300,000	
Less fund eliminations		<u>(300,000)</u>	
Total transfers, government-wide statement of activities		<u>\$ -</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.

# Village of River Hills

Notes to Financial Statements  
December 31, 2020

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 595,000	\$ 6,060,000	\$ 595,000	\$ 6,060,000	\$ 155,000
Direct borrowings: State Trust Fund Loan	2,609,620	-	1,744,146	865,474	277,052
(Discounts)/Premiums:	-	118,225	13,136	105,089	-
Subtotal	<u>3,204,620</u>	<u>6,178,225</u>	<u>2,352,282</u>	<u>7,030,563</u>	<u>432,052</u>
Other liabilities:					
Accumulated unpaid sick pay	454,747	28,540	13,216	470,071	-
Accumulated unpaid merit pay	97,433	-	23,030	74,403	-
Net OPEB liability	76,267	37,001	-	113,268	-
Net pension liability	<u>456,223</u>	<u>-</u>	<u>456,223</u>	<u>-</u>	<u>-</u>
Total other liabilities	<u>1,084,670</u>	<u>65,541</u>	<u>492,469</u>	<u>657,742</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 4,289,290</u>	<u>\$ 6,243,766</u>	<u>\$ 2,844,751</u>	<u>\$ 7,688,305</u>	<u>\$ 432,052</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5 percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2020, was \$24,389,620. Total general obligation debt outstanding at year end was \$6,925,474. The ratio of applicable general obligation debt to debt limit is 28.4%.

## 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.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
State Trust Fund Loan - Direct	3/15/13	11/1/21	2.75%	\$ 367,480	\$ 89,591
State Trust Fund Loan - Direct	3/1/13	3/15/22	2.75%	455,248	111,103
State Trust Fund Loan - Direct	3/1/13	3/15/21	2.75%	575,689	79,064
State Trust Fund Loan - Direct	8/11/15	3/15/25	3.25%	483,000	257,448
State Trust Fund Loan - Direct	4/28/16	3/15/26	3.00%	519,293	328,268
General Obligation Note	7/7/20	3/1/30	1.00-2.00%	3,180,000	3,180,000
Taxable Promissory Note	10/22/20	4/1/30	.90-3.00%	2,880,000	<u>2,880,000</u>
Total governmental activities, general obligation debt					<u>\$ 6,925,474</u>

# Village of River Hills

Notes to Financial Statements  
December 31, 2020

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 155,000	\$ 99,308
2022	245,000	90,373
2023	300,000	84,923
2024	315,000	78,773
2025	520,000	69,423
2026-2030	<u>4,525,000</u>	<u>201,290</u>
Total	<u>\$ 6,060,000</u>	<u>\$ 624,090</u>

<u>Years</u>	<u>Governmental Activities Direct Borrowings: State Trust Fund Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 277,052	\$ 25,908
2022	203,802	17,921
2023	105,282	11,937
2024	108,545	8,674
2025	111,958	5,261
2026	<u>58,835</u>	<u>1,765</u>
Total	<u>\$ 865,474</u>	<u>\$ 71,466</u>

## Current Refunding

On July 7, 2020 the Village issued \$3,180,000 in general obligation bonds with an average coupon rate of 3.75 percent to refund \$1,657,499 of outstanding bonds with an average coupon rate of 1.43 percent. The net proceeds along with existing funds of the Village were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$1,657,499 from 2021 through 2029. The cash flow requirements on the GO Promissory Notes 2020 A refunding bonds are \$1,496,244 from 2021 through 2029. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$161,256.

## Lessor, Operating Leases

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Village property for the purposes of telecommunication relays. Revenue from this activity totaled \$284,758 for the year ended December 31, 2020. Future minimum lease payments receivable in conjunction with these leases are as follows:

<u>Years</u>	<u>Amount</u>
2021	\$ 242,238
2022	251,928
2023	262,005
2024	272,485
2025	<u>283,385</u>
Total	<u>\$ 1,312,041</u>

# Village of River Hills

Notes to Financial Statements  
December 31, 2020

## Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

### Governmental Activities

Net investment in capital assets:

Land	\$ 2,601,800
Construction in progress	16,645
Other capital assets, net of accumulated depreciation	4,380,698
Less long-term debt outstanding	(6,925,474)
Plus unspent capital related debt proceeds	1,562,541
Less unamortized debt premium	<u>(105,089)</u>

Total net investment in capital assets 1,531,121

Restricted:

Pension	424,464
Debt Service	292,029
Sewer	<u>55,002</u>

Total restricted 771,495

Unrestricted 304,806

Total governmental activities net position \$ 2,607,422

### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

#### Nonspendable

Major Funds:

General Fund:

Prepaid items \$ 141,364

#### Restricted

Major Funds:

Debt Service Fund \$ 333,403

Sewer Fund 55,002

Total \$ 388,405

#### Committed

Nonmajor Funds:

Capital Project Funds:

Police capital \$ 233,613

Total \$ 233,613

#### Assigned

Major Funds:

General Fund:

Capital outlay \$ 1,201,588

# Village of River Hills

Notes to Financial Statements  
December 31, 2020

## Unassigned (deficits)

Major Funds:	
General fund	\$ 1,074,314
Special Revenue - TID #1	<u>(86,064)</u>
Subtotal	<u>988,250</u>
Nonmajor Funds:	
Capital Projects Funds:	
Capital Fund	<u>(57,446)</u>
Total	<u>\$ 930,804</u>

## 4. Other Information

### Employees' Retirement System

#### Plan Description

The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

#### Vesting

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

#### Benefits Provided

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

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

## Village of River Hills

Notes to Financial Statements

December 31, 2020

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

The WRS also provides death and disability benefits for employees.

### Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2010	(1.3)%	22.0%
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

## Village of River Hills

Notes to Financial Statements  
December 31, 2020

### Contributions

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

During the reporting period, the WRS recognized \$139,274 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.55 %	6.55 %
Protective with Social Security	6.55 %	10.55 %
Protective without Social Security	6.55 %	14.95 %

### Pension Liability/(asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Village reported an Liability/(Asset) of \$(424,464) for its proportionate share of the net pension Liability/(Asset). The net pension Liability/(Asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension Liability/(Asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension Liability/(Asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.01316392 percent, which was an increase of 0.00034031 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$164,612.



## Village of River Hills

Notes to Financial Statements  
December 31, 2020

At December 31, 2020, the Village reported deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 805,731	\$ 403,214
Changes in assumptions	33,077	-
Net differences between projected and actual earnings on pension plan investments	-	867,757
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,360	521
Employer contributions subsequent to the measurement date	<u>138,898</u>	<u>-</u>
Total	<u>\$ 983,066</u>	<u>\$ 1,271,492</u>

\$138,898 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2021	\$ (124,264)
2022	(95,192)
2023	15,145
2024	(223,013)

## Village of River Hills

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Notes to Financial Statements  
December 31, 2020

### Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

## Village of River Hills

Notes to Financial Statements

December 31, 2020

### Long-Term Expected Return on Plan Assets

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

#### Asset Allocation Targets and Expected Returns As of December 31, 2019

<b>Core Fund Asset Class</b>	<b>Current Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
<b>Variable Fund Asset Class</b>			
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent

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

## Village of River Hills

Notes to Financial Statements  
December 31, 2020

### Single Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a municipal bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the Village's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the Village's proportionate share of the net pension Liability/(Asset) calculated using the discount rate of 7.00 percent, as well as what the Village's proportionate share of the net pension Liability/(Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
Village's proportionate share of the net pension Liability/(Asset)	\$ 1,093,072	\$ (424,464)	\$ (1,558,998)

### Pension Plan Fiduciary Net Position

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

### 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; natural disasters 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.

### Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

## Village of River Hills

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Notes to Financial Statements  
December 31, 2020

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.

The Village has active construction projects as of December 31, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

The Village entered into an intergovernmental agreement with the Milwaukee Metropolitan Sewerage District for purposes related to multiple construction projects. The Village has agreed to pay engineering fees for this project. The Milwaukee Metropolitan Sewerage District will reimburse the Village for all expenses paid for the project. As of December 31, 2020, the Village has not completed the final payment to the contractor, which has a remaining estimated cost of \$168,958.

### Joint Ventures

#### North Shore Fire Department

By agreement dated December 30, 1994, the North Shore Fire Department ("NSFD") was created. The NSFD, which provides a unified integrated fire and emergency medical service, began operations on January 1, 1996. The NSFD was created pursuant to the provisions of Wisconsin Statutes 61.65 and 66.30. Participants are the City of Glendale, Village of Fox Point, Village of Shorewood, Village of Brown Deer, Village of River Hills, Village of Whitefish Bay and Village of Bayside. The NSFD is operated by a Board of Directors consisting of seven members, which includes the mayor and village presidents, or appointed trustees of each participating municipality. The affirmative vote of a majority of the members of the Board of Directors is required on most matters. Also established by the agreement is a Joint Fire Commission that has the powers related to appointments, promotions, suspensions, removals, dismissals, reemployment, compensation, rest days, etc.

The powers of the Board of Directors include authorizing repair, maintenance, and renewal of physical assets and recommending adoptions of the department's budget. The capital and operating budget of the department must receive approval of at least five of seven participating municipalities.

Each participating municipality's annual financial contribution to the NSFD's operations and capital budget shall be based on its prorated share of the population, equalized valuation, and usage of all the municipalities. The Village accounts for its share of the operations of the NSFD in the General Fund. The Village made payments totaling \$425,882 to NSFD for 2020. The Village believes that the fire department will continue to provide services in the future at similar rates. Complete 2020 financial information is available from NSFD at 4401 West River Lane, Brown Deer, WI 53223. The Village does not report an equity interest in this joint venture.

## Village of River Hills

Notes to Financial Statements  
December 31, 2020

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### North Shore Library System

The City of Glendale and the Villages of Fox Point, River Hills, and Bayside operate the North Shore Library under a Joint Library Agreement dated January 1, 1985. Under the joint agreement, a Joint Library Board was created to operate the North Shore Library. The Joint Board is composed of ten members: five members from Glendale, two members each from Fox Point and Bayside, one member from River Hills, and the Superintendent of Schools for Nicolet School District. The Joint Library Board has the power to repair, maintain, and renew physical assets for the library and to prepare and adopt a budget for the library's operating expenses and a budget for the library's capital improvement expenses. The operating budget must be approved by at least three of the four municipalities. In addition, the Joint Library Board has the power to appoint the Library Director and such other assistants and employees as it deems necessary. Operating and capital expenses are shared proportionately based upon population estimates published in October. In September 2020, the City of Glendale gave its three year notice to leave the joint library.

The Village made payments totaling \$59,471 to the Library in 2020. The Village accounts for its share of the operations of the North Shore Library in the General Fund. The Village believes that the library will continue to provide services in the future at similar rates. Complete 2020 financial information is available from the Village of Bayside, who is the fiscal agent for the North Shore Library. The Village does not report an equity interest in this joint venture.

### Dispatch Services

The Village of Bayside operates the Bayside Communication Center for the North Shore communities of Bayside, Brown Deer, Fox Point, Glendale, River Hills, Shorewood, Whitefish Bay, and North Shore Fire/Rescue Department. The cost of these services is shared between the communities as agreed upon in the individual agreements. An Operations Advisory Committee (OAC) shall be composed of the Police Chief of Bayside, the Police or Fire Chief of each member agency, and the Communications Director. The OAC is advisory in nature and shall discuss and provide input and recommendations on operational and procedural matters. During 2020, the Village made payments totaling \$150,763 to the Village of Bayside. The Village does not report an equity interest in this joint venture.

### Other Postemployment Benefits

#### Local Retiree Life Insurance Fund (LRLIF)

##### Plan Description

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

##### Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

## Village of River Hills

Notes to Financial Statements  
December 31, 2020

### Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2020 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the plan year are as listed below:

#### Life Insurance Member Contribution Rates\* For the Plan Year

<u>Attained Age</u>	<u>Basic</u>
Under 30	\$0.05
30-34	0.06
34-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

\*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$480 in contributions from the employer.

## Village of River Hills

Notes to Financial Statements  
December 31, 2020

### OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2020, the Village reported a liability of \$113,268 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.02660000 percent, which was an decrease of 0.00295700 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized OPEB expense of \$5,472.

At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,074
Net differences between projected and actual earnings on OPEB plan investments	41,785	12,459
Changes in assumptions	2,137	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	14,636
Employer contributions subsequent to the measurement date	<u>548</u>	<u>-</u>
Total	<u>\$ 44,470</u>	<u>\$ 32,169</u>

\$548 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2021	\$ 1,892
2022	1,892
2023	1,662
2024	1,425
2025	728
Thereafter	4,154



## Village of River Hills

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Notes to Financial Statements  
December 31, 2020

### Actuarial Assumptions

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 actuarial valuation.

## Village of River Hills

Notes to Financial Statements  
December 31, 2020

### Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

#### Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2019

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return %</u>
US Credit Bonds	Barclays Credit	45 %	2.12 %
US Long Credit Bonds	Barclays Long Credit	5	2.90 %
US Mortgages	Barclays MBS	50	1.53 %
Inflation			2.20 %
Long-Term Expected Rate of Return			4.25 %

The long-term expected rate of return decreased slightly from 5.00 percent in the prior year to 4.25 percent in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30 percent in the prior year to 2.20 percent in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

### Single Discount Rate

A single discount rate of 2.87 percent was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 4.22 percent for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10 percent as of December 31, 2018 to 2.74 percent as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

## Village of River Hills

Notes to Financial Statements  
December 31, 2020

### Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 2.87 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	<u>1% Decrease to Discount Rate (1.87%)</u>	<u>Current Discount Rate (2.87%)</u>	<u>1% Increase to Discount Rate (3.87%)</u>
Village's proportionate share of the net OPEB liability	\$ <u>156,404</u>	\$ <u>113,268</u>	\$ <u>80,450</u>

### Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

## Village of River Hills

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual  
General Fund  
Year Ended December 31, 2020

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes levied by Village	\$ 2,540,501	\$ 2,540,501	\$ 2,540,501	\$ -
Intergovernmental revenues	443,259	443,259	490,590	47,331
Licenses, fees and permits	398,455	398,455	453,349	54,894
Fines and costs	137,448	137,448	106,674	(30,774)
Miscellaneous revenue	103,989	100,989	458,473	357,484
Public charges for service	-	-	21,137	21,137
<b>Total revenues</b>	<b>3,623,652</b>	<b>3,620,652</b>	<b>4,070,724</b>	<b>450,072</b>
<b>Expenditures</b>				
Current:				
General government	632,949	632,949	594,619	38,330
Public safety	2,021,990	2,018,990	2,111,305	(92,315)
Public works	562,478	562,478	536,387	26,091
Health, conservation and sanitation	324,849	324,849	360,632	(35,783)
Culture, recreation and education	81,386	81,386	58,854	22,532
Capital outlay	339,508	339,508	80,927	258,581
Interest and fiscal charges	-	-	39,088	(39,088)
<b>Total expenditures</b>	<b>3,963,160</b>	<b>3,960,160</b>	<b>3,781,812</b>	<b>178,348</b>
Excess of revenues over (under) expenditures	(339,508)	(339,508)	288,912	628,420
<b>Other Financing Sources (Uses)</b>				
Debt issued	339,508	339,508	1,283,274	943,766
Premium on debt issued	-	-	13,171	13,171
Transfer out	-	-	(300,000)	(300,000)
<b>Total other financing sources (uses)</b>	<b>339,508</b>	<b>339,508</b>	<b>996,445</b>	<b>656,937</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,285,357</b>	<b>\$ 1,285,357</b>
<b>Fund Balance, Beginning</b>			<b>1,131,909</b>	
<b>Fund Balance, Ending</b>			<b>\$ 2,417,266</b>	

See notes to required supplementary information

## Village of River Hills

### Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual

Special Revenue-Sewer Fund

Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
<b>Revenues</b>			
Operating grants and contributions:			
Intergovernmental revenues	\$ 23,250	\$ 40,140	\$ 16,890
Public charges for service	275,438	275,436	(2)
	<u>298,688</u>	<u>315,576</u>	<u>16,888</u>
<b>Expenditures</b>			
Current:			
Public works	187,511	191,664	(4,153)
Capital outlay	111,177	287,375	(176,198)
	<u>298,688</u>	<u>479,039</u>	<u>(180,351)</u>
Net change in fund balance	<u>\$ -</u>	<u>(163,463)</u>	<u>\$ (163,463)</u>
<b>Fund Balance, Beginning</b>		<u>218,465</u>	
<b>Fund Balance, Ending</b>		<u>\$ 55,002</u>	

See notes to required supplementary information

## Village of River Hills

Year Ended December 31, 2020

### Schedule of Proportionate Share of the Net Pension Asset (Liability) Wisconsin Retirement System

WRS Fiscal Year End Date	Proportion of the Net Pension Asset	Proportionate Share of the Net Pension Asset (Liability)	Covered Payroll	Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)
12/31/14	0.013000000%	\$ 328,412	\$ 1,359,770	24.15%	102.74%
12/31/15	0.012782000%	(207,703)	1,375,966	(15.10)%	98.20%
12/31/16	0.012230000%	(100,805)	1,401,698	(7.19)%	99.12%
12/31/17	0.012395000%	368,018	1,421,710	25.89%	102.93%
12/31/18	0.012824000%	(456,223)	1,499,280	(30.43)%	96.45%
12/31/19	0.013163920%	424,646	1,590,649	26.68%	102.96%

### Schedule of Employer Contributions Wisconsin Retirement System

Village's Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 121,436	\$ 121,436	\$ -	\$ 1,375,966	8.83%
12/31/16	116,592	116,592	-	1,410,698	8.26%
12/31/17	116,633	116,633	-	1,421,710	8.20%
12/31/18	129,944	129,944	-	1,499,280	8.67%
12/31/19	137,356	137,356	-	1,590,649	8.64%
12/31/20	138,898	138,898	-	1,679,829	8.27%

See notes to required supplementary information

## Village of River Hills

Schedule of Proportionate Share of the Net OPEB Liability  
Local Retiree Life Insurance Fund  
Year Ended December 31, 2020

LRLIF Year End Date	Proportion of the Net OPEB Asset	Proportionate Share of the Net OPEB Asset (Liability)	Covered Payroll	Proportionate Share of the Net OPEB Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Asset (Liability)
12/31/17	0.033076000%	\$ (99,512)	\$ 1,390,940	7.15%	44.81%
12/31/18	0.029557000%	(76,267)	1,296,000	5.88%	48.69%
12/31/19	0.026600000%	(113,268)	1,347,000	8.41%	37.58%

## Village of River Hills

Schedule of Employer Contributions - Local Retiree Life Insurance Fund  
Year Ended December 31, 2020

Village's Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	\$ 628	\$ 628	-	\$ 1,296,000	0.05%
12/31/19	569	569	-	1,347,000	0.04%
12/31/20	548	548	-	1,679,829	0.03%

See notes to required supplementary information



## Village of River Hills

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Notes to Required Supplementary Information  
Year Ended December 31, 2020

### 1. Budgetary information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented include any amendments made. 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 function level of expenditure.

### 2. Wisconsin Retirement System (WRS) and Local Retiree Life Insurance Fund (LRLIF)

The amounts presented in relation to the schedule of employer's proportionate share of the net pension asset/liability and the schedule of employer contributions represents the specific data of the Village. The information was derived using a combination of the employer's contribution data along with the data provided by the Wisconsin Retirement System and the Local Retiree Life Insurance Fund in relation to the Village as a whole.

The Village is required to present the last ten fiscal years data; however the standards allow the Village to present as many years as are available until ten fiscal years are presented.

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

*Changes of assumptions:* No significant change in assumptions were noted from the prior year.

**SUPPLEMENTARY INFORMATION**

**Village of River Hills**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020

	<b>Capital Projects Funds</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Capital Fund</b>	<b>Annual Road Program</b>	<b>Police Department</b>	
<b>Assets</b>				
Cash and investments	\$ -	\$ -	\$ 233,613	\$ 233,613
Taxes receivable	4,209	-	-	4,209
Total assets	<u>\$ 4,209</u>	<u>\$ -</u>	<u>\$ 233,613</u>	<u>\$ 237,822</u>
<b>Liabilities and Fund Balances (Deficits)</b>				
Liabilities:				
Due to other funds	<u>\$ 57,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,446</u>
Total liabilities	<u>57,446</u>	<u>-</u>	<u>-</u>	<u>57,446</u>
Deferred inflows of resources:				
Unavailable revenues	<u>4,209</u>	<u>-</u>	<u>-</u>	<u>4,209</u>
Total deferred inflows of resources	<u>4,209</u>	<u>-</u>	<u>-</u>	<u>4,209</u>
Fund balances (deficits):				
Committed	-	-	233,613	233,613
Unassigned (deficits)	<u>(57,446)</u>	<u>-</u>	<u>-</u>	<u>(57,446)</u>
Total fund balances (deficits)	<u>(57,446)</u>	<u>-</u>	<u>233,613</u>	<u>176,167</u>
Total liabilities and fund balances (deficits)	<u>\$ 4,209</u>	<u>\$ -</u>	<u>\$ 233,613</u>	<u>\$ 237,822</u>

## Village of River Hills

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended December 31, 2020

	<u>Capital Projects Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Capital Fund</u>	<u>Annual Road Program</u>	<u>Police Department</u>	
<b>Revenues</b>				
Taxes levied by Village	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Capital outlay	36,705	-	102,911	139,616
Total expenditures	<u>36,705</u>	<u>-</u>	<u>102,911</u>	<u>139,616</u>
Excess (deficiency) of revenues over expenditures	<u>(36,705)</u>	<u>-</u>	<u>(102,911)</u>	<u>(139,616)</u>
<b>Other Financing Sources</b>				
Debt issued	36,705	-	285,021	321,726
Transfers in	<u>30,346</u>	<u>269,654</u>	<u>-</u>	<u>300,000</u>
Total other financing sources	<u>67,051</u>	<u>269,654</u>	<u>285,021</u>	<u>621,726</u>
Net changes in fund balance	30,346	269,654	182,110	482,110
<b>Fund Balance (Deficit), Beginning</b>	<u>(87,792)</u>	<u>(269,654)</u>	<u>51,503</u>	<u>(305,943)</u>
<b>Fund Balance (Deficit), Ending</b>	<u><u>\$ (57,446)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 233,613</u></u>	<u><u>\$ 176,167</u></u>