

# CITY OF MEQUON



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2021

11333 N. Cedarburg Road, 53092

262-242-3100

[www.ci.mequon.wi.us](http://www.ci.mequon.wi.us)



Prepared by the City of Mequon Finance Department

**City of Mequon**  
**Annual Comprehensive Financial Report**  
**As of and for the Year Ended December 31, 2021**  
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# **INTRODUCTORY SECTION**



11333 N. Cedarburg Road  
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FINANCE DEPARTMENT

Jennifer L. Engroff, CPA, Finance Director/Treasurer

June 2, 2022

To the Citizens, Honorable Mayor and Common Council of the City of Mequon, Wisconsin:

The Comprehensive Annual Financial Report for the City of Mequon, Wisconsin, for the fiscal year ended December 31, 2021, is hereby submitted. This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the City's management team has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Mequon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that its financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Baker Tilly US, LLP, a firm of certified public accountants and consultants, has audited the City of Mequon's financial statements for Fiscal Year 2021. The goal of this independent audit is to provide reasonable assurance that the financial statements of the City for Fiscal Year 2021 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor has concluded based upon the audit, that the City's financial statements for the year ended

December 31, 2021 are fairly presented in accordance with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Mequon's MD&A can be found immediately following the report of the independent auditors.

This report includes all funds of the City. It includes all governmental organizations and activities for which the City's Common Council is financially accountable. The City provides a full range of municipal services normally associated with a municipality, including general administration, police and fire protection, the construction and maintenance of highways, streets, and related infrastructure, recreational activities, cultural events, and economic development. In addition to general activities, the Common Council exercises authority over the Mequon Sewer Utility and Mequon Water Utility; therefore, these activities are included in the financial statements. However, the Mequon-Thiensville (M-T) and Cedarburg School Districts and the Milwaukee Area Technical College are autonomous entities and have not met the established criteria for inclusion herein, and accordingly, are excluded from this report.

## **COMMUNITY PROFILE**

The City is located in Ozaukee County, bordering Milwaukee County to its south and Lake Michigan to its east, and covers 48 square miles. The City was incorporated in 1957 and has an estimated 2021 population of 25,051 (per State Department of Administration).

The eight-member Common Council is elected by ward for overlapping three-year terms. The mayor is elected at large for a three-year term. The Council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as the appointment of members of various statutory and advisory boards and the City Administrator. As Chief Administrative Officer, the City Administrator has the responsibility of administering programs in accordance with policies established by the City Council and within the guidelines of the annual budget adopted by the City Council.

All City departments submit annual requests for appropriation for all governmental activities to the City Administrator in August of each year. The City Administrator uses these requests as the starting point for developing a proposed budget for governmental activities. The City Administrator presents the proposed budget for all governmental activities to the Common Council, meeting as the Appropriations Committee, in September. The Appropriations Committee meets with the City Administrator and all department heads in early October to review and discuss the proposed budget. Thereafter, the City is required to hold a public hearing



on the proposed budget, which is held on the second Tuesday in November. The governmental activities budget is generally adopted at the first Common Council meeting in November, at which time the required annual property tax levy is also established.

## **ECONOMIC CONDITION AND OUTLOOK**

Unemployment has historically been very low in the Milwaukee metropolitan area. In Ozaukee County, the unemployment rates were 3.7 percent at the end of 2020 and 2.4 percent at the end of 2021. This compares favorably with unemployment rates across Wisconsin of 4.7 and 3.2 percent, respectively.

Mequon's 2021 equalized property value stands at over \$5.4 billion. In 2021, the City realized more than \$83.4 million in new construction valuation. The City maintains an AA (Stable) bond rating from Standard & Poor's Global Ratings Service, based in part on the relatively strong economic climate of the City.

## **MAJOR INITIATIVES DURING 2021**

### **Economic Development**

The City's new mixed-use, traditional neighborhood, known as Town Center, continues to flourish. Based on the January 1, 2021 value, the incremental value of the district is expected to reach \$130M. The Spur 16 and Foxtown developments continue to grow and expand new business opportunities with 5 new tenants and a small, local Milwaukee brewery, Good City Brewing. New and diverse types of housing expand the mixed-use concept and goal of the neighborhood, adding consumer base. Over 10 single-family pocket homes have been built and sold and over 40 new townhomes were approved in 2021, for construction in 2022. These residential projects have expanded infrastructure (including roads, on-street parking, streetscaping and sidewalks, public water and sewer) to other areas of the neighborhood for future development. City sponsored public investments in the Town Center are planned over the course of the next three years adding unique amenities to create a unified, comprehensive, and cohesive neighborhood in which to live, work and socialize. A 2021 outreach effort to developers suggests an interest and willingness for continued investment as additional redevelopment opportunities become available. Land previously zoned as and used for manufacturing in the Town Center is being redeveloped and converted to active Town Center uses.

Statistically, the Town Center (TIF #3) ranks highly when compared to other Tax Increment Districts (TIF's) throughout the State of Wisconsin. On a combined basis, all four of the City's TIF's have an increment of \$168,412,400.

The City experienced additional residential development throughout the community including a significant investment in existing homes and lots as well as new subdivisions. In the Central

Growth neighborhood, The Enclave expanded and started construction on an additional 80 single-family lots with the use of transfer development right credits. A new east side, Lakeshore Drive subdivision was platted for 12 lots, adjacent to Lake Michigan and I-43. New commercial development near Interstate 43 also anticipates nearly \$20M of new investment in the City's Port Washington Road commercial corridor. Projects include a neighborhood hospital, a multi-tenant service building, a new medical office, food and entertainment facilities and a self-storage facility, along with major reconstruction of the I-43 interstate that enhances existing access points to the City's commercial corridor. This project also adds a new access point at Highland Road, gaining further attraction to Concordia University and the City's new Ulao Creek neighborhood, which is slated for a mix of residential uses and low scale commercial uses.

### **MAJOR INITIATIVES PLANNED FOR 2022**

The Economic Development Board has established a work program for 2020-2023 which includes the following objectives: promotion & marketing, evaluation of two recent community surveys, establishing community partnerships related to other objectives, sponsoring an Economic Summit, assisting in the assessment of new zoning opportunities along the Port Washington Road corridor and exploring a partnership with the Wisconsin Economic Development Corporation (WEDC) to ensure program alignment. Additionally, the Board will be considering development of 2-3 Neighborhood Strategic Plans and continue to monitor the City's Revolving Loan Fund Program.

#### ***Tax Increment Finance Districts (TIDS)***

The City has four TID's to manage and promote redevelopment opportunities. These efforts include long-term financial strategies, data monitoring, private/public partnerships to complete infrastructure and streetscape enhancements, coordination with the Wisconsin Department of Transportation and pursuing and evaluating the type of redevelopment desired for these neighborhoods.

Moving forward, the City will continue to make necessary public infrastructure improvements to better serve an increase in customers utilizing the Town Center. Major initiatives slated in 2022/23 include providing pedestrian and bicycle improvements for safer and more comfortable access for non-motorized uses, the acquisition of land for conservancy and redevelopment and the reconstruction of a public road to include streetscaping, traffic signals, traffic calming and the burial of all utilities. Ultimately, the City is committed to reducing barriers for accessing businesses and encouraging safe movement throughout the neighborhood.

### ***City Real Estate Needs***

The Economic Development Board will continue to serve the Common Council and provide advice on matters relating to real estate opportunities, as well as the evaluation of any development proposal in which economic incentives are requested. In 2022, the Board will meet with the owners of key and high priority redevelopment sites to align private market objectives with new economic programs and tools. The Board also administers the Revolving Loan Fund, which delivers HUD Community Block Grant dollars to businesses to bridge the gap of conventionally financing based on the creation of new jobs in the City. Furthermore, the City will continue to provide education and outreach regarding county, regional and state-sponsored programs that may assist in the rehabilitation of the City's older building stock, as well as commercial expansion and/or retention. This includes enhanced partnership and communications with Milwaukee 7 and Wisconsin Economic Development Corporation (WEDC).

## **FINANCIAL MANAGEMENT**

### ***Budgetary Controls***

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget as approved by the Common Council. Activities of the general fund, debt service fund, and sewer utility fund are included in the annually appropriated budget. The budget is adopted at the object level of expenditure; however, it is monitored by department heads at the departmental level within an individual fund.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## **RISK MANAGEMENT**

Third-party insurance coverage is currently maintained for health, dental and life insurance, worker's compensation, and property, auto and general liability.

## **CASH MANAGEMENT**

During the year, temporarily idle cash was invested in demand deposits, an investment pool and a privately managed trust. The investment pool utilized by the City is the State of Wisconsin Local Government Investment Pool, a part of the State Investment Fund, which invests primarily in U.S. Treasury securities, repurchase agreements, and agency securities backed by the full faith and credit of the U.S. Government. In addition, the City utilized the services of Dana Investment Advisors. The City's portfolio at Dana consists primarily of U.S. Treasury securities, repurchase agreements, and agency securities backed by the full faith and credit of the U.S. Government. The City had investment expense of approximately \$20,000 on all investments for the year ended

December 31, 2021. Although the returns were negative due to a decline in bond prices and mark-to-market accounting practices, the City's average return on investment continues to be approximately 2%. The City's investment policy directs staff to maximize security, liquidity, and return, in that order, when considering investment alternatives.

## **AWARDS**

Last year, the Government Finance Officers Association of the United States & Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending on December 31, 2020. This was the eighth year the City received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that this current ACFR continues to meet the Certificate of Achievement Program's requirements and staff will be submitting it to GFOA to determine the City's eligibility for another certificate for Fiscal Year 2021.

## **ACKNOWLEDGEMENTS**

As always, we wish to thank the Mayor and the Common Council. Their leadership and continued support are invaluable toward advancing the goals of the City. In addition, preparation of this report was made possible with the assistance of Baker Tilly US, LLP.

Respectfully submitted,



William H. Jones, Jr.  
City Administrator



Jennifer L. Engroff  
Director of Finance

# CITY OF MEQUON, WISCONSIN

## DIRECTORY OF OFFICIALS

As of December 31, 2021

### ELECTED OFFICIALS

Mayor John Wirth

#### **Common Council**

District 1	Alderman Robert Strzelczyk	District 2	Alderman Glenn Bushee
District 3	Alderman Dale Mayr	District 4	Alderman Jeffrey Hansher
District 5	Alderman Mark Gierl	District 6	Alderman Brian Parrish
District 7	Alderwoman Kathleen Schneider	District 8	Alderman Andrew Nerbun

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### APPOINTED OFFICIALS

William Jones, City Administrator

Justin Schoenemann, Assistant City Administrator

Caroline Fochs, City Clerk

Patrick Pryor, Police Chief

David Bialk, Fire Chief

Jennifer Engroff, Finance Director

Kristen Lundeen, Public Works Director/City Engineer

Kim Tollefson, Planning and Community Development Director

Mike Grota, City Assessor



Government Finance Officers Association

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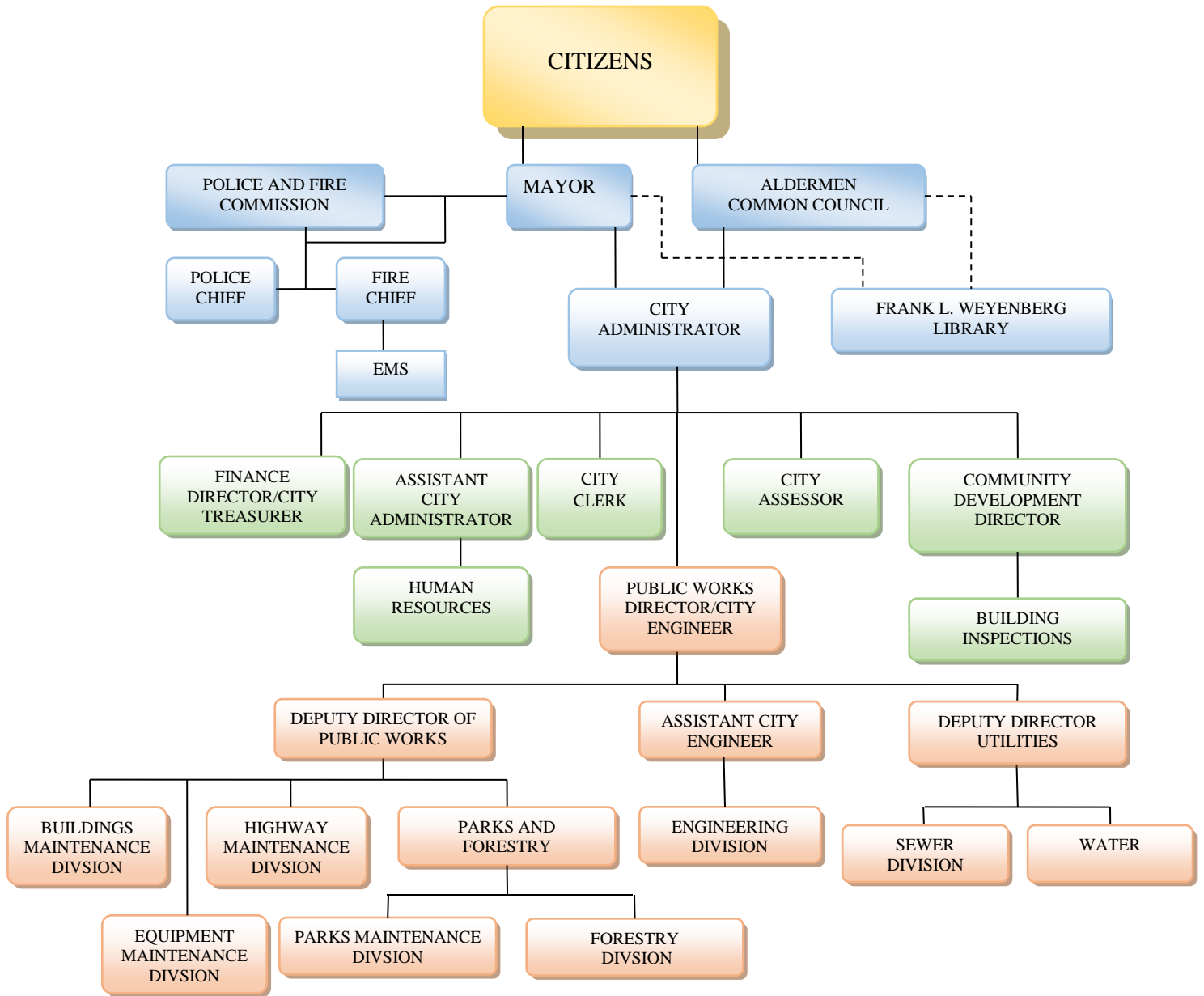
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

# City of Mequon Organization Chart



## **FINANCIAL SECTION**



**INDEPENDENT AUDITORS' REPORT**

## **Independent Auditors' Report**

To the Common Council of  
City of Mequon

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mequon (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mequon, Wisconsin, as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### **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 financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 City's 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.

## Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and statistical section as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Baker Tilly US, LLP*

Milwaukee, Wisconsin  
June 2, 2022

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

**CITY OF MEQUON, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

This discussion and analysis of the City of Mequon's financial performance is intended to provide an overview of the City's financial activities for the fiscal year ended December 31, 2021. Please consider it in conjunction with the City's financial statements, which begin on page 26, following this narrative.

**FINANCIAL HIGHLIGHTS**

- ✓ With total assets and deferred outflows of resources of \$186.6 million and total liabilities and deferred inflows of resources of \$88.3 million, the total net position of the City of Mequon stood at approximately \$98.3 million at the close of the 2021 fiscal year, an increase of 12.2% from the previous year.
- ✓ As of December 31, 2021, the City of Mequon's governmental funds reported combined ending fund balances of approximately \$8.2 million, an increase of 13.0% from 2020. Approximately \$2.3 million or 28.4% of the total fund balances are available for spending at the government's discretion (unassigned fund balance).
- ✓ At the close of the fiscal year, the City of Mequon's unassigned general fund balance totaled approximately \$2.3 million, an increase of 3.8% from the previous fiscal year. This represents 13.2% of the \$17.5 million adopted 2021 General Fund budget.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The City of Mequon's basic financial statements are comprised of three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The *Government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business entities.

The *Statement of Net Position* presents information on all of the City of Mequon's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused vacation).

The government-wide financial statements distinguish those functions of the municipality that are principally supported by taxes and intergovernmental revenues, known as *governmental activities*, from other functions that are intended to recover all or a significant portion of their costs through user fees and service charges, called *business-type activities*.

The governmental activities of the City of Mequon include general government, public safety, public works, public health, community enrichment, conservation and development, capital outlay, and interest and fiscal charges.

The business-type activities of the City consist of a Sewer Utility and Water Utility.

The government-wide financial statements can be found on pages 26 through 27 of this report.

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

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

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

The City of Mequon maintains six governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major governmental funds or funds for which separate reporting has been determined to be helpful in fulfilling other legal reporting requirements. Data from the other governmental funds are combined into a single, aggregated presentation. Disaggregated fund data for these other governmental funds is provided in the form of combining statements in the supplementary information section.

Compliance with the City's annual operating budget for the year ended December 31, 2021 is reported in the *Schedule of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual - General Fund* which is found on page 84.

The governmental fund financial statements can be found beginning on page 28 of this report.

**Proprietary Funds.** *Proprietary funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City's proprietary fund financial statements present information for the Sewer Utility and Water Utility. The Sewer and Water Utilities are considered to be major proprietary funds of the City of Mequon.

The proprietary fund financial statements can be found beginning on page 34 of this report.

**Fiduciary Fund.** A *fiduciary fund* is used to account for resources held for the benefit of parties outside the government. The fiduciary fund is not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Mequon's own programs. The accounting for a fiduciary fund is similar to that used for governmental funds. The City of Mequon uses a fiduciary fund to account for taxes collected for the benefit of overlapping tax jurisdictions for which the City is the fiscal agent.

The fiduciary fund financial statements can be found on page 39 of this report.

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

The notes to the financial statements can be found beginning on page 42 of this report.

**Required Supplementary Information.** Following the basic government-wide and fund financial statements and accompanying notes, required supplementary information has been provided as part of this report. The required supplementary information includes information on the City's budget to actual comparison for the General Fund and on the City's pension and other postemployment benefits.

The required supplementary information section of the report begins on page 84.

**Supplementary Information.** Following the required supplementary information additional supplementary information has been provided as part of this report. The supplementary information includes combining statements for the non-major governmental funds.

The supplementary information section of the report begins on page 90.

## **Government-wide Financial Analysis**

The City of Mequon's statement of net position is summarized in the table on the following page. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$98.3 million at the close of 2021. The majority of total assets (67.0%) reflect the City's investment in capital assets including land, land improvements, buildings, machinery and equipment, infrastructure, and construction in progress. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



**City of Mequon, Wisconsin  
Summary Statement of Net Position  
December 31, 2021 and 2020**

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current & Other Assets	\$ 36,934,013	\$ 32,925,001	\$ 21,915,905	\$ 21,956,054	\$ 58,849,918	\$ 54,881,055
Capital Assets (net)	45,985,753	46,422,810	73,636,394	70,111,285	119,622,147	116,534,095
<b>Total Assets</b>	<b>\$ 82,919,766</b>	<b>\$ 79,347,811</b>	<b>\$ 95,552,299</b>	<b>\$ 92,067,339</b>	<b>\$ 178,472,065</b>	<b>\$ 171,415,150</b>
Deferred Outflows of Resources	\$ 7,379,117	\$ 5,346,659	\$ 737,218	\$ 691,985	\$ 8,116,335	\$ 6,038,644
Current Liabilities	\$ 2,987,706	\$ 1,888,536	\$ 1,152,719	\$ 1,017,111	\$ 4,140,425	\$ 2,905,647
Non-Current Liabilities	23,964,036	27,243,461	24,415,972	26,845,666	48,380,008	54,089,127
<b>Total Liabilities</b>	<b>\$ 26,951,742</b>	<b>\$ 29,131,997</b>	<b>\$ 25,568,691</b>	<b>\$ 27,862,777</b>	<b>\$ 52,520,433</b>	<b>\$ 56,994,774</b>
Deferred Inflows of Resources	\$ 28,073,035	\$ 25,406,882	\$ 7,718,599	\$ 7,488,121	\$ 35,791,634	\$ 32,895,003
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 25,978,177	\$ 23,811,511	\$ 52,346,376	\$ 46,465,099	\$ 77,552,031	\$ 69,395,008
Restricted	9,293,962	3,043,786	1,516,891	493,330	10,810,853	3,537,716
Unrestricted	1,967	3,300,294	9,138,960	10,449,997	\$ 9,913,449	14,631,293
<b>Total Net Position</b>	<b>\$ 35,274,106</b>	<b>\$ 30,155,591</b>	<b>\$ 63,002,227</b>	<b>\$ 57,408,426</b>	<b>\$ 98,276,333</b>	<b>\$ 87,564,017</b>
Total Net Position as a % of Total Liabilities and Deferred Inflows	64.1%	55.3%	189.3%	162.4%	111.3%	97.4%
Unrestricted Net Position as a % of Total Liabilities and Deferred Inflows	0.0%	6.1%	27.5%	29.6%	11.2%	16.3%
The net position section includes an adjustment for capital assets owned by the business type activities financed by the debt of the governmental activities. Amounts will not cross-foot as a result.						

A portion of the City's net position (11%) represents resources that are subject to other restrictions as to how they may be used. The remainder of total net position may be used to meet the City's on-going obligations to its citizens and creditors.

At the end of 2021, the City is able to report positive balances in all of the categories of net position for the governmental activities and the government as a whole as well as all categories for business-type activities.

As comparable data is accumulated and reported by governmental units over time, a sense of what level of net position is typical or appropriate will begin to develop. Total net position at the end of 2021 was approximately \$35.3 million or approximately 64.1% of the total liabilities and deferred inflows for governmental activities.

## **Statement of Activities**

Total net position of the City of Mequon increased by \$10,712,316 (12.2%) in 2021, due primarily to the decrease of the fund balance deficit in the Debt Service Fund, continued capital improvements, and the expansion of the Mequon Sewer Utility.

Net position of the City's governmental activities totaled \$35,274,106 as of December 31, 2021. Governmental activities for the year increased net position by \$5,118,515. Operating grants and contributions decreased \$114,720 and governmental expenses decreased \$316,350. The City's unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day activities, was \$1,967. Restricted net position for governmental activities included \$715,542 for revolving loan programs, \$253,203 for parks, \$4,115,094 for pensions, \$1,325,388 for debt service, and \$2,884,735 for TIF.

Net position of the City's business-type activities totaled \$63,002,227, an increase of \$5,593,801, due primarily to expansion of the Mequon Sewer Utility. Business-type activities' unrestricted net position was \$9,138,960. Restricted net position for business-type activities included \$1,331,016 for debt service and \$185,875 for pensions.

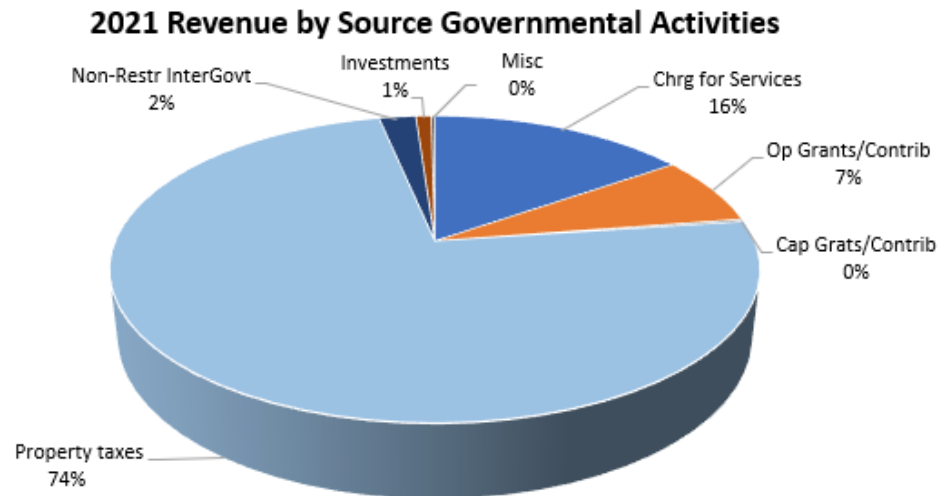
The following table illustrates the change in net position for the City of Mequon for fiscal years ended December 31, 2021 and 2020:

**City of Mequon, Wisconsin**  
**Statement of Activities**  
**For the Years Ending December 31, 2021 and 2020**

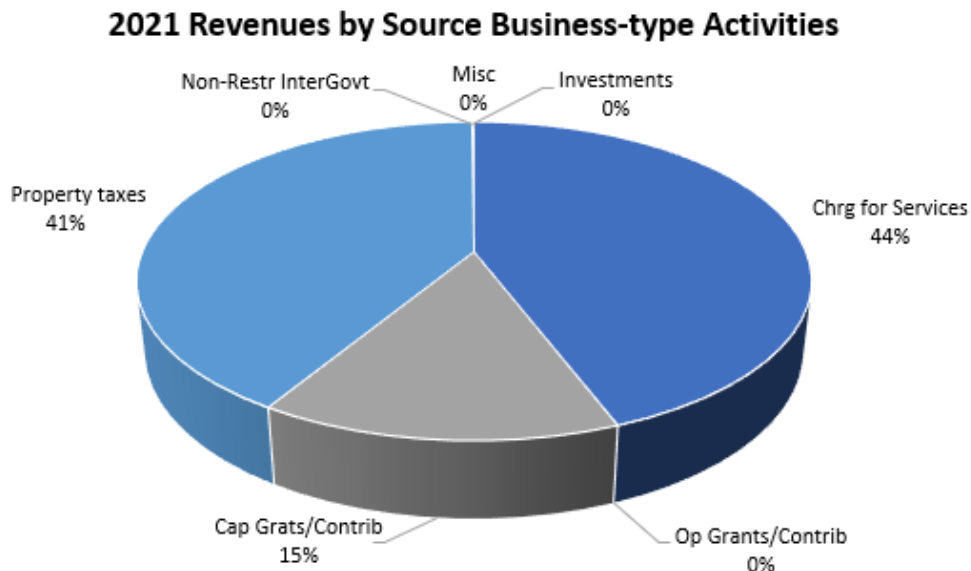
	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 3,892,194	\$ 3,422,717	\$ 7,634,851	\$ 7,230,375	\$ 11,527,045	\$ 10,653,092
Operating grants and contributions	1,827,033	1,941,753	-	-	1,827,033	1,941,753
Capital grants and contributions	68,710	85,105	2,518,287	1,197,090	2,586,997	1,282,195
General Revenues						-
Property taxes	18,693,415	17,191,975	7,110,670	7,078,676	25,804,085	24,270,651
Intergovernmental revenues not restricted to specific programs	552,895	509,311	-	-	552,895	509,311
Investment income	231,307	282,252	(5,571)	189,924	225,736	472,176
Other	53,780	763,656	16,156	4,516	69,936	768,172
<b>Total Revenues</b>	<b>\$ 25,319,334</b>	<b>\$ 24,196,769</b>	<b>\$ 17,274,393</b>	<b>\$ 15,700,581</b>	<b>\$ 42,593,727</b>	<b>\$ 39,897,350</b>
<b>Expenses</b>						
General Government	\$ 2,934,899	\$ 3,251,249	\$ -	\$ -	\$ 2,934,899	\$ 3,251,249
Public safety	8,382,307	8,843,804	-	-	8,382,307	8,843,804
Public works	5,862,578	5,617,633	-	-	5,862,578	5,617,633
Public health	-	-	-	-	-	-
Community enrichment services	1,804,298	1,966,429	-	-	1,804,298	1,966,429
Conservation and development	904,916	1,694,734	-	-	904,916	1,694,734
Interest and fiscal charges	311,821	814,496	-	-	311,821	814,496
Capital Outlay	-	(348,675)	-	-	-	(348,675)
Sewer utility	-	-	9,018,900	9,137,871	9,018,900	9,137,871
Water utility	-	-	2,661,692	2,469,727	2,661,692	2,469,727
<b>Total Expenses</b>	<b>\$ 20,200,819</b>	<b>\$ 21,839,670</b>	<b>\$ 11,680,592</b>	<b>\$ 11,607,598</b>	<b>\$ 31,881,411</b>	<b>\$ 33,447,268</b>
<b>Change in Net Position</b>	<b>5,118,515</b>	<b>2,357,099</b>	<b>5,593,801</b>	<b>4,092,983</b>	<b>10,712,316</b>	<b>6,450,082</b>
Net Position - beginning of year	\$ 30,155,591	\$ 27,798,492	\$ 57,408,426	\$ 53,315,443	\$ 87,564,017	\$ 81,113,935
Restatement	-	-	-	-	-	-
<b>Net Position - end of year</b>	<b>\$ 35,274,106</b>	<b>\$ 30,155,591</b>	<b>\$ 63,002,227</b>	<b>\$ 57,408,426</b>	<b>\$ 98,276,333</b>	<b>\$ 87,564,017</b>

## Governmental Activities

An examination of the statement of activities can provide a concise picture of how the various activities of the City are funded. The following pie charts draw data from the statement of activities. For governmental services, the City is highly dependent upon the property tax for funding, deriving 74% of its revenue from this single source. State aids not restricted to specific programs comprise only 2% of the City's revenues while other operating and capital grants and contributions comprise 7%. Charges for services continue to be of significant importance, accounting for 16% of revenues.

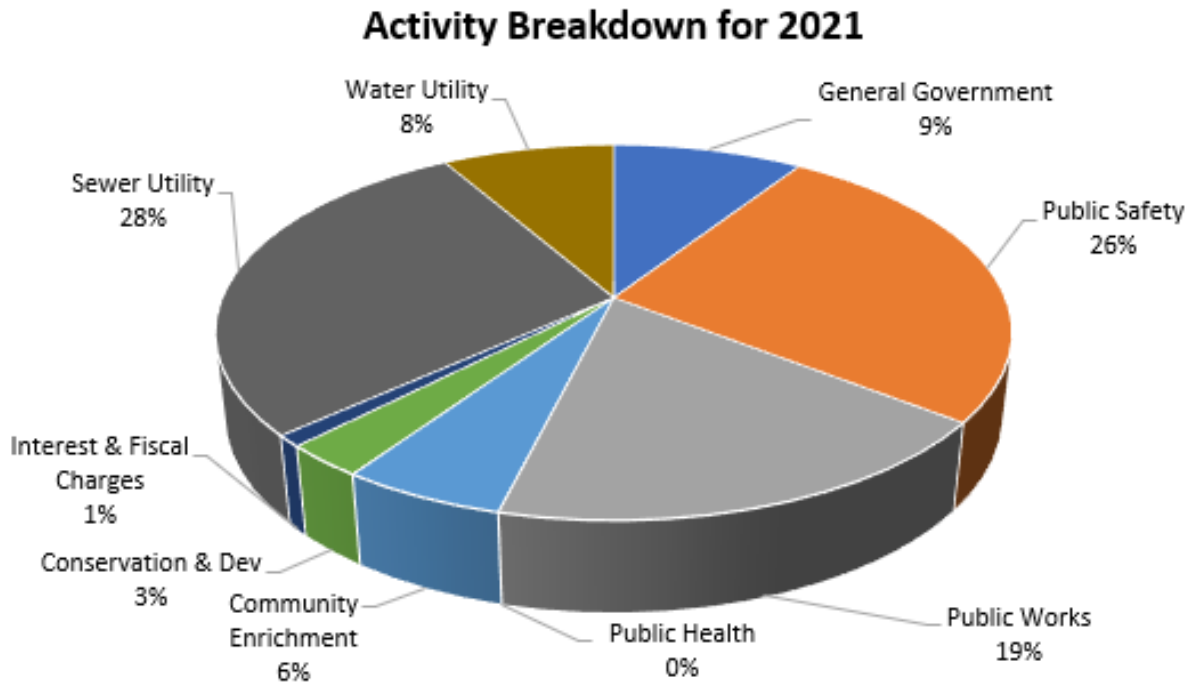


In the case of business-type activities, historically, property tax is the largest single component of revenues. Property taxes are levied in order to fund the Milwaukee Metropolitan Sewerage District (MMSD) annual capital charge and repayment of the debt associated with the 2018-19 East Trunk Sewer Project which comprises 41% of total revenues. Funding of the utility's annual operation and maintenance costs is covered primarily by user fees, accounting for 44% of total revenues. The balance of revenue is comprised of capital grants and contributions, operating grants and contributions, investments, and other earnings.



**Governmental activities.** Total Governmental activity expenses decreased \$1.6 million from a year ago. An increase was realized in Public Works: \$244,945. Decreases were realized in Conservation and Development: \$789,818, General Government: \$316,350, Public Safety: \$461,497, Community Enrichment: \$162,131, and Interest and Fiscal Charges: \$502,675.

Presented below is a chart depicting the relative percentage of expenses for the City's major functions for 2021:



## FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

### Governmental Funds

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

As of December 31, 2021, the City of Mequon's governmental funds reported combined ending fund balances of approximately \$8.2 million, an increase of 13.0% from 2020. Of this total, approximately \$260 thousand is non-spendable and an additional \$5.3 million is restricted for specific legal requirements and other commitments, leaving total assigned and unassigned governmental fund balances of approximately \$2.7 million available for use at the discretion of the City's elected officials.

The *General* fund is the primary operating fund used to account for the governmental operations of the City, with approximately \$17.2 million of direct expenditures from this fund accounting for approximately 71.4% of the City's approximately \$24.1 million total governmental fund expenditures as reported on the *Statement of Revenues Expenditures and Changes in Fund Balances*. The total year-end 2021 unassigned General fund balance of approximately \$2.3 million increased \$6 thousand from the previous year and represents 13.5% of the \$17.2 million 2021 General Fund expenditures reported on the *Statement of Revenues Expenditures and Changes in Fund Balances*.

Traditionally in Mequon, this year-end unassigned balance has been considered in proportion to the subsequent year's budgeted general fund expenditures. This is used to measure the adequacy of the City's operating reserve, with a stated target ratio of between 10-12%. The adopted 2022 General fund budget authorizes expenditures of \$18.0 million. Therefore, the 2021 year-end unassigned General fund balance of \$2.3 million represents 12.9% of the 2022 operating budget, therefore exceeding the target range.

The *Debt Service* fund has a total surplus fund balance of \$1,491,600 which is due primarily to debt related to the City's Town Center Zoning District (Tax Increment District (TID) #3).

The *Capital Projects* fund is a governmental fund used to account for long-term capital acquisitions, such as squad cars and heavy equipment, land acquisition, and large-scale infrastructure projects, such as roadways. The fund balance in this fund is primarily derived from funds set aside for projects to be completed in a subsequent period. The \$3.2 million fund balance is restricted or assigned entirely for such projects. The reason for the approximately \$800 thousand decrease in fund balance is due to the spending of the 2019 debt proceeds on road improvements.

The aggregated *Non-major Governmental Funds* column includes various park, revolving loan, and endowment funds used to account for the proceeds of specific revenue sources or that are legally restricted to expenditures for specific purposes. The combined fund balances increased from \$778,117 to \$883,891 during 2021.

### **Proprietary Funds**

The City's *Proprietary funds* provide the same type of information found in the government-wide financial statements. The net position of the *Enterprise-type* proprietary funds at the end of 2021 totaled approximately \$63 million, an increase of approximately \$5.6 million from the previous year. Income before contributions of approximately \$3.1 million accounted for most of this increase, followed by Contributed Capital of \$2.5 million.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the Required Supplementary Information section, *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual* for the General Fund, the original 2021 general fund budget authorized expenditures of approximately \$17.5 million. The City ended the year with a positive variance of \$92,093.

## CAPITAL ASSETS AND LONG-TERM DEBT

### Capital Assets

In accordance with the implementation requirements of GASB 34, the City has recorded historical costs and depreciation expense associated with all of its capital assets, including infrastructure. As summarized in the table below, the City's reported investment in capital assets for governmental and business type activities as of December 31, 2021 totaled over \$216 million. Of this total cost, approximately \$67.2 million (31.1%) was related to governmental infrastructure, with the City's street network comprising the most significant component.

Total accumulated depreciation was calculated to be approximately \$96.4 million, or approximately 44.6% of the historical cost of depreciable capital assets. Net of accumulated depreciation, the City's investment in capital assets exceeded \$119.6 million.

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 10,302,853	\$ 10,302,853	\$ 19,125	\$ 19,125	\$ 10,321,978	\$ 10,321,978
Construction in progress	-	-	628,706	116,361	628,706	116,361
Buildings	20,221,068	20,006,877	-	-	20,221,068	20,006,877
Machinery and Equipment	13,131,426	12,785,144	4,989,614	4,891,266	18,121,040	17,676,410
Infrastructure	67,207,108	65,647,167	91,245,528	87,210,873	158,452,636	152,858,040
Structure and Improvements	-	-	8,303,676	8,105,486	8,303,676	8,105,486
Total Gross Capital Assets	\$110,862,455	\$108,742,041	\$105,186,649	\$100,343,111	\$216,049,104	\$209,085,152
Less: Accumulated Depreciation	(64,876,702)	(62,319,231)	(31,550,255)	(30,231,223)	(96,426,957)	(92,550,454)
Total Net Capital Assets	\$ 45,985,753	\$ 46,422,810	\$ 73,636,394	\$ 70,111,888	\$119,622,147	\$116,534,698

Some of the more significant additions to the City's capital assets during 2021, excluding retirements and disposals included:

Roads	\$1,559,941
Sewer Utility additions	\$2,192,572
Water Utility additions	\$3,139,984

Additional information related to the City of Mequon's capital assets is reported in the notes following the financial statements.



## Long-Term Debt

On December 31, 2021, the City of Mequon had \$48,380,008 of long-term notes, bonds, and other long-term obligations outstanding, as summarized in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds & notes	\$ 20,495,000	\$ 23,645,000	\$ 14,550,000	\$ 15,905,000	\$ 35,045,000	\$ 39,550,000
Revenue bonds	-	-	8,465,000	9,365,000	8,465,000	9,365,000
Bond premiums	793,113	875,699	1,239,017	1,388,594	2,032,130	2,264,293
Capital leases	36,645	53,727	-	-	36,645	53,727
Net OPEB liability	769,147	919,348	53,919	73,876	823,066	993,224
Net pension liability	389,253	386,118	38,291	40,150	427,544	426,268
Compensated absences	631,754	654,682	-	-	631,754	654,682
Net pension liability-WRS	-	-	35,563	33,172	35,563	33,172
Net pension liability-LRLIF	849,124	708,887	34,182	39,874	883,306	748,761
Total Gross Capital Assets	\$ 23,964,036	\$ 27,243,461	\$ 24,415,972	\$ 26,845,666	\$ 48,380,008	\$ 54,089,127

Under Wisconsin State Statutes, the outstanding long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. Outstanding general obligation debt, less amounts to be paid from funds restricted for debt retirement, totaled \$35,045,000, or 13.0% of the maximum legal limit of \$270.2 million.

Additional information related to the City of Mequon's long-term debt is reported in the notes following the financial statements.

### CURRENTLY KNOWN FACTS

The 2022 general government budget adopted by the Mequon Common Council in November 2021 increased total General, Capital, and Debt Service Fund expenditures by \$715,757 or 3.19% which includes a \$190,750 planned use of fund balance. However, the net result is that the 2022 tax levy increases by only \$327,981 (2.08%) in these areas. It is anticipated the City will continue to work to maintain the general fund balance to a level between 10-12% of next year's general and debt service fund budgets.

### Five Year Expenditure History

Fiscal Year	Amount	Percent Change
2022	\$23,139,393	3.19%
2021	\$22,423,636	-0.59%
2020	\$22,555,951	5.62%
2019	\$21,355,114	0.36%
2018	\$21,278,752	2.07%

As presented in the table below, compared to the previous year, salaries and benefits increased by 1.59%. This is attributable to the establishment of a full-time IT Manager position that was previously filled on a part-time contractual basis, and a sizable decrease in the City's employer - related health insurance costs due to premium adjustments mandated by the State's Local Government Health Insurance Pool. Materials and supplies, purchased services, and capital expenditures increased by 8.26%, 10.29% and 11.60% respectively as a result of restoration of many items eliminated from the 2021 budget. Debt service costs increased by 1.66%. New debt was issued in March of 2022 to fund the three-year Road Program, the Highland Road Interchange project, and various Town Center (TID 3) projects. The City continues to explore alternative financing methods for its capital program. Support for the Mequon-Thiensville joint library increased by .28% and meets various state and local funding requirements.

### Change in Budgeted Expenditure by Function

Expenditures	2022 Adopted	2021 Adopted	Percent Increase (Decrease)	Percent Change
Salaries/Fringes	\$13,567,831	\$13,355,161	\$212,670	1.59%
Materials/Supplies	994,056	918,173	75,883	8.26%
Purchased Services/Other	2,404,253	2,180,012	224,241	10.29%
Debt Service	3,784,253	3,722,290	61,963	1.66%
Capital *	1,328,000	1,190,000	138,000	11.60%
Library *	1,061,000	1,058,000	3,000	0.28%
<b>Total</b>	<b>\$23,139,393</b>	<b>\$22,423,636</b>	<b>\$715,757</b>	<b>3.19%</b>

\* Capital projects and Library expenditures are shown only to the extent of the offsetting amounts of the current year City of Mequon tax levy.

In developing the 2022 budget, several guiding principles applied:

- The State of Wisconsin's 2011 Act 32 imposes a property tax limit on all municipal levies. Act 32 allows municipal levies to increase by either zero percent, or the percentage change in a city's equalized value due to net new construction, whichever is greater. The City's increase in net new construction was 1.59 percent.
- The following goals were emphasized while developing the FY2022 budget. They include:
  - Maintaining low property taxes
  - Maintaining city infrastructure, roads, and public works
  - Maintaining high quality public safety services
  - Maintaining the city's fiscal vitality with a strong and diverse tax base by encouraging community-sensitive economic development

### REQUESTS FOR INFORMATION

This report is designed to provide Mequon's citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to provide accountability for the financial resources it receives. If you have questions about the information contained in this report or need additional financial information concerning the City of Mequon, please contact the Finance Department, 11333 N. Cedarburg Road, Mequon, Wisconsin, 53092, at (262) 236-2947. You are also invited to visit the City's web site at <http://www.ci.mequon.wi.us>.

## **BASIC FINANCIAL STATEMENTS**

# City of Mequon

## Statement of Net Position December 31, 2021

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 10,304,166	\$ 8,331,396	\$ 18,635,562
Receivables (net):			
Taxes	18,625,563	7,258,254	25,883,817
Customer	-	1,932,107	1,932,107
Special assessments	99,334	6,001	105,335
Other	423,659	184,150	607,809
Loans	496,197	-	496,197
Inventory	-	36,407	36,407
Restricted assets:			
Cash and investments	-	3,981,715	3,981,715
Net pension asset	4,115,094	185,875	4,300,969
Investment in joint venture	2,870,000	-	2,870,000
Capital assets:			
Land	10,302,853	19,125	10,321,978
Construction in progress	-	628,706	628,706
Other capital assets, net of accumulated depreciation	35,682,900	72,988,563	108,671,463
Total assets	<u>82,919,766</u>	<u>95,552,299</u>	<u>178,472,065</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	30,539	2,248	32,787
Pension related amounts - WRS	6,853,789	329,641	7,183,430
OPEB related amounts - LRLIF	344,618	15,334	359,952
OPEB related amounts - Health	150,171	19,953	170,124
Deferred charge on refunding	-	370,042	370,042
Total deferred outflows of resources	<u>7,379,117</u>	<u>737,218</u>	<u>8,116,335</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	1,190,713	1,015,045	2,205,758
Accrued Interest payable	166,212	122,886	289,098
Deposits	395,436	14,788	410,224
Unearned revenue	1,235,345	-	1,235,345
Noncurrent liabilities:			
Due within one year	3,818,642	2,374,182	6,192,824
Due in more than one year	20,145,394	22,041,790	42,187,184
Total liabilities	<u>26,951,742</u>	<u>25,568,691</u>	<u>52,520,433</u>
<b>Deferred Inflows of Resources</b>			
Subsequent year's tax revenue	18,594,965	7,224,141	25,819,106
Pension related amounts	22,172	3,516	25,688
Pension related amounts - WRS	8,980,829	441,612	9,422,441
OPEB related amounts - Health	330,399	43,900	374,299
OPEB related amounts - LRLIF	144,670	5,430	150,100
Total deferred inflows of resources	<u>28,073,035</u>	<u>7,718,599</u>	<u>35,791,634</u>
<b>Net Position</b>			
Net investment in capital assets	25,978,177	52,346,376	77,552,031
Restricted for:			
Loan programs	715,542	-	715,542
Parks	253,203	-	253,203
Debt service	1,325,388	1,331,016	2,656,404
Pension	4,115,094	185,875	4,300,969
TIF	2,884,735	-	2,884,735
Unrestricted	1,967	9,138,960	9,913,449
Total net position	<u>\$ 35,274,106</u>	<u>\$ 63,002,227</u>	<u>\$ 98,276,333</u>

See notes to financial statements

# City of Mequon

## Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 2,934,899	\$ 921,773	\$ 32,745	\$ -	\$ (1,980,381)	\$ -	\$ (1,980,381)
Public safety	8,382,307	1,983,145	228,910	68,710	(6,101,542)	-	(6,101,542)
Public works	5,862,578	659,690	1,565,378	-	(3,637,510)	-	(3,637,510)
Community enrichment services	1,804,298	186,824	-	-	(1,617,474)	-	(1,617,474)
Conservation and development	904,916	140,762	-	-	(764,154)	-	(764,154)
Interest and fiscal charges	<u>311,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(311,821)</u>	<u>-</u>	<u>(311,821)</u>
Total governmental activities	<u>20,200,819</u>	<u>3,892,194</u>	<u>1,827,033</u>	<u>68,710</u>	<u>(14,412,882)</u>	<u>-</u>	<u>(14,412,882)</u>
<b>Business-Type activities:</b>							
Sewer utility	9,018,900	3,992,199	-	1,076,919	-	(3,949,782)	(3,949,782)
Water utility	<u>2,661,692</u>	<u>3,642,652</u>	<u>-</u>	<u>1,441,368</u>	<u>-</u>	<u>2,422,328</u>	<u>2,422,328</u>
Total business-type activities	<u>11,680,592</u>	<u>7,634,851</u>	<u>-</u>	<u>2,518,287</u>	<u>-</u>	<u>(1,527,454)</u>	<u>(1,527,454)</u>
Total	<u>\$ 31,881,411</u>	<u>\$ 11,527,045</u>	<u>\$ 1,827,033</u>	<u>\$ 2,586,997</u>	<u>(14,412,882)</u>	<u>(1,527,454)</u>	<u>(15,940,336)</u>
<b>General Revenues</b>							
Taxes:							
Property taxes, levied for general purposes					11,744,502	7,110,670	18,855,172
Property taxes, levied for debt service					2,825,040	-	2,825,040
Property taxes, levied for TIF districts					2,844,312	-	2,844,312
Property taxes, levied for capital projects					1,279,561	-	1,279,561
Intergovernmental revenues not restricted to specific programs					552,895	-	552,895
Public gifts and grants					19,046	-	19,046
Investment income (loss)					231,307	(5,571)	225,736
Miscellaneous					<u>34,734</u>	<u>16,156</u>	<u>50,890</u>
Total general revenues					<u>19,531,397</u>	<u>7,121,255</u>	<u>26,652,652</u>
Change in net position					5,118,515	5,593,801	10,712,316
<b>Net Position, Beginning</b>					<u>30,155,591</u>	<u>57,408,426</u>	<u>87,564,017</u>
<b>Net Position, Ending</b>					<u>\$ 35,274,106</u>	<u>\$ 63,002,227</u>	<u>\$ 98,276,333</u>

See notes to financial statements

# City of Mequon

Balance Sheet  
 Governmental Funds  
 December 31, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>
<b>Assets</b>				
Cash and investments	\$ 3,442,009	\$ 2,986,350	\$ 1,750,995	\$ 2,124,812
Receivables (net):				
Ensuing year levy	11,989,298	4,944,213	1,692,052	-
Special assessments	1,694	-	97,640	-
Other	423,659	-	-	-
Loans	-	-	184,750	311,447
Advances to other funds	-	-	1,494,750	-
Equity in joint venture	211,000	-	-	-
	<u>16,067,660</u>	<u>7,930,563</u>	<u>5,220,187</u>	<u>2,436,259</u>
Total assets	<u>\$ 16,067,660</u>	<u>\$ 7,930,563</u>	<u>\$ 5,220,187</u>	<u>\$ 2,436,259</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>				
Liabilities:				
Accounts payable	\$ 270,917	\$ -	\$ 51,838	\$ 1,226
Accrued liabilities	866,732	-	-	-
Deposits	391,086	-	-	4,350
Advances from other funds	-	1,494,750	-	-
Unearned revenue	-	-	-	1,235,345
	<u>1,528,735</u>	<u>1,494,750</u>	<u>51,838</u>	<u>1,240,921</u>
Total liabilities	<u>1,528,735</u>	<u>1,494,750</u>	<u>51,838</u>	<u>1,240,921</u>
Deferred Inflows of Resources:				
Subsequent year's tax revenue	11,958,700	4,944,213	1,692,052	-
Unavailable revenues	1,694	-	255,343	311,447
	<u>11,960,394</u>	<u>4,944,213</u>	<u>1,947,395</u>	<u>311,447</u>
Total deferred inflows of resources	<u>11,960,394</u>	<u>4,944,213</u>	<u>1,947,395</u>	<u>311,447</u>
Fund Balance:				
Nonspendable	259,617	-	-	-
Restricted	-	1,491,600	2,884,735	688,343
Committed	-	-	-	195,548
Assigned	-	-	336,219	-
Unassigned	2,318,914	-	-	-
	<u>2,578,531</u>	<u>1,491,600</u>	<u>3,220,954</u>	<u>883,891</u>
Total fund balances	<u>2,578,531</u>	<u>1,491,600</u>	<u>3,220,954</u>	<u>883,891</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 16,067,660</u>	<u>\$ 7,930,563</u>	<u>\$ 5,220,187</u>	<u>\$ 2,436,259</u>

See notes to financial statements

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**Total**

\$ 10,304,166

18,625,563

99,334

423,659

496,197

1,494,750

211,000

\$ 31,654,669

\$ 323,981

866,732

395,436

1,494,750

1,235,345

4,316,244

18,594,965

568,484

19,163,449

259,617

5,064,678

195,548

336,219

2,318,914

8,174,976

\$ 31,654,669

## City of Mequon

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
December 31, 2021

**Total Fund Balances, Governmental Funds** \$ 8,174,976

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.

Land	10,302,853
Other capital assets	100,559,602
Less accumulated depreciation	(64,876,702)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 568,484

The net pension asset does not relate to current financial resources and is not reported in the governmental funds. 4,115,094

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. 6,884,328

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (9,003,001)

Deferred outflows of resources related to LRIF do not relate to current financial resources and are not reported in the governmental funds 344,618

Deferred inflows of resources related to LRIF do not relate to current financial resources and are not reported in the governmental fund. (144,670)

Joint ventures containing capital assets used in the governmental funds are not financial resources and therefore are not reported in the funds. 2,659,000

Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental fund (330,399)

Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental fund 150,171

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds, notes payable, and unamortized premium	(21,288,113)
Compensated absences	(631,754)
Accrued interest	(166,212)
Capital leases	(36,645)
Total OPEB liability	(769,147)
Total pension liability	(389,253)
Net OPEB liability - LRLIF	<u>(849,124)</u>

**Net Position of Governmental Activities** \$ 35,274,106



## City of Mequon

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Governmental Funds  
 Year Ended December 31, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 11,834,064	\$ 5,290,780	\$ 1,568,572	\$ -
Intergovernmental	2,216,055	-	78,432	40,670
Licenses and permits	1,111,185	-	-	-
Fines, forfeitures and penalties	929,686	-	-	-
Public charges for services	796,458	-	93,871	53,809
Special assessments	-	-	23,514	-
Investment income	2,507	953	22,229	205,619
Miscellaneous revenues	<u>611,348</u>	<u>-</u>	<u>600</u>	<u>6,808</u>
Total revenues	<u>17,501,303</u>	<u>5,291,733</u>	<u>1,787,218</u>	<u>306,906</u>
<b>Expenditures</b>				
Current:				
General government	3,149,699	-	-	-
Public safety	8,872,957	-	-	76,537
Public works	2,974,261	-	-	-
Community enrichment services	1,668,943	-	-	23,614
Conservation and development	512,135	-	-	103,481
Capital outlay	-	-	2,950,707	-
Debt service:				
Principal	-	3,150,000	-	-
Interest and fiscal charges	<u>-</u>	<u>572,390</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>17,177,995</u>	<u>3,722,390</u>	<u>2,950,707</u>	<u>203,632</u>
Excess (deficiency) of revenues over expenditures	<u>323,308</u>	<u>1,569,343</u>	<u>(1,163,489)</u>	<u>103,274</u>
<b>Other Financing Sources</b>				
Proceeds from sale of capital assets	-	-	105,600	-
Transfers Out	(231,215)	-	-	-
Transfers in	<u>-</u>	<u>-</u>	<u>228,715</u>	<u>2,500</u>
Total other financing sources	<u>(231,215)</u>	<u>-</u>	<u>334,315</u>	<u>2,500</u>
Net change in fund balances	92,093	1,569,343	(829,174)	105,774
<b>Fund Balances (Deficit), Beginning</b>	<u>2,486,438</u>	<u>(77,743)</u>	<u>4,050,128</u>	<u>778,117</u>
<b>Fund Balances, Ending</b>	<u>\$ 2,578,531</u>	<u>\$ 1,491,600</u>	<u>\$ 3,220,954</u>	<u>\$ 883,891</u>

See notes to financial statements

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<u>Total</u>
\$ 18,693,416
2,335,157
1,111,185
929,686
944,138
23,514
231,308
<u>618,756</u>
<u>24,887,160</u>
3,149,699
8,949,494
2,974,261
1,692,557
615,616
2,950,707
3,150,000
<u>572,390</u>
<u>24,054,724</u>
<u>832,436</u>
105,600
(231,215)
<u>231,215</u>
<u>105,600</u>
938,036
<u>7,236,940</u>
<u><u>\$ 8,174,976</u></u>

## City of Mequon

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2021

**Net Change in Fund Balances, Total Governmental Funds** \$ 938,036

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	2,950,707
Some items reported as capital outlay were not capitalized	(1,352,473)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	623,889
Depreciation is reported in the government-wide financial statements	(2,659,180)

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	(70,512)
Collection of loans	(218,968)
Loans Issued	100,000

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.

Principal repaid	3,150,000
Capital lease paid	17,082

Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization of debt premium	82,586
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	22,928
Total OPEB liability	150,201
Net OPEB liability - LRLIF	(140,238)
Accrued interest on debt	156,657
Total pension liability	(3,135)
Net pension asset - WRS	2,036,277
Deferred outflows of resources related to pensions	1,963,996
Deferred inflows of resources related to pensions	(2,731,619)
Deferred outflows of resources related to LRLIF	66,106
Deferred inflows of resources related to LRLIF	(22,435)
Deferred outflows of resources related to OPEB	2,356
Deferred inflows of resources related to OPEB	56,254

**Change in Net Position of Governmental Activities** \$ 5,118,515

# City of Mequon

Statement of Net Position  
Proprietary Funds  
December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b><u>Sewer Utility</u></b>	<b><u>Water Utility</u></b>	<b><u>Total</u></b>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 5,608,630	\$ 2,722,766	\$ 8,331,396
Receivables:			
Taxes	7,258,254	-	7,258,254
Customer accounts receivable	1,080,276	851,831	1,932,107
Other	83,385	100,765	184,150
Special assessments	6,001	-	6,001
Inventories	1,112	35,295	36,407
Restricted assets:			
Cash and investments	<u>2,593,956</u>	<u>467,500</u>	<u>3,061,456</u>
Total current assets	<u>16,631,614</u>	<u>4,178,157</u>	<u>20,809,771</u>
Noncurrent assets:			
Restricted assets:			
Cash and investments	-	920,259	920,259
Net pension asset	171,087	14,788	185,875
Capital assets:			
Land	18,775	350	19,125
Construction in progress	21,718	606,988	628,706
Other capital assets	69,210,088	35,328,730	104,538,818
Less accumulated depreciation	<u>(24,124,278)</u>	<u>(7,425,977)</u>	<u>(31,550,255)</u>
Total noncurrent assets	<u>45,297,390</u>	<u>29,445,138</u>	<u>74,742,528</u>
Total assets	<u>61,929,004</u>	<u>33,623,295</u>	<u>95,552,299</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	1,287	961	2,248
Pension related amounts - WRS	305,618	24,023	329,641
OPEB related amounts - Health	11,422	8,531	19,953
OPEB related amounts - LRLIF	14,964	370	15,334
Deferred charge on refunding	<u>-</u>	<u>370,042</u>	<u>370,042</u>
Total deferred outflows of resources	<u>333,291</u>	<u>403,927</u>	<u>737,218</u>

See notes to financial statements

# City of Mequon

Statement of Net Position  
Proprietary Funds  
December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b><u>Sewer Utility</u></b>	<b><u>Water Utility</u></b>	<b><u>Total</u></b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 422,530	\$ 483,940	\$ 906,470
Accrued wages	47,346	-	47,346
Accrued interest payable	122,886	-	122,886
Accrued compensated absences	34,182	-	34,182
Other current liabilities	-	4,486	4,486
Deposits	14,788	-	14,788
Current portion of general obligation debt	1,405,000	-	1,405,000
Liabilities payable from restricted assets:			
Current portion of revenue bonds	-	935,000	935,000
Accrued interest payable	-	56,743	56,743
Total current liabilities	<u>2,046,732</u>	<u>1,480,169</u>	<u>3,526,901</u>
Noncurrent liabilities:			
Long-term debt:			
General obligation debt	13,728,616	-	13,728,616
Revenue bonds	-	8,185,401	8,185,401
Total OPEB liability - Health	51,238	2,681	53,919
Net OPEB liability - LRLIF	34,532	1,031	35,563
Total pension liability	<u>30,675</u>	<u>7,616</u>	<u>38,291</u>
Total noncurrent liabilities	<u>13,845,061</u>	<u>8,196,729</u>	<u>22,041,790</u>
Total liabilities	<u>15,891,793</u>	<u>9,676,898</u>	<u>25,568,691</u>
<b>Deferred Inflows of Resources</b>			
Subsequent year's tax revenue	7,224,141	-	7,224,141
Pension related amounts	2,013	1,503	3,516
Pension related amounts - WRS	409,687	31,925	441,612
OPEB related amounts - Health	25,130	18,770	43,900
OPEB related amounts - LRLIF	<u>5,252</u>	<u>178</u>	<u>5,430</u>
Total deferred inflows of resources	<u>7,666,223</u>	<u>52,376</u>	<u>7,718,599</u>
<b>Net Position</b>			
Net investment in capital assets	32,586,643	19,759,733	52,346,376
Restricted for:			
Debt service	-	1,331,016	1,331,016
Pensions	171,087	14,788	185,875
Unrestricted	<u>5,946,549</u>	<u>3,192,411</u>	<u>9,138,960</u>
Total net position	<u>\$ 38,704,279</u>	<u>\$ 24,297,948</u>	<u>\$ 63,002,227</u>

See notes to financial statements

## City of Mequon

### Statement of Revenues, Expenses and Changes in Net Position

#### Proprietary Funds

Year Ended December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b><u>Sewer Utility</u></b>	<b><u>Water Utility</u></b>	<b><u>Total</u></b>
<b>Operating Revenues</b>	<b>\$ 3,992,199</b>	<b>\$ 3,642,652</b>	<b>\$ 7,634,851</b>
<b>Operating Expenses</b>			
Public works	7,521,180	1,705,884	9,227,064
Depreciation	<u>1,049,430</u>	<u>641,655</u>	<u>1,691,085</u>
Total operating expenses	<u>8,570,610</u>	<u>2,347,539</u>	<u>10,918,149</u>
Operating income (loss)	<u>(4,578,411)</u>	<u>1,295,113</u>	<u>(3,283,298)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income (loss)	(771)	(4,800)	(5,571)
Taxes	7,110,670	-	7,110,670
Miscellaneous revenues	-	16,156	16,156
Amortization of debt premium	62,342	87,234	149,576
Interest expense	<u>(510,629)</u>	<u>(401,387)</u>	<u>(912,016)</u>
Total non-operating revenues (expenses)	<u>6,661,612</u>	<u>(302,797)</u>	<u>6,358,815</u>
Income (loss) before contributions	<u>2,083,201</u>	<u>992,316</u>	<u>3,075,517</u>
<b>Contributions</b>			
Capital contributions	<u>1,076,919</u>	<u>1,441,368</u>	<u>2,518,287</u>
Change in net position	3,160,117	2,433,684	5,593,801
<b>Net Position, Beginning</b>	<u>35,544,162</u>	<u>21,864,264</u>	<u>57,408,426</u>
<b>Net Position, Ending</b>	<u>\$ 38,704,279</u>	<u>\$ 24,297,948</u>	<u>\$ 63,002,227</u>

## City of Mequon

Statement of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>			
Received from customers	\$ 3,870,129	\$ 3,636,339	\$ 7,506,468
Customer deposits paid	(5,700)	-	(5,700)
Paid to suppliers for goods and services	(7,244,346)	(1,165,500)	(8,409,846)
Paid to employees for services	<u>(553,017)</u>	<u>(140,277)</u>	<u>(693,294)</u>
Net cash flows from operating activities	<u>(3,932,934)</u>	<u>2,330,562</u>	<u>(1,602,372)</u>
<b>Cash Flows From Investing Activities</b>			
Investment income (loss)	<u>(1,804)</u>	<u>(4,800)</u>	<u>(6,604)</u>
Net cash flows from investing activities	<u>(1,804)</u>	<u>(4,800)</u>	<u>(6,604)</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Taxes received	<u>7,110,670</u>	<u>-</u>	<u>7,110,670</u>
Net cash flows from noncapital financing activities	<u>7,110,670</u>	<u>-</u>	<u>7,110,670</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Debt retired	(1,355,000)	(900,000)	(2,255,000)
Interest paid	(523,213)	(408,174)	(931,387)
Connection fees received	2,039	-	2,039
Acquisition and construction of capital assets	<u>(999,292)</u>	<u>(1,698,616)</u>	<u>(2,697,908)</u>
Net cash flows from capital and related financing activities	<u>(2,875,466)</u>	<u>(3,006,790)</u>	<u>(5,882,256)</u>
Net change in cash and cash equivalents	300,466	(681,028)	(380,562)
<b>Cash and Cash Equivalents, Beginning</b>	<u>7,902,120</u>	<u>4,791,553</u>	<u>12,693,673</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 8,202,586</u>	<u>\$ 4,110,525</u>	<u>\$ 12,313,111</u>

See notes to financial statements

## City of Mequon

Statement of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Total</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>			
Operating income (loss)	\$ (4,578,411)	\$ 1,295,113	\$ (3,283,298)
Nonoperating revenue	-	16,156	16,156
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	1,049,430	641,655	1,691,085
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resource:			
Accounts receivables	(84,982)	-	(84,982)
Other receivables	(150,481)	(22,469)	(172,950)
Accounts payable	(221,023)	373,037	152,014
Other current liabilities	2,973	-	2,973
Pension related deferrals and liabilities/assets	(43,717)	(8,798)	(52,515)
Customer deposits	(5,700)	-	(5,700)
OPEB related deferrals and liabilities	98,977	40,262	139,239
Inventories	-	(4,394)	(4,394)
Net cash flows from operating activities	<u>\$ (3,932,934)</u>	<u>\$ 2,330,562</u>	<u>\$ (1,602,372)</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds</b>			
Cash and investments	\$ 5,608,630	\$ 2,722,766	\$ 8,331,396
Restricted cash and investments	2,593,956	467,500	3,061,456
Reserve account	-	920,259	920,259
Cash and cash equivalents	<u>\$ 8,202,586</u>	<u>\$ 4,110,525</u>	<u>\$ 12,313,111</u>
<b>Noncash Capital and Related Financing Activities</b>			
Capital contributions	<u>\$ 1,076,919</u>	<u>\$ 1,421,856</u>	
Amortization of debt premium	<u>\$ 62,342</u>	<u>\$ 87,235</u>	

See notes to financial statements



# City of Mequon

Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2021

	<b>Tax Collection Fund</b>
<b>Assets</b>	
Cash and investments	\$ 39,915,345
Receivables:	
Taxes	<u>14,131,694</u>
Total assets	<u>54,047,039</u>
<b>Liabilities</b>	
Accounts payable	24,246
Due to other governments	<u>54,022,793</u>
Total liabilities	<u>54,047,039</u>
<b>Net Position</b>	
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

# City of Mequon

## Statement of Changes in Fiduciary Net Position Year Ended December 31, 2021

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	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>Additions</b>	
Tax collections	\$ 40,373,198
<b>Deductions</b>	
Payments to overlying districts	40,373,198
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	-
<b>Net Position, Ending</b>	\$ -

See notes to financial statements

# City of Mequon

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December 31, 2021

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# City of Mequon

Notes to Financial Statements  
December 31, 2021

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## 1. Summary of Significant Accounting Policies

The accounting policies of the City of Mequon, Wisconsin (the City) 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 City. The reporting entity for the City 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 City has not identified any organizations that meet this criteria.

### 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. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

#### Fund Financial Statements

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

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

# City of Mequon

Notes to Financial Statements  
December 31, 2021

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- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

## **General Fund**

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

## **Debt Service Funds**

Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than enterprise debt.

## **Capital Projects Funds**

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

## **Enterprise Funds**

The City reports the following major enterprise funds:

Water Utility accounts for operations of the water system.

Sewer Utility accounts for operations of the sanitary sewer system.

The City reports the following nonmajor governmental funds:

## **Special Revenue Funds**

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Park Fund

Revolving Loan Fund

Other Committed Funds

ARPA Fund

In addition, the City reports the following fund type:

## **Custodial Funds**

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

Tax Collection

## 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. Exceptions to this general rule are charges between the City's water and sewer and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 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 City is entitled the resources and the amounts are available. Amounts owed to the City 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.

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.

### Proprietary and Fiduciary Funds

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

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

## **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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

### **Deposits and Investments**

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

Investment of City 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.

# City of Mequon

Notes to Financial Statements  
December 31, 2021

The City has adopted an investment policy. That policy contains the following guidelines for allowable investments.

- a. Investment in all funds shall be made in maturities of twelve months or less.
- b. Investments for reserve funds must be made for up to five years.
- c. Investment securities shall be held in third-party safekeeping by an institution designated as primary agent.
- d. Deposit type securities (i.e., certificates of deposit, etc.) shall be collateralized at 110 percent of the face value.
- e. Other investments shall be collateralized by the actual security held in safekeeping by the primary agent.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. 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, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

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 City, 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 - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale - 2021 delinquent real estate taxes	October 2024

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



## City of Mequon

Notes to Financial Statements  
December 31, 2021

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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.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

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

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

### **Inventories**

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on average cost and charged to construction and/or operation and maintenance expense when used.

### **Restricted Assets**

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

### **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 general capital assets and \$5,000 for infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

## City of Mequon

Notes to Financial Statements  
December 31, 2021

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Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net 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:

Buildings	50 Years
Machinery and Equipment	7 Years
Utility System	7-80 Years
Infrastructure	20-50 Years

### Fund Financial Statements

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

### 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.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

### Compensated Absences

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources. The total amount outstanding at year end to be paid in the future is \$665,936 and is included in the government-wide statement of net position.

Sick leave is earned by Police contract employees at the rate of one working day for each month of service. Employees are compensated for sick leave days accumulated over 180 days at a defined rate per day. Non-represented employees are able to convert unused paid time off balances at the end of the year to sick leave. Certain employees are eligible to have their accumulated sick leave converted to a termination benefit and payable to employees in accordance with terms of the applicable contract upon an employee's retirement or death.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021, 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 and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, accrued compensated absences, pension liabilities and OPEB liabilities.

# City of Mequon

Notes to Financial Statements  
December 31, 2021

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

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

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$1,720,000, made up of 2 issues.

## 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."

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Net investment in capital assets	\$ 25,978,177	\$ 52,346,376	\$ (772,522)	\$ 77,552,031
Unrestricted	1,967	9,138,960	772,522	9,913,449

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

## Fund Statements

Governmental fund 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 Common Council. 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 Common Council that originally created the commitment.
- 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 City has adopted a financial policy authorizing the Common Council to assign amounts for a specific purpose; 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.

Proprietary fund equity is classified the same as in the government-wide statements.

The City 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 City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a minimum fund balance policy. That policy is to maintain an unassigned General Fund fund balance between 10 percent - 12 percent of the current General Fund operating budget. Unassigned General Fund fund balance at year end was \$2,318,914, or 13.24 percent of the 2021 General Fund expenditure budget.

See Note 3 for further information.

## Pension

For purposes of measuring the net pension liability (asset), 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.

# City of Mequon

Notes to Financial Statements  
December 31, 2021

## Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms

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.

## Basis for Existing Rates

### Water Utility

Water Utility rates were approved by the Public Service Commission of Wisconsin effective April 2020.

### Sewer Utility

Current sewer rates were approved by the City's common council on November 12, 2019 and were effective January 1, 2020.

## 2. Stewardship, Compliance and Accountability

### 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.

A budget has been adopted for the general fund and the debt service fund. A budget has not been formally adopted for capital projects, the park, revolving loan program, other committed, or the ARPA fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

The budgeted amounts presented include any amendments made. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

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

### Excess Expenditures and Other Financing Uses Over Budget

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Debt Service Fund	\$ 3,722,290	\$ 3,722,390	\$ 100

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

# City of Mequon

Notes to Financial Statements  
December 31, 2021

## Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City'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 City 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 City'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	\$ 53,864,671	\$ 46,916,339	Custodial credit
			Custodial credit, interest rate and investments highly sensitive to interest rate changes
US Treasuries	380,449	380,449	Credit, custodial credit, concentration of credit, interest rate and investments highly sensitive to interest rate changes
US Agencies - implicitly guaranteed	2,468,016	2,468,016	Custodial credit, interest rate and investments highly sensitive to interest rate changes
Asset backed securities	5,402,917	5,402,917	Credit, custodial credit, concentration of credit, interest rate and investments highly sensitive to interest rate changes
Corporate bonds	411,704	411,704	changes
LGIP	246	246	Credit risk
Petty cash	4,619	-	N/A
	<u>\$ 62,532,622</u>	<u>\$ 55,579,671</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 18,635,562		
Restricted cash and investments	3,981,715		
Tax collection fund	<u>39,915,345</u>		
	<u>\$ 62,532,622</u>		

## City of Mequon

Notes to Financial Statements  
December 31, 2021

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.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Market Approach - prices or other information from market transactions involving identical or similar assets.

Investment Type	December 31, 2021			
	Level 1	Level 2	Level 3	Total
US Agencies - implicitly guaranteed	\$ 396,484	\$ 2,071,532	\$ -	\$ 2,468,016
Asset backed securities	-	5,402,917	-	5,402,917
Corporate bonds	209,260	202,444	-	411,704
US Treasuries	380,449	-	-	380,449
Total	<u>\$ 986,193</u>	<u>\$ 7,676,893</u>	<u>\$ -</u>	<u>\$ 8,663,086</u>

### Custodial Credit Risk

#### Deposits

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

As of December 31, 2021, \$670,259 of the City's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 670,259</u>
Total	<u>\$ 670,259</u>

#### Investments

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

## City of Mequon

Notes to Financial Statements  
December 31, 2021

As of December 31, 2021, the City's investments were exposed to custodial credit risk as follows:

### US Treasuries

Neither insured nor registered and held by counterparty \$ 380,449

### US Agencies - implicitly guaranteed

Neither insured nor registered and held by counterparty \$ 2,468,016

### Asset backed securities

Neither insured nor registered and held by counterparty \$ 5,402,917

### Corporate bonds

Neither insured nor registered and held by counterparty \$ 411,704

## Credit Risk

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

As of December 31, 2021, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poors</u>
US Agencies - implicitly guaranteed	Aaa
Corporate bonds	A2-Aaa

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

LGIP

## Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2021, the City's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Federal Home Loan Bank	US Agency - implicitly guaranteed	22.50 %

## Interest Rate Risk

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



## City of Mequon

Notes to Financial Statements  
December 31, 2021

As of December 31, 2021, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1 year	1 - 3 years	3 - 5 years	Greater than 5 years
US Agencies - implicitly guaranteed	\$ 2,468,016	\$ -	\$ 1,237,140	\$ 1,230,876	\$ -
US Treasuries	380,449	380,449	-	-	-
Asset Backed Securities	5,402,917	13,172	-	-	5,389,745
Corporate bonds	411,704	202,444	209,260	-	-
Total	<u>\$ 8,663,086</u>	<u>\$ 596,065</u>	<u>\$ 1,446,400</u>	<u>\$ 1,230,876</u>	<u>\$ 5,389,745</u>

### Investments Highly Sensitive to Interest Rate Changes

At December 31, 2021, the City held \$2,468,016, \$380,449, \$5,402,917, and \$411,704 in US Agencies, US Treasuries, Asset backed securities and Corporate bonds, respectively, which matures in 2022-2050. With all fixed income securities, as interest rates rise, the values will fall. The longer time to maturity, the more sensitive the value will be to a change in interest rates. The market value of this investment at December 31, 2021, was \$8,663,086.

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

### Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for \$72,287 of special assessments in the general fund and capital projects fund, and \$496,197 of loans in the revolving loan program fund.

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:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 18,575,665	\$ -
Special assessment interest	-	72,287
Loan receivable	-	496,197
Payment in lieu of taxes	19,300	-
ARPA (unearned liability)	1,235,345	-
Total unearned/unavailable revenue for governmental funds	<u>\$ 19,830,310</u>	<u>\$ 568,484</u>

At the end of the current fiscal year, the various components of unearned revenue in the proprietary funds were as follows:

	Unearned
Property taxes receivable for subsequent year	\$ 7,224,141
Total unearned revenue for proprietary funds	<u>\$ 7,224,141</u>

## City of Mequon

Notes to Financial Statements  
December 31, 2021

For economic development loans, the City is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain to be loaned to other businesses and/or the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments.

At December 31, 2021, the City has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the state will be recorded.

### Restricted Assets

The following represent the balances of the restricted assets:

#### Long-Term Debt Accounts

*Redemption* - Used to segregate resources accumulated for debt service payments over the next twelve months.

*Reserve* - Used to report resources set aside to make up potential future deficiencies in the redemption account.

*Construction* - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

#### 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.

Following is a list of restricted assets at December 31, 2021:

	<b>Restricted Assets</b>	<b>Liabilities Payable from Restricted Assets</b>	<b>Restricted Net Position</b>
Bond redemption account	\$ 467,500	\$ 56,743	\$ 410,757
Bond reserve account	920,259	-	920,259
Net pension asset	4,300,969	-	4,300,969
Construction	2,593,956	-	n/a
Total	<u>\$ 8,282,684</u>	<u>\$ 56,743</u>	<u>\$ 5,631,985</u>

# City of Mequon

Notes to Financial Statements  
December 31, 2021

## Capital Assets

Capital asset activity for the year ended December 31, 2021, 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	\$ 10,302,853	\$ -	\$ -	\$ 10,302,853
Total capital assets not being depreciated / amortized	<u>10,302,853</u>	<u>-</u>	<u>-</u>	<u>10,302,853</u>
Capital assets being depreciated / amortized:				
Buildings	20,006,877	214,191	-	20,221,068
Roads	60,877,134	1,559,941	-	62,437,075
Bridges	3,758,538	-	-	3,758,538
Parking Lots	1,011,495	-	-	1,011,495
Equipment, vehicles, and miscellaneous	<u>12,785,144</u>	<u>447,991</u>	<u>101,709</u>	<u>13,131,426</u>
Total capital assets being depreciated / amortized	<u>98,439,188</u>	<u>2,222,123</u>	<u>101,709</u>	<u>100,559,602</u>
Total capital assets	<u>108,742,041</u>	<u>2,222,123</u>	<u>101,709</u>	<u>110,862,455</u>
Less accumulated depreciation / amortization for:				
Buildings	(7,517,869)	(372,394)	-	(7,890,263)
Roads	(43,838,487)	(1,493,938)	-	(45,332,425)
Bridges	(1,769,996)	(89,469)	-	(1,859,465)
Parking Lots	(84,050)	(41,683)	-	(125,733)
Equipment, vehicles, and miscellaneous	<u>(9,108,829)</u>	<u>(661,696)</u>	<u>101,709</u>	<u>(9,668,816)</u>
Total accumulated depreciation / amortization	<u>(62,319,231)</u>	<u>(2,659,180)</u>	<u>101,709</u>	<u>(64,876,702)</u>
Net capital assets being depreciated / amortized	<u>36,119,957</u>	<u>(437,057)</u>	<u>-</u>	<u>35,682,900</u>
Total governmental activities capital assets, net of accumulated depreciation / amortization	<u>\$ 46,422,810</u>	<u>\$ (437,057)</u>	<u>\$ -</u>	<u>\$ 45,985,753</u>

Depreciation / amortization expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 56,996
Public safety	447,804
Public works	<u>2,154,380</u>
Total governmental activities depreciation / amortization expense	<u>\$ 2,659,180</u>

## City of Mequon

Notes to Financial Statements  
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Sewer</b>				
Capital assets not being depreciated:				
Land	\$ 18,775	\$ -	\$ -	\$ 18,775
Construction in progress	<u>116,361</u>	<u>21,718</u>	<u>116,361</u>	<u>21,718</u>
Total capital assets not being depreciated / amortized	<u>135,136</u>	<u>21,718</u>	<u>116,361</u>	<u>40,493</u>
Capital assets being depreciated:				
Structure improvements	8,105,486	198,190	-	8,303,676
Sewer collection system	55,217,788	1,907,627	-	57,125,415
Machinery and equipment	<u>3,734,960</u>	<u>65,037</u>	<u>19,000</u>	<u>3,780,997</u>
Total capital assets being depreciated / amortized	<u>67,058,234</u>	<u>2,170,854</u>	<u>19,000</u>	<u>69,210,088</u>
Total capital assets	<u>67,193,370</u>	<u>2,192,572</u>	<u>135,361</u>	<u>69,250,581</u>
Less accumulated depreciation for:				
Structure improvements	(2,131,272)	(177,141)	-	(2,308,413)
Sewer collection system	(17,907,803)	(766,464)	-	(18,674,267)
Machinery and equipment	<u>(3,054,773)</u>	<u>(105,825)</u>	<u>19,000</u>	<u>(3,141,598)</u>
Total accumulated depreciation / amortization	<u>(23,093,848)</u>	<u>(1,049,430)</u>	<u>19,000</u>	<u>(24,124,278)</u>
Net capital assets being depreciated / amortized	<u>43,964,386</u>	<u>1,121,424</u>	<u>-</u>	<u>45,085,810</u>
Net sewer capital assets	<u>\$ 44,099,522</u>	<u>\$ 1,143,142</u>	<u>\$ 116,361</u>	<u>\$ 45,126,303</u>

# City of Mequon

Notes to Financial Statements  
December 31, 2021

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Water</b>				
Capital assets not being depreciated:				
Land	\$ 350	\$ -	\$ -	\$ 350
Construction in progress	-	606,988	-	606,988
Total capital assets not being depreciated / amortized	350	606,988	-	607,338
Capital assets being depreciated:				
Intangible plant	786	-	-	786
Pumping	644,217	-	-	644,217
Transmission and distribution	31,993,085	2,480,685	353,657	34,120,113
Administrative and general	511,303	52,311	-	563,614
Total capital assets being depreciated / amortized	33,149,391	2,532,996	353,657	35,328,730
Total capital assets	33,149,741	3,139,984	353,657	35,936,068
Less accumulated depreciation for				
Intangible plant	(786)	-	-	(786)
Pumping	(377,332)	(24,238)	-	(401,570)
Transmission and distribution	(6,317,655)	(590,078)	353,657	(6,554,076)
Administrative and general	(442,205)	(27,340)	-	(469,545)
Total accumulated depreciation / amortization	(7,137,978)	(641,656)	353,657	(7,425,977)
Net capital assets being depreciated / amortized	26,011,413	1,891,340	-	27,902,753
Net water capital assets	<u>\$ 26,011,763</u>	<u>\$ 2,498,328</u>	<u>\$ -</u>	<u>\$ 28,510,091</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 70,111,285</u>	<u>\$ 3,641,470</u>	<u>\$ 116,361</u>	<u>\$ 73,636,394</u>

Depreciation / amortization expense was charged to functions as follows:

### Business-Type Activities

Sewer	\$ 1,049,431
Water	641,655
Total business-type activities depreciation expense	<u>\$ 1,691,086</u>

### Interfund Advances and Transfers

#### Advances

The Capital projects fund is advancing funds to the Debt Service Fund. The amount advanced is deficiency of revenues over expenditures and other financing sources needed to make debt payments. A repayment schedule has not been established.

## City of Mequon

Notes to Financial Statements  
December 31, 2021

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
Capital Projects Fund	Debt Service Fund	\$ 1,494,750	\$ 1,494,750
Total, fund financial statements		1,494,750	
Less fund eliminations		<u>(1,494,750)</u>	
Total, interfund advances, government-wide statement of net position		<u>\$ -</u>	

The principal purpose of this advance is to assist with debt repayments related to the City's Tax Increment District No. 3.

### 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>
Special Revenue Funds - Other committed funds	General fund	\$ 2,500	Move committed funds out of general fund
Capital Projects Fund	General fund	<u>228,715</u>	Fund capital projects
		231,215	
Less fund eliminations		<u>(231,215)</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.

# City of Mequon

Notes to Financial Statements  
December 31, 2021

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, 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	\$ 23,645,000	\$ -	\$ 3,150,000	\$ 20,495,000	\$ 3,295,000
(Discounts)/Premiums	<u>875,699</u>	<u>-</u>	<u>82,586</u>	<u>793,113</u>	<u>-</u>
Total bonds and notes payable	<u>24,520,699</u>	<u>-</u>	<u>3,232,586</u>	<u>21,288,113</u>	<u>3,295,000</u>
Other liabilities:					
Total OPEB liability	919,348	-	150,201	769,147	-
Total pension liability	386,118	3,135	-	389,253	-
Compensated absences	654,682	271,571	294,499	631,754	505,746
Net OPEB liability - LRLIF	708,887	140,237	-	849,124	-
Capital leases	<u>53,727</u>	<u>-</u>	<u>17,082</u>	<u>36,645</u>	<u>17,896</u>
Total other liabilities	<u>2,722,762</u>	<u>414,943</u>	<u>461,782</u>	<u>2,675,923</u>	<u>523,642</u>
Total governmental activities long-term liabilities	<u>\$ 27,243,461</u>	<u>\$ 414,943</u>	<u>\$ 3,694,368</u>	<u>\$ 23,964,036</u>	<u>\$ 3,818,642</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 15,905,000	\$ -	\$ 1,355,000	\$ 14,550,000	\$ 1,405,000
Revenue bonds	9,365,000	-	900,000	8,465,000	935,000
(Discounts)/Premiums	<u>1,388,594</u>	<u>-</u>	<u>149,577</u>	<u>1,239,017</u>	<u>-</u>
Subtotal	<u>26,658,594</u>	<u>-</u>	<u>2,404,577</u>	<u>24,254,017</u>	<u>2,340,000</u>
Other liabilities:					
Total OPEB liability	73,876	-	19,957	53,919	-
Total pension liability	40,150	-	1,859	38,291	-
Net OPEB liability - LRLIF	33,172	2,391	-	35,563	-
Compensated absences	<u>39,874</u>	<u>19,208</u>	<u>24,900</u>	<u>34,182</u>	<u>34,182</u>
Total other liabilities	<u>187,072</u>	<u>21,599</u>	<u>46,716</u>	<u>161,955</u>	<u>34,182</u>
Total business-type activities long-term liabilities	<u>\$ 26,845,666</u>	<u>\$ 21,599</u>	<u>\$ 2,451,293</u>	<u>\$ 24,415,972</u>	<u>\$ 2,374,182</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5 percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2021, was \$270,157,515. Total general obligation debt outstanding at year end was \$35,045,000.

# City of Mequon

Notes to Financial Statements  
December 31, 2021

## General Obligation Debt

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

<u>Governmental Activities</u>					<b>Balance</b>
<b>General Obligation Debt</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>December 31, 2021</b>
G.O. Promissory Notes	5/2/13	4/1/23	1.5-2.0%	\$ 3,710,000	\$ 800,000
G.O. Corporate Purpose Bonds	6/3/15	5/1/27	2.0-3.0%	5,740,000	4,175,000
G.O. Promissory Notes	3/24/16	3/1/31	2.0-2.25%	8,905,000	6,180,000
G.O. Promissory Notes	3/6/19	3/1/29	2.0%	5,035,000	4,170,000
G.O. Refunding Bonds	2/6/20	8/1/28	2.0%	5,900,000	<u>5,170,000</u>
Total governmental activities, general obligation debt					<u>\$ 20,495,000</u>

<u>Business-Type Activities</u>					<b>Balance</b>
<b>General Obligation Debt</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>December 31, 2021</b>
G.O. Corporate Purpose Bonds - sewer	6/3/15	5/1/25	2.0-3.0%	\$ 1,310,000	\$ 660,000
G.O. Corporate Purpose Bonds - sewer	4/26/18	10/1/31	3.0-4.0%	19,400,000	<u>13,890,000</u>
Total business-type activities, general obligation debt					<u>\$ 14,550,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 3,295,000	\$ 484,203	\$ 1,405,000	\$ 471,088
2023	2,850,000	402,703	1,455,000	416,538
2024	2,650,000	326,353	1,495,000	373,713
2025	2,765,000	226,500	1,545,000	317,006
2026	2,220,000	188,790	1,425,000	273,750
2027-2031	<u>6,715,000</u>	<u>301,296</u>	<u>7,225,000</u>	<u>626,250</u>
Total	<u>\$ 20,495,000</u>	<u>\$ 1,929,845</u>	<u>\$ 14,550,000</u>	<u>\$ 2,478,345</u>

## Revenue Debt

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



## City of Mequon

Notes to Financial Statements  
December 31, 2021

The City has pledged future water revenues, net of specified operating expenses, to repay revenue bonds issued in 2017. Proceeds from the bonds provided financing for the purchase of the Water Utility from WE Energies. The bonds are payable solely from water revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 35.00 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,881,300. Principal and interest paid for the current year and total customer net revenues were \$1,308,174 and \$3,379,186, respectively.

Revenue debt payable at December 31, 2021, consists of the following:

### Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<b>Water Utility</b>					
2017 Revenue Refunding Bonds	7/10/17	5/1/29	4.0%	\$ 8,465,000	<u>\$ 8,465,000</u>
Total business-type activities, revenue debt					<u><u>\$ 8,465,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 935,000	\$ 319,900
2023	970,000	281,800
2024	1,010,000	242,200
2025	1,025,000	201,500
2026	<u>4,525,000</u>	<u>370,900</u>
Total	<u>\$ 8,465,000</u>	<u>\$ 1,416,300</u>

### Other Debt Information

Estimated payments of compensated absences, OPEB and pension liabilities are not included in the debt service requirement schedules. The compensated absences, OPEB, and pensions liabilities attributable to governmental activities will be liquidated primarily by the general fund.

### Bond Covenant Disclosures

#### Insurance

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

## City of Mequon

Notes to Financial Statements  
December 31, 2021

The water utility is covered under the following insurance policies at December 31, 2021:

<u>Type</u>	<u>Coverage</u>	<u>Expiration</u>
Personal and Advertising Injury	\$ 3,000,000 M3 Insurance	12/31/22
Premises Medical Payments	10,000 M3 Insurance	12/31/22
Errors and Omissions	3,000,000 M3 Insurance	12/31/22
Employee Benefits Liability	3,000,000 M3 Insurance	12/31/22
Auto Coverage	3,000,000 M3 Insurance	12/31/22
Automobile Medical Payments Coverage	10,000 M3 Insurance	12/31/22
Public Employee Dishonesty	250,000 M3 Insurance	12/31/22
Workers' Compensation	500,000 M3 Insurance	12/31/22

### Number of Customers and Billed Volumes, Water

The water utility has the following number of customers and billed volumes for 2021 and 2020:

	<u>Customers</u>		<u>Sales (000 gals)</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Residential	4,240	4,193	252,926	261,560
Commercial	294	285	103,931	92,014
Industrial	86	87	19,273	16,349
Public authority	12	8	2,087	1,490
Wholesale	36	36	26,161	28,175
Total	<u>4,668</u>	<u>4,609</u>	<u>404,378</u>	<u>399,588</u>

### Lease Disclosures

#### Lessee, Capital Leases

In 2020 the City acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$73,372, which are included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2021, are as follows:

<u>Years</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 17,896	\$ 1,749	\$ 19,645
2023	<u>18,749</u>	<u>896</u>	<u>19,645</u>
Total	<u>\$ 36,645</u>	<u>\$ 2,645</u>	<u>\$ 39,290</u>

# City of Mequon

Notes to Financial Statements  
December 31, 2021

## Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2021, includes the following:

### Governmental Activities

Net investment in capital assets:

Land	\$ 10,302,853
Other capital assets, net of accumulated depreciation	35,682,900
Less long-term debt outstanding	(21,324,758)
Plus noncapital debt outstanding	<u>1,317,182</u>

Total net investment in capital assets	<u><u>\$ 25,978,177</u></u>
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### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Delinquent personal property taxes	\$ 48,617	\$ -	\$ -	\$ -	\$ 48,617
Equity in joint venture - library	<u>211,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,000</u>
Subtotal	<u>259,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>259,617</u>
<b>Restricted for:</b>					
Debt Service	-	1,491,600	-	-	1,491,600
TID development purposes	-	-	2,884,735	-	2,884,735
Economic development loan program	-	-	-	404,095	404,095
Parks	-	-	-	283,857	283,857
ARPA Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>391</u>	<u>391</u>
Subtotal	<u>-</u>	<u>1,491,600</u>	<u>2,884,735</u>	<u>688,343</u>	<u>5,064,678</u>
<b>Committed to:</b>					
Police reserve	-	-	-	13,559	13,559
Special events	-	-	-	2,442	2,442
Other activities	-	-	-	163,042	163,042
Police seized asset forfeitures	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,505</u>	<u>16,505</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,548</u>	<u>195,548</u>
<b>Assigned to:</b>					
Capital projects	<u>-</u>	<u>-</u>	<u>336,219</u>	<u>-</u>	<u>336,219</u>
Subtotal	<u>-</u>	<u>-</u>	<u>336,219</u>	<u>-</u>	<u>336,219</u>
<b>Unassigned:</b>					
	<u>2,318,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,318,914</u>
Total fund balances	<u><u>\$ 2,578,531</u></u>	<u><u>\$ 1,491,600</u></u>	<u><u>\$ 3,220,954</u></u>	<u><u>\$ 883,891</u></u>	<u><u>\$ 8,174,976</u></u>

# City of Mequon

Notes to Financial Statements  
December 31, 2021

## Business-Type Activities

Net investment in capital assets:	
Land	\$ 19,125
Construction in progress	628,706
Other capital assets, net of accumulated depreciation	72,988,563
Less Long-term debt outstanding	(24,254,017)
Plus unspent capital related debt proceeds	2,593,957
Plus Unamortized loss on advance refunding	<u>370,042</u>
Total net investment in capital assets	<u>\$ 52,346,376</u>

## 4. Other Information

### Employees' Retirement System

#### Plan Description

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

#### 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 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.

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.

# City of Mequon

Notes to Financial Statements  
December 31, 2021

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## 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>
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)
2020	1.7	21.0

## City of Mequon

Notes to Financial Statements  
December 31, 2021

### 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 \$801,173 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

### Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported an asset of \$4,300,969 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.06889114 percent, which was an increase of 0.00110678 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense of \$(491,521).

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,224,823	\$ 1,340,815
Changes in assumptions	97,554	-
Net differences between projected and actual earnings on pension plan investments	-	8,074,720
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,531	6,906
Employer contributions subsequent to the measurement date	<u>843,522</u>	<u>-</u>
Total	<u>\$ 7,183,430</u>	<u>\$ 9,422,441</u>

## City of Mequon

Notes to Financial Statements  
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\$843,522 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, 2022. Other amounts reported as deferred outflows of resources and 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>
2022	\$ (796,934)
2023	(211,581)
2024	(1,457,922)
2025	(616,096)

### Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
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, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

## City of Mequon

Notes to Financial Statements  
December 31, 2021

### 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:

<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
Global Equities	51 %	7.2 %	4.7 %
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.3
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
<b>Variable Fund Asset Class</b>			
US Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4 percent.  
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

### Single Discount Rate

A single discount rate of 7.00 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 2.00 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, 2020. 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 investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



## City of Mequon

Notes to Financial Statements  
December 31, 2021

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

The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension 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>
City's proportionate share of the net pension liability (asset)	\$ 4,093,926	\$ (4,300,969)	\$ (10,466,958)

### 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>.

At December 31, 2021, the City reported a payable to the pension plan \$149,966 which represents contractually required contributions outstanding as of the end of the year.

### Risk Management

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

### 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.

From time to time, the City 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 City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City 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.

### Joint Ventures

#### Mequon-Thiensville Joint Library

The City of Mequon and the Village of Thiensville jointly operate the Frank L. Weyenberg Library of Mequon-Thiensville, which is called the Weyenberg Library (Library) and provides library services.

## City of Mequon

Notes to Financial Statements  
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The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the Library. The City is obligated by the joint venture agreement to remit an amount annually to the Library. The City made a payment to the Library of \$1,058,000 in 2021.

Financial information of the Library as of December 31, 2021 is available directly from the Library's office.

The City accounts for its share of the operation in the general fund. The City has an equity interest in the organization equal to its percentage share of participation. The equity interest relative to financial assets is reported in the general fund.

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

### Mid-Moraine Municipal Court

The sixteen communities of Ozaukee and Washington Counties jointly operate the local municipal court, which is called the Mid-Moraine Municipal Court and provides non-criminal citation processing.

The communities share in the annual operation of the municipal court based on the joint venture agreement as follows:

<u>Municipality</u>	<u>% Expenses Paid</u>
City of Cedarburg	4.30 %
Village of Grafton	4.94
Village of Thiensville	2.07
City of West Bend	21.56
Village of Germantown	9.82
City of Hartford	11.92
Village of Kewaskum	4.08
Village of Slinger	7.66
Village of Jackson	7.03
City of Port Washington	6.60
Village of Saukville	6.54
Town of Hartford	0.44
City of Mequon	11.08
Town of Trenton	0.84
Village of Fredonia	0.59
Village of Newburg	0.53
Total	<u>100.00 %</u>

The governing committee is made up of citizens from each community. Local representatives are appointed by the chief executive officer of each community. The committee recommends its own budget which is ratified by each community member. The committee also controls the financial affairs of the courts.

Financial information of the court as of December 31, 2021 is available directly from the municipal court in West Bend, Wisconsin.

The City of Mequon does not have an equity interest in the Mid-Moraine Municipal Court.

# City of Mequon

Notes to Financial Statements  
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## Other Postemployment Benefits

### General Information about the OPEB Plan

#### Plan Description

The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Common Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

#### Benefits Provided

For non-represented employees (including command staff), the RBP provides monthly contributions towards the premium in the amount of the group health insurance coverage for the plan in effect on January 1, 2013. For each ten days of accumulated unused sick leave (up to 180 days), the RBP will provide one month of medical coverage. For police employees, the RBP provides monthly contributions towards the premium in the amount of the group health insurance coverage for the plan currently in effect. For each ten days of accumulated unused sick leave (up to 180 days), the RBP will provide one month of family medical coverage subject to the employer maximum payment condition. The contribution is based upon the same employer contribution for active employees (currently 88 percent).

#### Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	34
Active plan members	<u>114</u>
Total	<u><u>148</u></u>

#### Total OPEB Liability

The City's total OPEB liability of \$823,066 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

#### Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.75%
Inflation	2.25
Salary increases	4.0%
Healthcare cost trend rates	6.50% decreasing by 0.10% per year down to 5.00%, and level thereafter

The discount rate was based on all years of projected payments discounted at a municipal bond rate of 2.25 percent.

## City of Mequon

Notes to Financial Statements  
December 31, 2021

Mortality rates were based on the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60 percent).

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study 2015-17.

### Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2020	\$ 993,224
Changes for the year:	
Service cost	46,851
Interest	24,308
Changes in assumptions or other inputs	24,147
Benefit payments	<u>(265,464)</u>
Net changes	<u>(170,158)</u>
Balances at December 31, 2021	<u>\$ 823,066</u>

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

	<u>1% Decrease 1.25%</u>	<u>Discount Rate</u>	<u>1% Increase 3.25%</u>
Total OPEB liability	\$ 872,841	\$ 823,066	\$ 775,307

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower ( 5.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (7.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	<u>1% Decrease (5.5% decreasing to 4.0%)</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase (7.5% decreasing to 6.0%)</u>
Total OPEB liability	\$ 754,998	\$ 823,066	\$ 903,085

## City of Mequon

Notes to Financial Statements  
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### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized negative OPEB expense of \$170,158. At December 31, 2021, the City 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	\$ 102,556	\$ 374,299
Changes of assumptions or other inputs	<u>67,568</u>	<u>-</u>
Total	<u>\$ 170,124</u>	<u>\$ 374,299</u>

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>Amount</u>
2022	\$ (34,720)
2023	(34,720)
2024	(34,720)
2025	(34,720)
2026	(34,720)
Thereafter	<u>(30,575)</u>
Total	<u>\$ (204,175)</u>

### 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 Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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.

## City of Mequon

Notes to Financial Statements  
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### 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, 2021 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:

<u>Life Insurance Member Contribution Rates For the Plan Year</u>		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
34-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$3,207 in contributions from the employer.

# City of Mequon

Notes to Financial Statements  
December 31, 2021

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

At December 31, 2021, the City reported a liability of \$884,687 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 City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.16083100 percent, which was an decrease of 0.01343500 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2021, the City recognized OPEB expense of \$96,961.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 42,213
Net differences between projected and actual earnings on OPEB plan investments	12,880	-
Changes in assumptions	344,155	60,701
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	47,186
Employer contributions subsequent to the measurement date	<u>2,917</u>	<u>-</u>
Total	<u>\$ 359,952</u>	<u>\$ 150,100</u>

\$2,917 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	\$ 39,234
2022	37,841
2023	36,406
2024	32,564
2025	44,006
Thereafter	16,884

## City of Mequon

Notes to Financial Statements  
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### Actuarial Assumptions

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability:	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
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, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

### 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, 2020

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u> %	<u>Long-Term</u> <u>Expected</u> <u>Geometric Real</u> <u>Rate of Return %</u>
US Credit Bonds	Barclays Credit	50 %	1.47 %
US Mortgages	Barclays MBS	50	0.82
Inflation			2.20
Long-Term Expected Rate of Return			4.25



## City of Mequon

Notes to Financial Statements  
December 31, 2021

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25 percent and 2.20 percent, respectively. 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 2.25 percent was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.87 percent for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74 percent as of December 31, 2019 to 2.12 percent as of December 31, 2020. 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.

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

The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 2.25 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	<b>1% Decrease to Discount Rate (1.25%)</b>	<b>Current Discount Rate (2.25%)</b>	<b>1% Increase to Discount Rate (3.25%)</b>
City's proportionate share of the net OPEB liability	<u>\$ 1,203,427</u>	<u>\$ 884,687</u>	<u>\$ 643,633</u>

At December 31, 2021, the City reported a payable to the OPEB plan of \$884,687, which represents contractually required contributions outstanding as of the end of the year.

The aggregate amount of OPEB expense is \$267,119 for the two plans.

### Single-Employer Defined Benefit Pension Plan

#### Plan Description

The City reports a single employer defined benefit pension plan (the Stipend Plan). The plan is administered by the City and provides eligible employees with two full working days (three for the Fire Chief and police employees if retiring due to illness or injury) of pay for each year of continuous service, up to 30 years with the City. The rate of pay shall be determined by the employee's regular rate as of January 1, 2012 except for police as to which the rate of pay shall be determined by the employee's regular rate as of the date of their retirement. Benefit provisions are established through contractual agreements with employee groups, local ordinances, or employee benefit groups and may be amended through the Common Council.

## City of Mequon

Notes to Financial Statements  
December 31, 2021

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At December 31, 2021, the plan's membership consisted of:

Retirees and beneficiaries	8
Inactive, non-retired members	41
Active members	<u>35</u>
Total	<u><u>84</u></u>

The City paid \$45,012 for pension benefits as they came due during the reporting period. The City is funding these benefits on a pay-as-you-go basis. Pension expense was \$20,219.

### Changes in Total Pension Liability

The City's change in total pension liability for the fiscal year ended December 31, 2021 was as follows:

	<u>Total Pension Liability</u>
Beginning of Year Balance	\$ 426,268
Service cost	26,108
Interest on total pension liability	11,462
Changes of assumptions or other input	8,718
Benefit payments	<u>(45,012)</u>
End of Year Balance	<u><u>\$ 427,544</u></u>

### Assumptions

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

Measurement Date:	December 31, 2020
Actuarial Valuation Date:	December 31, 2019
Inflation:	2.56%
Salary Changes:	3.00% plus merit increases ranging from 0.4% to 4.8% depending on years of service
Discount Rate:	2.25%
Source of Discount Rate:	Bond Buyer Go 20-Year AA Bond Index
Dates of Experience Studies:	Wisconsin Retirement System Experience from 2015-2017

## City of Mequon

Notes to Financial Statements  
December 31, 2021

### Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following is a sensitivity analysis of the total pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the current discount rate of 2.25 percent as well as what the total pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (1.25 percent) or 1 percentage point higher (3.25) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$445,167	\$427,544	\$410,197

At December 31, 2021, the City 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	\$ 8,010	\$ 25,688
Changes in assumptions	<u>24,777</u>	<u>-</u>
Total	<u>\$ 32,787</u>	<u>\$ 25,688</u>

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>
2022	\$ (1,937)
2023	(1,937)
2024	(1,937)
2025	(1,937)
2026	(1,790)
Thereafter	16,637

The aggregate amount of pension expense is \$(471,302) for the two plans.

### Subsequent Event

On March 24, 2022 the City issued general obligation promissory notes in the amount of \$9,490,000 with an interest rate of 2.0-3.0 percent. This amount will be used for public works projects.

## Tax Abatement

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

The City is disclosing all abatement agreements individually.

The City through its Tax Incremental Financing District (TID) No. 3 has entered into a tax abatement agreement with a developer in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plan. The developer pays property taxes as they become due, and after meeting the criteria established in the development agreement, is entitled to a future incentive payment that directly correlates to the taxes paid. The incentive is calculated based on a fixed annual payment of \$25,270 for 13 years and the developer commitment includes that the project will result in a minimum value of \$3,000,000. Incentive payments for the year ended December 31, 2021 were \$25,270. The remaining obligation under this agreement as of December 31, 2021 is \$172,686.

The City through its Tax Incremental Financing District (TID) No. 5 has entered into a tax abatement agreement with a developer in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plan. The developer pays property taxes as they become due, and after meeting the criteria established in the development agreement, is entitled to a future incentive payment that directly correlates to the taxes paid. The incentive is calculated based on annual payments and the developer commitment includes that the project will result in a minimum value of \$1,555,100. Incentive payments for the year ended December 31, 2021 were \$29,634. The remaining obligation under this agreement as of December 31, 2021 is \$223,107.

The City through its Tax Incremental Financing District (TID) No. 5 has entered into a tax abatement agreement with a developer in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plan. The developer pays property taxes as they become due, and after meeting the criteria established in the development agreement, is entitled to a future incentive payment that directly correlates to the taxes paid. The incentive is calculated based on annual payments and the developer commitment includes that the project will result in a minimum value of \$1,500,000. Incentive payments for the year ended December 31, 2021 were \$10,566. The remaining obligation under this agreement as of December 31, 2021 is \$-.

The City through its Tax Incremental Financing Districts (TID) No. 3 has entered into a tax abatement agreement with a developer in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plans. The developer pays property taxes as they become due, and after meeting the criteria established in the development agreement, is entitled to a future incentive payment that directly correlates to the taxes paid. The incentive is calculated based on annual payments and the developer commitment includes that the project will result in a minimum value of \$8,000,000. Incentive payments for the year ended December 31, 2021 were \$0. The remaining obligation under this agreement as of December 31, 2021 is \$647,427.

### 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. 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**

## City of Mequon

Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual - General Fund  
Year Ended December 31, 2021

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 11,744,633	\$ 11,744,633	\$ 11,834,064	\$ 89,431
Intergovernmental	2,196,729	2,196,729	2,216,055	19,326
Licenses and permits	876,850	876,850	1,111,185	234,335
Fines, forfeitures and penalties	1,016,500	1,016,500	929,686	(86,814)
Public charges for services	344,950	344,950	796,458	451,508
Investment Income	135,000	135,000	2,507	(132,493)
Other general revenue	<u>1,196,684</u>	<u>1,196,684</u>	<u>611,348</u>	<u>(585,336)</u>
Total revenues	<u>17,511,346</u>	<u>17,511,346</u>	<u>17,501,303</u>	<u>(10,043)</u>
<b>Expenditures</b>				
Current:				
General government	2,952,614	3,042,614	3,149,700	(107,086)
Public safety	9,256,596	9,166,596	8,872,957	293,639
Public works	3,125,591	3,125,591	2,974,261	151,330
Culture, recreation and education	1,702,395	1,702,395	1,668,942	33,453
Conservation and development	<u>474,150</u>	<u>474,150</u>	<u>512,135</u>	<u>(37,985)</u>
Total expenditures	<u>17,511,346</u>	<u>17,511,346</u>	<u>17,177,995</u>	<u>333,351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>323,308</u>	<u>323,308</u>
<b>Other Financing Uses</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(231,215)</u>	<u>(231,215)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>92,093</u>	<u>\$ 92,093</u>
<b>Fund Balance, Beginning</b>			<u>2,486,438</u>	
<b>Fund Balance, Ending</b>			<u>\$ 2,578,531</u>	

See notes to required supplementary information

## City of Mequon

### Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System Year Ended December 31, 2021

<u>WRS Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/14	0.06193554%	\$ (1,521,306)	\$ 7,251,806	20.98%	102.74%
12/31/15	0.06304942%	1,024,541	7,970,262	12.85%	98.20%
12/31/16	0.06450043%	531,637	7,966,468	6.67%	99.12%
12/31/17	0.06660325%	(1,977,529)	7,966,469	24.76%	102.93%
12/31/18	0.06721460%	2,391,284	8,109,538	29.49%	96.45%
12/31/19	0.06778436%	(2,185,677)	8,445,497	25.88%	102.96%
12/31/20	0.06889114%	(4,300,969)	8,806,723	48.84%	105.26%

### Schedule of Employer Contributions - Wisconsin Retirement System Year Ended December 31, 2021

<u>City Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 649,417	\$ 649,417	\$ -	\$ 7,970,262	8.15%
12/31/16	641,381	641,381	-	7,966,468	8.05%
12/31/17	716,787	716,787	-	7,966,469	9.00%
12/31/18	743,538	743,538	-	8,109,538	9.17%
12/31/19	739,213	739,213	-	8,445,499	8.75%
12/31/20	814,933	814,933	-	8,806,723	9.25%
12/31/21	843,522	843,522	-	8,998,348	9.37%

See notes to required supplementary information



**City of Mequon**

Schedule of Changes in the Total Pension Liability  
 Single Employer Defined Benefit Pension Plan  
 Year Ended December 31, 2021

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Total Pension Liability</b>					
Service cost	\$ 23,234	\$ 23,234	\$ 22,532	\$ 20,899	\$ 26,108
Interest	17,854	17,888	15,480	16,314	11,462
Changes in benefit terms	-	-	-	4,153	-
Difference between expected and actual experience	-	(42,816)	-	10,012	-
Changes in assumptions	-	4,504	(8,854)	17,785	8,718
Benefit payments	<u>(51,040)</u>	<u>(29,321)</u>	<u>(45,012)</u>	<u>(80,578)</u>	<u>(45,012)</u>
Net change in total pension liability	(9,952)	(26,511)	(15,854)	(11,415)	1,276
<b>Total Pension Liability, Beginning</b>	<u>490,000</u>	<u>480,048</u>	<u>453,537</u>	<u>437,683</u>	<u>426,268</u>
<b>Total Pension Liability, Ending</b>	<u>\$ 480,048</u>	<u>\$ 453,537</u>	<u>\$ 437,683</u>	<u>\$ 426,268</u>	<u>\$ 427,544</u>

Schedule of the Total Pension Liability and Covered-Employee Payroll  
 Single Employer Defined Benefit Pension Plan  
 Year Ended December 31, 2021

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Total Pension Liability</b>	\$ 480,048	\$ 453,537	\$ 437,683	\$ 426,268	\$ 427,544
<b>Covered-employee payroll</b>	\$ 5,829,406	\$ 5,474,769	\$ 5,474,769	\$ 7,751,248	\$ 7,751,248
<b>Total pension liability as a percentage of covered-employee payroll</b>	8.23%	8.28%	7.99%	5.50%	5.52%

**Notes to schedule:**

The City is required to present the last ten years of data, however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Accumulation of assets.* No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

*Benefit changes.* None.

*Changes of assumptions.* Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017. A discount rate of 2.75% was used for this study compared to the previous study that used a rate of 2.50%

**City of Mequon**

Schedule of Changes in the Total OPEB Liability and Related Ratios  
 OPEB Plan  
 Year Ended December 31, 2021

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 90,779	\$ 90,779	\$ 54,099	\$ 50,090	\$ 46,851
Interest	66,810	70,572	31,065	32,945	24,308
Changes in benefit terms	-	(344,930)	-	-	-
Difference between expected and actual experience	-	(623,831)	-	128,196	-
Changes in assumptions	-	(92,918)	(25,581)	57,294	24,147
Benefit payments	<u>(58,561)</u>	<u>(55,998)</u>	<u>(95,323)</u>	<u>(147,754)</u>	<u>(265,464)</u>
Net change in total OPEB liability	99,028	(956,326)	(35,740)	120,771	(170,158)
<b>Total OPEB Liability, Beginning</b>	<u>1,765,491</u>	<u>1,864,519</u>	<u>908,193</u>	<u>872,453</u>	<u>993,224</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 1,864,519</u>	<u>\$ 908,193</u>	<u>\$ 872,453</u>	<u>\$ 993,224</u>	<u>\$ 823,066</u>
Covered-employee payroll	\$ 6,750,611	\$ 7,402,010	\$ 7,402,010	\$ 7,751,248	\$ 7,751,248
Total OPEB liability as a percentage of covered-employee payroll	27.62%	12.27%	11.79%	12.81%	10.62%

**Notes to schedule:**

The City is required to present the last ten years of data, however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Benefit changes.* None.

*Accumulation of assets.* No assets have been accumulated in a trust that meets the criteria in GASB Statement No. 75.

*Changes of assumptions.* Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017.

A schedule of employer contributions has not been presented because an actuarially determined contribution for the city has not been determined.  
 A discount rate of 2.75% was used for this study compared to the previous study that used a rate of 2.50%

**City of Mequon**

Schedule of Proportionate Share of the Net OPEB Liability -

Local Retiree Life Insurance Fund

Year Ended December 31, 2021

<u>WRS Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
12/31/17	0.17754800%	\$ 534,167	\$ 7,466,401	7.15%	44.81%
12/31/18	0.17551600%	452,891	8,109,538	5.54%	48.69%
12/31/19	0.17426600%	742,059	8,476,000	8.75%	37.58%
12/31/20	0.16083100%	884,687	8,503,000	10.40%	31.36%

Schedule of Employer Contributions - Local Retiree Life Insurance Fund

Year Ended December 31, 2021

<u>City Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/18	\$ 3,384	\$ 3,384	\$ -	\$ 8,109,538	0.04%
12/31/19	3,446	3,446	-	8,445,499	0.04%
12/31/20	3,162	3,162	-	8,806,723	0.04%
12/31/21	2,917	2,917	-	8,998,348	0.04%

See notes to required supplementary information

## City of Mequon

Notes to Required Supplementary Information  
December 31, 2021

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### **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. Management may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action. Budget to actual comparisons at the department level are presented on page 84 as supplementary information.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the object level of expenditure. The legal or statutory level of budgetary control is established at the level in which the budget is published for the budget hearing.

### **Wisconsin Retirement System Pension**

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of 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 Wisconsin Retirement System.

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

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

The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many year as are available until ten fiscal years are presented.

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

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

**SUPPLEMENTARY INFORMATION**

# City of Mequon

Schedule of Expenditures - Budget and Actual -  
 General Fund  
 Year Ended December 31, 2021

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Current</b>				
General Government:				
Common Council	\$ 77,582	\$ 77,582	\$ 84,915	\$ (7,333)
Personnel	360,435	360,435	328,891	31,544
City Administrator	277,432	277,432	311,014	(33,582)
City Clerk	331,321	331,321	308,947	22,374
Elections	37,753	37,753	96,799	(59,046)
Information services	334,767	334,767	365,636	(30,869)
Finance	451,813	451,813	473,864	(22,051)
Assessor	345,166	345,166	354,436	(9,270)
Legal counsel	100,307	100,307	108,291	(7,984)
Building maintenance	636,038	726,038	716,906	9,132
Total general government	<u>2,952,614</u>	<u>3,042,614</u>	<u>3,149,699</u>	<u>(107,085)</u>
Public Safety:				
Police	5,749,036	5,749,036	5,630,150	118,886
Fire protection	2,287,392	2,197,392	2,109,236	88,156
Communications	690,002	690,002	623,983	66,019
Police reserve	4,861	4,861	3,858	1,003
Inspections	525,305	525,305	505,730	19,575
Total public safety	<u>9,256,596</u>	<u>9,166,596</u>	<u>8,872,957</u>	<u>293,639</u>
Public Works:				
Fleet services	517,278	517,278	525,255	(7,977)
Engineering	581,150	581,150	520,113	61,037
Highway	1,999,217	1,999,217	1,905,674	93,543
Recycling	27,946	27,946	23,219	4,727
Total public works	<u>3,125,591</u>	<u>3,125,591</u>	<u>2,974,261</u>	<u>151,330</u>
Community Enrichment Services:				
Library	1,058,000	1,058,000	977,000	81,000
Swimming pool	101,363	101,363	110,361	(8,998)
Parks	543,032	543,032	581,582	(38,550)
Total community enrichment services	<u>1,702,395</u>	<u>1,702,395</u>	<u>1,668,943</u>	<u>33,452</u>
Conservation and Development:				
Planning	474,150	474,150	512,135	(37,985)
Total conservation and development	<u>474,150</u>	<u>474,150</u>	<u>512,135</u>	<u>(37,985)</u>
Total expenditures	<u>\$ 17,511,346</u>	<u>\$ 17,511,346</u>	<u>\$ 17,177,995</u>	<u>\$ 333,351</u>

# City of Mequon

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2021

	<u>Special Revenue Funds</u>				<b>Total Nonmajor Governmental Funds</b>
	<u>Park Fund</u>	<u>Revolving Loan Fund</u>	<u>Other Committed Funds</u>	<u>ARPA Fund</u>	
<b>Assets</b>					
Cash and investments	\$ 288,207	\$ 405,295	\$ 195,574	\$ 1,235,736	\$ 2,124,812
Receivables:					
Loans	<u>-</u>	<u>311,447</u>	<u>-</u>	<u>-</u>	<u>311,447</u>
Total assets	<u>\$ 288,207</u>	<u>\$ 716,742</u>	<u>\$ 195,574</u>	<u>\$ 1,235,736</u>	<u>\$ 2,436,259</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ -	\$ 1,200	\$ 26	\$ -	\$ 1,226
Deposits	4,350	-	-	-	4,350
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,235,345</u>	<u>1,235,345</u>
Total liabilities	<u>4,350</u>	<u>1,200</u>	<u>26</u>	<u>1,235,345</u>	<u>1,240,921</u>
Deferred Inflows of Resources:					
Unavailable revenues	<u>-</u>	<u>311,447</u>	<u>-</u>	<u>-</u>	<u>311,447</u>
Fund Balances:					
Restricted	283,857	404,095	-	391	688,343
Committed	<u>-</u>	<u>-</u>	<u>195,548</u>	<u>-</u>	<u>195,548</u>
Total fund balances	<u>283,857</u>	<u>404,095</u>	<u>195,548</u>	<u>391</u>	<u>883,891</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 288,207</u>	<u>\$ 716,742</u>	<u>\$ 195,574</u>	<u>\$ 1,235,736</u>	<u>\$ 2,436,259</u>

## City of Mequon

Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balances  
Nonmajor Governmental Funds  
Year Ended December 31, 2021

	<b>Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>Park Fund</b>	<b>Revolving Loan Fund</b>	<b>Other Committed Funds</b>	<b>ARPA Fund</b>	
<b>Revenues</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ 40,670	\$ 40,670
Public charges for services	53,783	-	26	-	53,809
Investment income (loss)	55	205,375	(202)	391	205,619
Miscellaneous revenues	-	-	6,808	-	6,808
	<u>53,838</u>	<u>205,375</u>	<u>6,632</u>	<u>41,061</u>	<u>306,906</u>
Total revenues					
<b>Expenditures</b>					
Current:					
Public safety	-	-	35,867	40,670	76,537
Community enrichment services	23,184	-	430	-	23,614
Conservation and development	-	103,481	-	-	103,481
	<u>23,184</u>	<u>103,481</u>	<u>36,297</u>	<u>40,670</u>	<u>203,632</u>
Total expenditures					
Excess of revenues over expenditures	<u>30,654</u>	<u>101,894</u>	<u>(29,665)</u>	<u>391</u>	<u>103,274</u>
<b>Other Financing Sources</b>					
Transfers in	-	-	2,500	-	2,500
	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Net change in fund balances	30,654	101,894	(27,165)	391	105,774
<b>Fund Balances, Beginning</b>	<u>253,203</u>	<u>302,201</u>	<u>222,713</u>	<u>-</u>	<u>778,117</u>
<b>Fund Balances, Ending</b>	<u><u>\$ 283,857</u></u>	<u><u>\$ 404,095</u></u>	<u><u>\$ 195,548</u></u>	<u><u>\$ 391</u></u>	<u><u>\$ 883,891</u></u>



## City of Mequon

Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual - Debt Service Fund  
Year Ended December 31, 2021

	<u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 5,142,040	\$ 5,290,780	\$ 148,740
Investment income	<u>8,950</u>	<u>953</u>	<u>(7,997)</u>
Total revenues	<u>5,150,990</u>	<u>5,291,733</u>	<u>140,743</u>
<b>Expenditures</b>			
Debt service:			
Principal	3,150,000	3,150,000	-
Interest and fiscal charges	<u>572,290</u>	<u>572,390</u>	<u>(100)</u>
Total expenditures	<u>3,722,290</u>	<u>3,722,390</u>	<u>(100)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,428,700</u>	<u>1,569,343</u>	<u>140,643</u>
<b>Other Financing Sources</b>			
Debt issued	35,930	-	(35,930)
Transfers in	<u>4,600</u>	<u>-</u>	<u>(4,600)</u>
Net change in fund balance	<u>\$ 1,469,230</u>	1,569,343	<u>\$ 100,113</u>
<b>Fund Balance (Deficit), Beginning</b>		<u>(77,743)</u>	
<b>Fund Balance, Ending</b>		<u>\$ 1,491,600</u>	

# **STATISTICAL SECTION**

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# CITY OF MEQUON

## Statistical Section

This part of the City of Mequon's Comprehensive Annual Financial Report (CAFR) presents additional information intended to provide a better understanding of what the information in the financial statements note disclosures, and the required supplementary information, indicates about the overall financial well being of the City.

### Contents

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue new debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

*Sources: Unless otherwise noted, the information in these schedules is obtained from the annual financial reports for the given year.*

**CITY OF MEQUON**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**

Table 1

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017**</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 21,415,193	\$ 20,244,055	\$ 20,105,141	\$ 16,159,417	\$ 17,083,161	\$ 19,537,989	\$ 21,767,611	\$ 22,015,781	\$ 23,811,511	\$ 25,978,177
Restricted	5,516,016	1,799,470	1,067,412	2,277,291	995,817	767,466	2,585,210	1,047,981	3,043,786	9,293,962
Unrestricted (deficit)	(93,988)	4,386,175	2,176,255	5,878,837	6,560,049	3,706,834	2,084,209	4,734,730	3,300,294	1,967
Total governmental activities net position	<u>\$ 26,837,221</u>	<u>\$ 26,429,700</u>	<u>\$ 23,348,808</u>	<u>\$ 24,315,545</u>	<u>\$ 24,639,027</u>	<u>\$ 24,012,289</u>	<u>\$ 26,437,030</u>	<u>\$ 27,798,492</u>	<u>\$ 30,155,591</u>	<u>\$ 35,274,106</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 27,667,737	\$ 30,059,026	\$ 30,361,789	\$ 37,426,354	\$ 38,624,081	\$ 40,433,327	\$ 41,396,535	\$ 43,744,757	\$ 46,465,099	\$ 52,346,376
Restricted	273,879	301,144	329,024	410,727	375,150	319,156	436,074	355,442	493,330	1,516,891
Unrestricted (deficit)	(5,018,302)	(3,599,573)	(1,300,683)	1,159,223	4,120,966	5,601,571	8,131,319	9,215,244	10,449,997	9,138,960
Total business-type activities net position	<u>\$ 22,923,314</u>	<u>\$ 26,760,597</u>	<u>\$ 29,390,130</u>	<u>\$ 38,996,304</u>	<u>\$ 43,120,197</u>	<u>\$ 46,354,054</u>	<u>\$ 49,963,928</u>	<u>\$ 53,315,443</u>	<u>\$ 57,408,426</u>	<u>\$ 63,002,227</u>
<b>Primary Government</b>										
Net investment in capital assets	* \$ 48,044,434	\$ 50,303,081	\$ 49,428,434	\$ 52,547,275	\$ 55,707,242	\$ 59,971,316	\$ 63,164,146	\$ 65,760,538	\$ 70,276,610	\$ 78,324,553
Restricted	5,789,895	2,100,614	1,396,436	2,688,018	1,370,967	1,086,622	3,021,284	1,403,423	3,537,116	10,810,853
Unrestricted (deficit)	* (4,073,794)	786,602	1,914,068	8,076,556	10,681,015	9,308,405	10,215,528	13,949,974	13,750,291	9,140,927
Total primary government net position	<u>\$ 49,760,535</u>	<u>\$ 53,190,297</u>	<u>\$ 52,738,938</u>	<u>\$ 63,311,849</u>	<u>\$ 67,759,224</u>	<u>\$ 70,366,343</u>	<u>\$ 76,400,958</u>	<u>\$ 81,113,935</u>	<u>\$ 87,564,017</u>	<u>\$ 98,276,333</u>

\* Includes an adjustment for utility assets financed with governmental activities debt

\*\* The City implemented GASB Statement No. 73 and No. 75 effective January 1, 2017

Info from Statement of Net Position

**CITY OF MEQUON  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

<b>Expenses</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Governmental Activities:</b>										
General Government	\$ 2,578,452	\$ 2,561,910	\$ 2,866,025	\$ 2,827,161	\$ 2,926,703	\$ 2,780,944	\$ 2,698,859	\$ 2,902,503	\$ 2,698,961	\$ 2,934,899
Public Safety	6,951,642	7,155,872	7,180,846	7,658,522	8,568,616	8,489,852	8,238,012	9,380,627	8,843,804	8,382,307
Public Works	6,445,104	6,807,814	7,097,071	6,510,601	5,590,695	4,808,412	5,276,583	5,838,630	5,821,246	5,862,578
Public Health	1,930	4,211	3,606	2,692	1,667	6,926	1,160	-	-	-
Community Enrichment	1,886,522	1,991,055	2,051,348	1,832,803	1,760,253	1,846,292	2,193,244	2,029,714	1,966,429	1,804,298
Conservation & Development	556,569	431,959	2,194,912	1,963,424	635,097	650,285	855,566	885,179	1,694,734	904,916
Interest & Fiscal Charges	859,007	766,527	785,985	916,642	1,174,400	751,539	783,933	872,978	814,496	311,821
<b>Total government activities expense</b>	<b>19,279,226</b>	<b>19,719,348</b>	<b>22,179,793</b>	<b>21,711,845</b>	<b>20,657,431</b>	<b>19,334,250</b>	<b>20,047,357</b>	<b>21,909,631</b>	<b>21,839,670</b>	<b>20,200,819</b>
<b>Business-type Activities:</b>										
Water Utility	\$ 2,258,364	\$ 2,251,136	\$ 2,252,945	\$ 2,448,115	\$ 2,563,582	\$ 2,492,821	\$ 2,617,761	\$ 2,511,031	\$ 2,469,727	\$ 2,661,692
Sewer Utility	8,394,444	8,215,337	8,339,805	9,052,567	8,990,263	9,172,956	9,810,571	10,373,965	9,137,871	9,018,900
<b>Total business-type activities expense</b>	<b>10,652,808</b>	<b>10,466,473</b>	<b>10,592,750</b>	<b>11,500,682</b>	<b>11,553,845</b>	<b>11,665,777</b>	<b>12,428,332</b>	<b>12,884,996</b>	<b>11,607,598</b>	<b>11,680,592</b>
<b>Total Primary Government Expense</b>	<b>\$ 29,932,034</b>	<b>\$ 30,185,821</b>	<b>\$ 32,772,543</b>	<b>\$ 33,212,527</b>	<b>\$ 32,211,276</b>	<b>\$ 31,000,027</b>	<b>\$ 32,475,689</b>	<b>\$ 34,794,627</b>	<b>\$ 33,447,268</b>	<b>\$ 31,881,411</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services	\$ 3,035,119	\$ 3,024,230	\$ 3,114,438	\$ 3,172,991	\$ 3,497,183	\$ 3,274,750	\$ 3,610,457	\$ 3,526,506	\$ 3,422,717	\$ 3,892,194
Operating Grants and Contributions	1,446,983	1,559,021	1,699,459	1,984,048	1,931,549	1,626,650	1,916,352	2,355,607	1,941,753	1,827,033
Capital Grants and Contributions	511,194	330,906	37,592	122,435	653,730	152,056	684,896	31,152	85,105	68,710
<b>Total governmental activities program revenues</b>	<b>4,993,296</b>	<b>4,914,157</b>	<b>4,851,489</b>	<b>5,279,474</b>	<b>6,082,462</b>	<b>5,053,456</b>	<b>6,211,705</b>	<b>5,913,265</b>	<b>5,449,575</b>	<b>5,787,937</b>
<b>Business-type activities:</b>										
Charges for Services	\$ 5,836,210	\$ 5,896,086	\$ 6,325,368	\$ 6,141,213	\$ 6,409,901	\$ 6,474,127	\$ 6,963,042	\$ 7,078,425	\$ 7,230,375	\$ 7,634,851
Operating Grants and Contributions	-	-	-	-	-	301,029	94,183	15,960	-	-
Capital Grants and Contributions	208,726	2,228,424	250,456	7,733,127	2,034,162	753,121	1,155,325	903,468	1,197,090	2,518,287
<b>Total business-type activities program revenues</b>	<b>6,044,936</b>	<b>8,124,510</b>	<b>6,575,824</b>	<b>13,874,340</b>	<b>8,444,063</b>	<b>7,528,277</b>	<b>8,212,550</b>	<b>7,997,853</b>	<b>8,427,465</b>	<b>10,153,138</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 11,038,232</b>	<b>\$ 13,038,667</b>	<b>\$ 11,427,313</b>	<b>\$ 19,153,814</b>	<b>\$ 14,526,525</b>	<b>\$ 12,581,733</b>	<b>\$ 14,424,255</b>	<b>\$ 13,911,118</b>	<b>\$ 13,877,040</b>	<b>\$ 15,941,075</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(14,285,930)	(14,805,191)	(17,328,304)	(16,432,371)	(14,574,969)	(14,280,794)	(13,835,652)	(15,996,366)	(16,390,095)	(14,412,882)
Business-type Activities	(4,607,872)	(2,341,963)	(4,016,926)	2,373,658	(3,109,782)	(4,137,500)	(4,215,782)	(4,887,143)	(3,180,133)	(1,527,454)
<b>Total Primary Government Net Expense</b>	<b>\$ (18,893,802)</b>	<b>\$ (17,147,154)</b>	<b>\$ (21,345,230)</b>	<b>\$ (14,058,713)</b>	<b>\$ (17,684,751)</b>	<b>\$ (18,418,294)</b>	<b>\$ (18,051,434)</b>	<b>\$ (20,883,509)</b>	<b>\$ (19,570,228)</b>	<b>\$ (15,940,336)</b>

**CITY OF MEQUON  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

**General Revenues and Other changes in Net Position**

Governmental Activities:

Property Taxes	\$ 13,260,969	\$ 13,489,588	\$ 13,599,333	\$ 13,712,286	\$ 14,160,513	\$ 14,854,309	\$ 15,314,922	\$ 15,961,194	\$ 17,191,975	\$ 18,693,415
Intergov'tl Revenues Not Restricted to Specific Programs	551,045	585,891	520,889	483,431	606,519	461,761	612,054	875,062	509,311	552,895
Public Gifts and Grants	-	-	-	-	-	-	9,496	26,290	101,414	19,046
Investment Income	109,478	56,705	111,539	71,707	93,214	91,353	170,494	323,828	282,252	231,307
Miscellaneous	53,488	25,682	15,651	79,054	38,205	91,752	153,427	101,496	662,242	34,734
Gain on Sale of Capital Assets	45,479	239,804	-	65,000	-	-	-	69,958	-	-
<b>Total Governmental Activities</b>	<u>14,020,459</u>	<u>14,397,670</u>	<u>14,247,412</u>	<u>14,411,478</u>	<u>14,898,451</u>	<u>15,499,175</u>	<u>16,260,393</u>	<u>17,357,828</u>	<u>18,747,194</u>	<u>19,531,397</u>

Business-type Activities:

Property Taxes	6,960,399	6,645,737	6,573,910	7,066,677	7,190,003	7,268,822	7,452,593	7,692,408	7,078,676	7,110,670
Investment Income	20,214	5,369	8,063	14,976	42,067	59,664	362,909	497,314	189,924	(5,571)
Miscellaneous	<u>1,278</u>	<u>27,407</u>	<u>64,486</u>	<u>18,243</u>	<u>1,605</u>	<u>406,047</u>	<u>10,154</u>	<u>53,645</u>	<u>4,516</u>	<u>16,156</u>
<b>Total Business-type Activities</b>	<u>6,981,891</u>	<u>6,678,513</u>	<u>6,646,459</u>	<u>7,099,896</u>	<u>7,233,675</u>	<u>7,734,533</u>	<u>7,825,656</u>	<u>8,243,367</u>	<u>7,273,116</u>	<u>7,121,255</u>
<b>Total Primary Government</b>	<u>\$ 21,002,350</u>	<u>\$ 21,076,183</u>	<u>\$ 20,893,871</u>	<u>\$ 21,511,374</u>	<u>\$ 22,132,126</u>	<u>\$ 23,233,708</u>	<u>\$ 24,086,049</u>	<u>\$ 25,601,195</u>	<u>\$ 26,020,310</u>	<u>\$ 26,652,652</u>

**Change in Net Position**

Governmental Activities	(265,471)	(407,521)	(3,080,892)	(2,020,893)	323,482	1,218,381	2,424,741	1,361,462	2,357,099	5,118,515
Business-type Activities	<u>2,374,019</u>	<u>4,336,550</u>	<u>2,629,533</u>	<u>9,473,554</u>	<u>4,123,893</u>	<u>3,442,868</u>	<u>3,609,874</u>	<u>3,356,224</u>	<u>4,092,983</u>	<u>5,593,801</u>
<b>Total Primary Government</b>	<u>\$ 2,108,548</u>	<u>\$ 3,929,029</u>	<u>\$ (451,359)</u>	<u>\$ 7,452,661</u>	<u>\$ 4,447,375</u>	<u>\$ 4,661,249</u>	<u>\$ 6,034,615</u>	<u>\$ 4,717,686</u>	<u>\$ 6,450,082</u>	<u>\$ 10,712,316</u>

**CITY OF MEQUON**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Non-spendable	\$ 4,014	\$ 179,218	\$ 595,505	\$ 559,000	\$ 190,177	\$ 222,046	\$ 191,360	\$ 232,092	\$ 173,884	\$ 259,617
Restricted	14,621	10,410	6,804	9,043	7,377	451	-	-	-	-
Assigned	186,000	286,000	301,000	301,500	701,500	651,500	-	-	-	-
Unassigned	<u>3,092,712</u>	<u>3,571,508</u>	<u>2,534,313</u>	<u>2,499,862</u>	<u>2,248,092</u>	<u>1,751,946</u>	<u>2,127,163</u>	<u>2,251,246</u>	<u>2,312,554</u>	<u>2,318,914</u>
<b>Total General Fund</b>	<u>3,297,347</u>	<u>4,047,136</u>	<u>3,437,622</u>	<u>3,369,405</u>	<u>3,147,146</u>	<u>2,625,943</u>	<u>2,318,523</u>	<u>2,483,338</u>	<u>2,486,438</u>	<u>2,578,531</u>
<b>All Other Governmental Funds</b>										
Non-spendable	-	-	753,750	-	-	-	-	-	-	-
Restricted	5,287,651	7,282,804	3,099,716	3,830,472	4,102,539	943,502	939,091	2,209,049	1,579,466	5,064,678
Committed	161,555	162,079	164,009	2,406,525	189,672	209,162	245,087	849,180	222,713	195,548
Assigned	2,398,957	2,397,020	1,493,283	182,466	2,565,453	2,174,664	-	3,922,374	3,026,066	336,219
Unassigned	<u>(398,750)</u>	<u>(567,319)</u>	<u>(545,298)</u>	<u>(511,223)</u>	<u>(527,237)</u>	<u>(772,603)</u>	<u>1,736,447</u>	<u>(678,020)</u>	<u>(77,743)</u>	<u>-</u>
<b>Total All Other Governmental Funds</b>	<u>7,449,413</u>	<u>9,274,584</u>	<u>4,965,460</u>	<u>5,908,240</u>	<u>6,330,427</u>	<u>2,554,725</u>	<u>2,920,625</u>	<u>6,302,583</u>	<u>4,750,502</u>	<u>5,596,445</u>
<b>Total Fund Balances</b>	<u>\$ 10,746,760</u>	<u>\$ 13,321,720</u>	<u>\$ 8,403,082</u>	<u>\$ 9,277,645</u>	<u>\$ 9,477,573</u>	<u>\$ 5,180,668</u>	<u>\$ 5,239,148</u>	<u>\$ 8,785,921</u>	<u>\$ 7,236,940</u>	<u>\$ 8,174,976</u>

The City implemented GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions in 2011. This statement establishes new fund balance classifications, which are based primarily on the extent to which the City is bound to observe constraints on the use of the resources reported in governmental funds. As a result of implementing this standard, the fund balance categories used beginning in 2011 are not directly comparable to the fund balance categories used prior to 2011.



**CITY OF MEQUON**  
**CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

Table 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 13,260,969	\$ 13,489,588	\$ 13,599,333	\$ 13,712,286	\$ 14,160,513	\$ 14,854,309	\$ 15,314,922	\$ 15,941,941	\$ 17,191,976	\$ 18,693,416
Intergovernmental Revenues	2,533,394	1,947,547	2,118,275	2,174,623	2,436,368	2,137,470	2,503,748	3,189,179	2,533,207	2,335,157
Licenses & Permits	1,257,439	1,273,998	1,378,270	1,322,093	1,455,967	1,497,568	1,573,748	1,565,059	1,403,824	1,111,185
Fines, Forfeitures and Penalties	183,561	184,068	190,347	167,015	240,345	221,269	231,307	219,554	149,638	929,686
Public Charges for Services	1,315,941	1,489,731	1,602,653	1,682,838	1,825,212	1,556,486	1,765,925	1,769,439	1,455,313	944,138
Intergovernmental Charges for Services	-	-	-	-	-	-	-	-	-	-
Special Assessments	-	-	1,895	66,674	33,156	30,793	-	40,445	30,490	23,514
Investment Income	108,638	60,715	119,292	102,244	119,876	100,920	233,780	382,602	282,252	231,308
Other Revenues	119,871	386,589	69,804	127,201	87,132	188,390	194,536	151,691	705,481	618,756
<b>Total Revenues</b>	<b>18,779,813</b>	<b>18,832,236</b>	<b>19,079,869</b>	<b>19,354,974</b>	<b>20,358,569</b>	<b>20,587,205</b>	<b>21,817,966</b>	<b>23,259,910</b>	<b>23,752,181</b>	<b>24,887,160</b>
<b>Expenditures</b>										
<b>Current</b>										
General Government	2,469,334	2,386,454	2,679,908	2,636,148	2,740,072	2,693,991	2,681,516	2,765,802	3,266,926	3,149,699
Public Safety	6,550,281	6,651,414	6,767,586	7,108,172	7,550,543	7,617,243	7,763,196	8,361,409	8,321,663	8,949,494
Public Works	3,162,346	3,142,843	3,290,198	3,261,237	3,282,736	3,265,774	3,066,293	3,210,284	2,926,942	2,974,261
Public Health	1,930	4,211	3,606	2,692	1,667	6,926	1,160	-	-	-
Community Enrichment	1,661,202	1,807,428	1,846,667	1,778,292	1,755,805	1,796,970	1,894,031	1,921,220	1,969,988	1,692,557
Conservation and Development	556,569	393,109	411,582	412,059	471,934	473,213	431,984	462,723	733,858	615,616
Capital Outlay	1,766,282	1,987,197	3,040,656	3,329,073	9,213,544	4,975,254	1,613,850	3,255,985	2,713,365	2,222,123
<b>Debt Service</b>										
Principal	1,534,554	3,141,988	2,061,994	2,220,000	2,540,000	3,050,000	3,140,000	3,100,000	9,331,520	3,150,000
Interest and Fiscal Charges	807,696	934,751	833,039	835,175	996,576	1,013,703	842,886	803,373	924,542	572,390
Payment to WRS for Unfunded Liability	1,355,819	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>19,866,013</b>	<b>20,449,395</b>	<b>20,935,236</b>	<b>21,582,848</b>	<b>28,552,877</b>	<b>24,893,074</b>	<b>21,434,916</b>	<b>23,880,796</b>	<b>30,188,804</b>	<b>23,326,140</b>
Excess of Revenues										
Over/(Under) Expenditures	(1,086,200)	(1,617,159)	(1,855,367)	(2,227,874)	(8,194,308)	(4,305,869)	383,050	(620,886)	(6,436,623)	1,561,020

**CITY OF MEQUON  
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

Table 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources/(Uses)										
Transfers In	147,463	29,497	639,000	404	-	-	-	-	10,000	231,215
Transfers Out	(147,463)	(29,497)	(639,000)	(404)	-	-	-	-	(10,000)	(231,215)
Debt										
General obligation debt issued	-	3,710,000	-	5,740,000	8,905,000	-	-	5,035,000	-	-
Refunding debt issued	-	1,280,000	-	-	-	-	-	-	5,900,000	-
Refunded general obligation debt	-	-	-	-	-	-	-	-	-	-
Discount on debt issued	-	-	-	-	-	-	-	-	-	-
Premium on debt issued	-	151,717	-	237,972	197,652	-	-	275,242	312,114	-
Proceeds of capital leases	-	-	-	-	-	-	-	-	-	-
Proceeds of capital leases	-	-	219,929	604,191	130,454	-	-	-	73,372	-
Sale of capital assets	45,479	258,782	51,928	70,965	56,625	60,288	84,907	69,958	58,712	105,600
Total Other Financing Sources/(Uses)	45,479	5,400,499	271,857	6,653,128	9,289,731	60,288	84,907	5,380,200	6,344,198	105,600
Net Change in Fund Balances	<u>\$ (1,040,721)</u>	<u>\$ 3,783,340</u>	<u>\$ (1,583,510)</u>	<u>\$ 4,425,254</u>	<u>\$ 1,095,423</u>	<u>\$ (4,245,581)</u>	<u>\$ 467,957</u>	<u>\$ 4,759,314</u>	<u>\$ (92,425)</u>	<u>\$ 1,666,620</u>
Debt Service as a % of non-capital expenditures	21.15%	21.82%	15.28%	16.75%	14.02%	20.40%	20.09%	18.93%	37.33%	17.64%

**CITY OF MEQUON, WISCONSIN**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

Table 5

Fiscal Year	Taxes		Inter-Governmental		Licenses, Permits, Fines, Forfeitures and Penalties		Public Charges for Services		Investment Income		Other Revenues		Total Revenues							
2012	\$	13,260,969	70.6%	\$	2,533,394	13.5%	\$	1,257,439	6.7%	\$	1,315,941	7.0%	\$	108,638	0.6%	\$	303,432	1.6%	\$	18,779,813
2013		13,489,588	71.6%		1,947,547	10.3%		1,458,066	7.7%		1,489,731	7.9%		60,715	30.0%		386,589	2.1%		18,832,236
2014		13,599,333	71.3%		2,118,275	11.1%		1,568,617	8.2%		1,602,653	8.4%		119,292	0.6%		71,699	0.4%		19,079,869
2015		13,712,286	70.8%		2,174,623	11.2%		1,489,108	7.7%		1,682,838	8.7%		102,244	0.5%		193,875	1.0%		19,354,974
2016		14,160,513	69.6%		2,436,368	12.0%		1,696,312	8.3%		1,825,212	9.0%		119,876	0.6%		120,288	0.6%		20,358,569
2017		14,854,309	72.2%		2,137,470	10.4%		1,718,837	8.3%		1,556,486	7.6%		100,920	0.5%		219,183	1.1%		20,587,205
2018		15,314,922	70.2%		2,503,748	11.5%		1,805,055	8.3%		1,765,925	8.1%		233,780	1.1%		194,536	0.9%		21,817,966
2019		15,941,941	68.5%		3,189,179	13.7%		1,784,613	7.7%		1,769,439	7.6%		382,602	1.6%		192,136	0.8%		23,259,910
2020		17,191,976	72.4%		2,533,207	10.7%		1,553,462	6.5%		1,455,313	6.1%		282,252	1.2%		735,971	3.1%		23,752,181
2021		18,693,416	75.1%		2,335,157	9.4%		2,040,871	8.2%		944,138	3.8%		231,308	0.9%		642,270	2.6%		24,887,160

Includes General, Special Revenue, Debt Service, and Capital Project Funds. Since 2010, certain revenues have been reclassified.

**CITY OF MEQUON, WISCONSIN**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Table 6

Fiscal Year	General Government		Public Safety		Public Works		Community Enrichment		Capital Outlays		Debt Service		Total Expenditures
2012	\$ 2,471,264	12.2%	\$ 6,550,281	32.3%	\$ 3,162,346	15.6%	\$ 2,217,771	10.9%	\$ 2,194,148	10.8%	\$ 3,698,069	18.2%	\$ 20,293,879
2013	2,386,454	11.0%	6,651,414	30.7%	3,142,843	14.5%	2,204,748	10.2%	3,195,577	14.8%	4,076,739	18.8%	21,657,775
2014	2,679,908	11.0%	6,767,586	27.8%	3,290,198	13.5%	2,261,855	9.3%	6,427,077	26.4%	2,895,033	11.9%	24,321,657
2015	2,636,148	10.5%	7,108,172	28.3%	3,261,237	13.0%	2,193,043	8.7%	6,879,764	27.4%	3,055,175	12.2%	25,133,539
2016	2,740,072	9.3%	7,550,543	25.6%	3,282,736	11.1%	2,229,406	7.6%	10,109,039	34.3%	3,536,576	12.0%	29,448,372
2017	2,693,991	10.8%	7,617,243	30.5%	3,265,774	13.1%	2,277,109	9.1%	5,026,578	20.2%	4,063,703	16.3%	24,944,398
2018	2,681,516	12.3%	7,763,196	35.5%	3,066,293	14.0%	2,327,175	10.7%	2,023,327	9.3%	3,982,886	18.2%	21,844,393
2019	2,765,802	11.0%	8,361,409	33.3%	3,210,284	12.8%	2,383,943	9.5%	4,468,526	17.8%	3,903,373	15.6%	25,093,337
2020	3,266,926	10.3%	8,321,663	26.3%	2,926,942	9.2%	2,703,846	8.5%	4,169,921	13.2%	10,256,062	32.4%	31,645,360
2021	3,149,699	13.1%	8,949,494	37.2%	2,974,261	12.4%	2,308,173	9.6%	2,950,707	12.3%	3,722,390	15.5%	24,054,724

Includes General, Special Revenue, Debt Service, and Capital Project Funds.

Public Health and Conservation and Development expenditures are reported under General Government in this schedule.

\*\*Make sure formulas pulled down correctly - Information from Table 4

**CITY OF MEQUON  
 ASSESSED AND EQUALIZED VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

Table 7

Levy Year	Fiscal Year	Real Property		Personal Property		Total		Net Tax Rate M-T SD	Net Tax Rate Cedarburg SD	Ratio of Assessed to Equalized Value
		Assessed Value	Equalized Value	Assessed Value	Equalized Value	Assessed Value	Equalized Value			
2011	2012	\$ 4,238,554,800	\$ 4,043,965,700	\$ 59,695,260	\$ 51,865,000	\$ 4,298,250,060	\$ 4,095,830,700	15.43	14.32	104.83%
2012	2013	4,240,369,050	3,908,363,100	51,407,900	63,804,400	4,291,776,950	3,972,167,500	15.47	14.36	108.81%
2013	2014	4,262,904,650	3,887,126,100	70,198,200	62,342,400	4,333,102,850	3,949,468,500	15.50	14.84	109.83%
2014	2015	4,307,459,260	4,060,808,700	74,219,200	65,952,800	4,381,678,460	4,126,761,500	14.82	13.97	106.26%
2015	2016	4,367,465,300	4,284,684,700	66,892,120	77,044,000	4,434,357,420	4,361,728,700	14.84	14.65	101.67%
2016	2017	4,421,334,200	4,410,741,800	75,091,540	68,167,900	4,496,425,740	4,478,909,700	14.98	14.35	100.39%
2017	2018	4,470,466,700	4,528,827,400	76,198,600	81,665,900	4,546,665,300	4,610,493,300	13.96	12.92	98.62%
2018	2019	4,634,113,860	4,748,202,700	63,001,160	49,654,300	4,697,115,020	4,797,857,000	14.30	13.27	96.59%
2019	2020	4,625,646,400	4,968,591,800	69,360,960	80,203,300	4,695,007,360	5,048,795,100	13.93	13.18	92.99%
2020	2021	4,684,679,700	5,160,524,700	67,789,030	71,906,300	4,752,468,730	5,232,431,000	14.15	13.34	90.83%
2021	2022	5,323,796,900	5,328,057,400	70,968,480	75,092,900	5,394,765,380	5,403,150,300	13.74	11.63	99.84%

Source: "Statistical Report of Property Valuations" Published by Bureau of Property Tax, Wisconsin Department of Revenue

**CITY OF MEQUON, WISCONSIN  
COMPARATIVE TAX RATES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS  
PROPERTIES WITHIN THE MEQUON-THIENSVILLE SCHOOL DISTRICT  
LAST TEN FISCAL YEARS**

**PER \$1,000 OF ASSESSED VALUE**

Levy Year	Collection Year	State of Wisconsin	Ozaukee County	City of Mequon	Sewer Utility	M-T Schools	MATC	Total	State School Credit	Net Tax Rate	Assessed Valuation
2012	2013	\$ 0.1565	\$ 1.7036	\$ 3.0414	\$ 1.7854	\$ 8.2186	\$ 1.9532	\$ 16.86	\$ 1.39	\$ 15.47	\$ 4,289,391,450
2013	2014	0.1553	1.7699	3.0863	1.4951	8.1902	1.9412	16.6380	1.3200	15.3180	4,314,641,750
2014	2015	0.1598	1.7673	3.0612	1.8924	8.0397	1.1964	16.1168	1.2904	14.8264	4,381,678,460
2015	2016	0.1669	1.8058	3.0741	1.9126	8.0808	1.2367	16.2771	1.4389	14.8381	4,434,357,420
2016	2017	0.1690	1.7968	3.1498	1.8921	8.1219	1.2549	16.3844	1.4032	14.9812	4,496,425,740
2017	2018	-	1.8230	3.1612	1.9331	8.1800	1.2751	16.3724	1.5226	14.8498	4,526,766,000
2018	2019	-	1.8296	3.2068	1.9728	7.9971	1.2687	16.2751	1.4960	14.7791	4,612,885,960
2019	2020	-	1.8300	3.2809	1.8100	8.2634	1.2724	16.4566	1.4753	14.9813	4,672,228,560
2020	2021	-	1.7578	3.4357	1.8105	8.7590	1.2667	17.0296	1.4458	15.5839	4,729,646,230
2021	2022	-	1.5014	3.0780	1.6244	7.8263	1.0110	15.0412	1.2777	13.7634	5,394,765,380

**PER \$1,000 OF EQUALIZED VALUE**

Levy Year	Collection Year	State of Wisconsin	Ozaukee County	City of Mequon	Sewer Utility	M-T Schools	MATC	Total	State School Credit	Net Tax Rate	Equalized Valuation
2012	2013	\$ 0.1703	\$ 1.8537	\$ 3.3093	\$ 1.9427	\$ 8.9427	\$ 2.1252	\$ 18.3440	\$ 1.5117	\$ 16.8323	\$ 3,972,167,500
2013	2014	0.1706	1.9439	3.3897	1.6421	8.9953	2.1320	18.2735	1.4498	16.8238	3,949,468,500
2014	2015	0.1698	1.8779	3.2528	2.0108	8.5430	1.2713	17.1257	1.3711	15.7546	4,126,761,500
2015	2016	0.1697	1.8359	3.1253	1.9445	8.2154	1.2573	16.5481	1.4629	15.0852	4,361,728,700
2016	2017	0.1697	1.8038	3.1621	1.8995	8.1537	1.2598	16.4485	1.4087	15.0398	4,478,909,700
2017	2018	-	1.7978	3.1174	1.9063	8.0667	1.2574	16.1457	1.5015	14.6442	4,610,493,300
2018	2019	-	1.7672	3.0974	1.9054	7.7242	1.2254	15.7196	1.4449	14.2747	4,797,857,000
2019	2020	-	1.7018	3.0510	1.6831	7.6844	1.1832	15.3035	1.3719	13.9315	5,048,795,100
2020	2021	-	1.5966	3.1205	1.6444	7.9555	1.1505	15.4675	1.3132	14.1544	5,232,431,000
2021	2022	-	1.4991	3.0732	1.6219	7.8142	1.0094	15.0178	1.2758	13.7421	5,403,150,300

\*\*Assessed Value from Statement of Assessment - available in Audit folder

\*\*Equalized Value from Levy Certificates <https://www.revenue.wi.gov/Pages/SLF/EqualizedValue.asp>

Use (2020) Tax Information TAX.11 Mill Rate Worksheet in Audit folder - Assessed

State school credit <https://www.co.ozaukee.wi.us/DocumentCenter/View/698/Tax-Rates-by-Jurisdictions?bidId=>

**CITY OF MEQUON, WISCONSIN**  
**COMPARATIVE TAX RATES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS**  
**PROPERTIES WITHIN THE CEDARBURG SCHOOL DISTRICT**  
**LAST TEN FISCAL YEARS**

Table 9

**PER \$1,000 OF ASSESSED VALUE**

Levy Year	Collection Year	State of Wisconsin	Ozaukee County	City of Mequon	Cedarburg Schools	MATC	Total	State School Credit	Net Tax Rate	Assessed Valuation
2011	2012	\$ 0.1617	\$ 1.6864	\$ 3.0360	\$ 9.0496	\$ 1.8543	\$ 15.7880	\$ 1.4630	\$ 14.3250	\$ 18,577,500
2012	2013	0.1565	1.7036	3.0414	8.8914	1.9532	15.7461	1.3893	14.3568	18,432,700
2013	2014	0.1553	1.7699	3.0863	9.2681	1.9412	16.2208	1.3200	14.9008	18,461,100
2014	2015	0.1598	1.7673	3.0612	9.0800	1.1964	15.2647	1.2904	13.9744	19,253,600
2015	2016	0.1669	1.8058	3.0740	9.8011	1.2367	16.0846	1.4389	14.6456	19,247,300
2016	2017	0.1690	1.7968	3.1498	9.3852	1.2549	15.7556	1.4032	14.3524	19,753,500
2017	2018	-	1.8230	3.1612	9.2276	1.2751	15.4868	1.5226	13.9642	19,899,300
2018	2019	-	1.8296	3.2068	8.9058	1.2687	15.2110	1.4960	13.7150	21,227,900
2019	2020	-	1.8300	3.2088	9.1617	1.2724	15.4729	1.4753	13.9976	22,778,800
2020	2021	-	1.7578	3.4357	9.6580	1.2667	16.1182	1.4458	14.6724	23,135,200
2021	2022	-	1.5014	3.0780	7.3107	1.0110	12.9011	1.2777	11.6234	26,710,500

**PER \$1,000 OF EQUALIZED VALUE**

Levy Year	Collection Year	State of Wisconsin	Ozaukee County	City of Mequon	Cedarburg Schools	MATC	Total	State School Credit	Net Tax Rate	Equalized Valuation
2011	2012	\$ 0.1695	\$ 1.7679	\$ 3.1826	\$ 9.4867	\$ 1.9438	\$ 16.5505	\$ 1.5337	\$ 15.0169	\$ 17,721,549
2012	2013	0.1703	1.8537	3.3093	9.6748	2.1252	17.1333	1.5117	15.6216	16,940,263
2013	2014	0.1706	1.9439	3.3897	10.1792	2.1320	17.8153	1.4498	16.3655	16,808,795
2014	2015	0.1698	1.8779	3.2528	9.6484	1.2713	16.2203	1.3711	14.8492	18,119,330
2015	2016	0.1697	1.8359	3.1252	9.9643	1.2573	16.3524	1.4629	14.8895	18,932,056
2016	2017	0.1697	1.8038	3.1621	9.4219	1.2598	15.8173	1.4087	14.4086	19,676,549
2017	2018	-	1.8068	3.1331	9.1455	1.2637	15.3491	1.5091	13.8400	20,077,942
2018	2019	-	1.7705	3.1032	8.6182	1.2277	14.7196	1.4476	13.2720	20,978,646
2019	2020	-	1.7226	3.0205	8.6241	1.1977	14.5650	1.3887	13.1762	23,155,791
2020	2021	-	1.5977	3.1227	8.7782	1.1513	14.6500	1.3141	13.3359	25,402,043
2021	2022	-	1.5027	3.0807	7.3171	1.0119	12.9123	1.2789	11.6335	26,293,550

\*\*Assessed Value from Statement of Assessment - available in Audit folder TAX.6

\*\*Equalized Value from Tax Levy Certificates

**CITY OF MEQUON, WISCONSIN**  
**TEN LARGEST TAXPAYERS - 2021**

Name of Taxpayer	Nature of Business	Assessed Value	Net Taxes Paid	Percent of Total Taxes Levied
Newcastle Place, LLC	Sr Retirement Community	\$ 49,071,600	\$ 675,335	0.85%
Centro Bradley Spe 1, LLC	Commercial	35,123,200	483,357	0.61%
Mmac 150 Aurora, LLC	Healthcare	28,795,900	396,272	0.50%
Mequon Spur 16, LLC	Mixed Use	25,654,300	353,032	0.44%
11430 N Port Washington Road, LLC	Healthcare	24,097,500	331,606	0.42%
Foxtown Apartments, LLC	Apartments	20,091,300	276,467	0.35%
5401 W Donges Bay Owner L P	Commercial	19,396,000	266,897	0.33%
Rl Mequon, LLC	Mixed Use	16,679,700	229,511	0.29%
St Marys Hospital of Milwaukee	Healthcare	15,859,900	218,228	0.27%
Mequon Reserve, LLC	Apartments	15,606,500	214,740	0.27%
		<u>\$ 250,375,900</u>	<u>\$ 3,445,444</u>	4.32%

Source: City of Mequon Assessment and Tax Rolls - from assessing dept.

**TEN LARGEST TAXPAYERS - 2012**

Name of Taxpayer	Nature of Business	Assessed Value	Net Taxes Paid	Percent of Total Taxes Levied
Centro Bradley SPE 1 LLP	Shopping Center	\$ 30,633,000	\$ 473,815	0.72%
HTA Wisconsin	Office Building	18,257,100	282,367	0.43%
KTR WIS II, LLC	Manufacturing	18,503,700	278,702	0.43%
St. Mary's Hospital	Medical Clinic	14,649,200	200,769	0.31%
Centerpoint Property Trust	Manufacturing	11,774,700	182,088	0.28%
Vogel Real Estate, LLC	Commercial	8,754,400	135,344	0.21%
SNH FM Financing	Hotel	8,684,300	134,282	0.20%
Newcastle Place	Apartments	8,672,300	134,096	0.20%
B & G Realty	Commercial	8,307,200	128,448	0.20%
Mequon Joint Venture	Commercial	8,188,900	126,618	0.19%
		<u>\$ 136,424,800</u>	<u>\$ 2,076,529</u>	3.17%

Source: City of Mequon Assessment and Tax Rolls



**CITY OF MEQUON, WISCONSIN**  
**TEN LARGEST EMPLOYERS - 2021**

Name of Employer	Product/Service	Approximate Number of Employees
Concordia University Wisconsin	Post-secondary education	1,057
Rockwell Automation	General Purpose machinery manufacturer	1,000
Charter Manufacturing	Steel & cast iron components manufacturer	911
Ascension Columbia St. Mary's	Health care	659
School District of Mequon-Thiensville	Elementary and secondary education	509
Kleen Test Products	Contract manufacturer and packager	300
HB Performance Systems	Manufacturer of braking systems	250
Metro-Mart	Grocery store	200
City of Mequon	Municipal government and services	154
Aurora Advanced Health Care	Health care	111

Source: Infogroup, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development

**TEN LARGEST EMPLOYERS - 2012**

Name of Employer	Product/Service	Approximate Number of Employees
Mequon-Thiensville School District	Elementary and secondary education	439
HB Performance Systems	Industrial Brakes and cylinders	320
City of Mequon	Municipal government and services	230
Milwaukee Area Technical College	Higher Education	185
North Shore Country Club	Private Country Club	180
Highland at Newcastle Place	Elderly Healthcare	171
SPI Lighting	Commercial indirect lighting equipment	140
Piggly Wiggly	Grocery Store	128
Johnson Level and Tools	Manufacturer of measuring tools	100
Granit Microsystems	Computer design and integration	92

**CITY OF MEQUON**  
**PROPERTY TAX LEVIES & COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Levy Year	Collection Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2011	2012	\$ 13,049,595	\$ 13,024,446	99.81%	\$ 423	\$ 13,024,869	99.81%
2012	2013	13,101,821	13,048,291	99.59%	5,836	13,054,127	99.64%
2013	2014	13,202,145	13,178,023	99.82%	19,533	13,197,556	99.97%
2014	2015	13,357,908	13,334,800	99.83%	18,077	13,352,877	99.96%
2015	2016	13,522,527	13,508,263	99.89%	2,124	13,510,387	99.91%
2016	2017	13,988,232	13,945,014	99.69%	35,908	13,980,922	99.95%
2017	2018	14,161,287	14,115,909	99.68%	3,286	14,119,195	99.70%
2018	2019	14,863,013	14,820,000	99.71%	17,522	14,837,522	99.83%
2019	2020	14,994,497	14,933,337	99.59%	-	14,933,337	99.59%
2020	2021	15,759,673	15,697,453	99.61%	-	15,697,453	99.61%

**CITY OF MEQUON  
HISTORY OF ASSESSED VALUES  
LAST TEN FISCAL YEARS**

REAL ESTATE	2012 R.E. ASSESSED VALUE	2013 R.E. ASSESSED VALUE	2014 R.E. ASSESSED VALUE	2015 R.E. ASSESSED VALUE	2016 R.E. ASSESSED VALUE	2017 R.E. ASSESSED VALUE	2018 R.E. ASSESSED VALUE	2019 R.E. ASSESSED VALUE	2020 R.E. ASSESSED VALUE	2021 R.E. ASSESSED VALUE
<b>RESIDENTIAL</b>										
LAND	\$ 1,258,885,650	\$ 1,260,254,050	\$ 1,259,185,650	\$ 1,259,227,200	\$ 1,260,035,900	\$ 1,267,062,600	\$ 1,275,073,200	\$ 1,286,181,300	\$ 1,287,623,600	\$ 1,332,205,800
IMP.	2,340,713,100	2,362,968,200	2,383,313,510	2,423,856,700	2,446,799,800	2,469,753,400	2,509,516,500	2,536,140,800	2,564,513,000	3,023,166,600
TOTAL	<u>3,599,598,750</u>	<u>3,623,222,250</u>	<u>3,642,499,160</u>	<u>3,683,083,900</u>	<u>3,706,835,700</u>	<u>3,736,816,000</u>	<u>3,784,589,700</u>	<u>3,822,322,100</u>	<u>3,852,136,600</u>	<u>4,355,372,400</u>
<b>COMMERCIAL</b>										
LAND	160,556,700	159,697,800	161,202,800	162,990,200	166,242,500	168,413,300	172,498,700	176,798,900	178,288,900	199,748,800
IMP.	364,192,800	363,306,600	389,061,100	407,396,900	434,053,500	452,495,800	494,374,300	510,179,300	539,048,400	637,663,200
TOTAL	<u>524,749,500</u>	<u>523,004,400</u>	<u>550,263,900</u>	<u>570,387,100</u>	<u>600,296,000</u>	<u>620,909,100</u>	<u>666,873,000</u>	<u>686,978,200</u>	<u>717,337,300</u>	<u>837,412,000</u>
<b>MANUFACTURING</b>										
LAND	18,704,400	18,901,800	18,329,900	17,409,600	18,251,500	17,876,400	17,171,800	16,494,300	16,366,400	22,524,700
IMP.	63,624,800	64,278,400	62,592,100	64,447,800	64,568,200	63,240,400	71,409,700	69,477,900	68,707,100	75,927,600
TOTAL	<u>82,329,200</u>	<u>83,180,200</u>	<u>80,922,000</u>	<u>81,857,400</u>	<u>82,819,700</u>	<u>81,116,800</u>	<u>88,581,500</u>	<u>85,972,200</u>	<u>85,073,500</u>	<u>98,452,300</u>
<b>AGRICULTURAL</b>										
LAND/TOTAL	<u>2,196,100</u>	<u>2,186,700</u>	<u>2,198,400</u>	<u>1,396,000</u>	<u>1,383,600</u>	<u>1,519,300</u>	<u>1,548,500</u>	<u>1,553,500</u>	<u>1,553,700</u>	<u>1,659,200</u>
<b>UNDEVELOPED</b>										
LAND/TOTAL	<u>9,860,700</u>	<u>9,793,800</u>	<u>9,717,500</u>	<u>8,952,100</u>	<u>8,965,300</u>	<u>8,980,300</u>	<u>8,930,200</u>	<u>8,265,500</u>	<u>8,227,400</u>	<u>8,659,000</u>
<b>AG FOREST</b>										
LAND/TOTAL	<u>1,699,200</u>	<u>1,698,100</u>	<u>1,771,000</u>	<u>1,771,000</u>	<u>1,672,200</u>	<u>1,672,200</u>	<u>1,672,200</u>	<u>1,616,700</u>	<u>1,575,700</u>	<u>1,631,300</u>
<b>FOREST</b>										
LAND/TOTAL	<u>426,000</u>	<u>426,000</u>	<u>426,000</u>	<u>426,000</u>	<u>426,000</u>	<u>426,000</u>	<u>426,000</u>	<u>426,000</u>	<u>426,000</u>	<u>443,100</u>
<b>OTHER</b>										
LAND	7,873,800	7,873,800	7,912,800	7,912,400	7,591,900	7,591,900	7,345,800	7,345,800	7,132,200	7,200,700
IMP.	11,635,800	11,519,400	11,748,500	11,679,400	11,343,800	11,435,100	11,145,800	11,166,400	11,217,300	12,966,900
TOTAL	<u>19,509,600</u>	<u>19,393,200</u>	<u>19,661,300</u>	<u>19,591,800</u>	<u>18,935,700</u>	<u>19,027,000</u>	<u>18,491,600</u>	<u>18,512,200</u>	<u>18,349,500</u>	<u>20,167,600</u>
<b>TOTAL REAL ESTATE</b>										
LAND	1,460,202,550	1,460,832,050	1,460,744,050	1,460,084,500	1,464,568,900	1,473,542,000	1,484,666,400	1,498,682,000	1,501,193,900	1,574,072,600
IMP.	2,780,166,500	2,802,072,600	2,846,715,210	2,907,380,800	2,956,765,300	2,996,924,700	3,086,446,300	3,126,964,400	3,183,485,800	3,749,724,300
TOTAL	<u>4,240,369,050</u>	<u>4,262,904,650</u>	<u>4,307,459,260</u>	<u>4,367,465,300</u>	<u>4,421,334,200</u>	<u>4,470,466,700</u>	<u>4,571,112,700</u>	<u>4,625,646,400</u>	<u>4,684,679,700</u>	<u>5,323,796,900</u>
<b>TOTAL PERSONAL</b>										
	<u>51,407,900</u>	<u>70,198,200</u>	<u>74,219,200</u>	<u>66,892,120</u>	<u>75,091,540</u>	<u>76,198,600</u>	<u>63,001,160</u>	<u>69,360,960</u>	<u>67,789,030</u>	<u>70,968,480</u>
<b>TOTAL ASSESSED</b>										
	<u>\$ 4,291,776,950</u>	<u>\$ 4,333,102,850</u>	<u>\$ 4,381,678,460</u>	<u>\$ 4,434,357,420</u>	<u>\$ 4,496,425,740</u>	<u>\$ 4,546,665,300</u>	<u>\$ 4,634,113,860</u>	<u>\$ 4,695,007,360</u>	<u>\$ 4,752,468,730</u>	<u>\$ 5,394,765,380</u>

Source: "Statistical Report of Property Valuations" Published by Bureau of Property Tax, Wisconsin Department of Revenue

**CITY OF MEQUON  
HISTORY OF EQUALIZED VALUES  
LAST TEN FISCAL YEARS**

<b>REAL ESTATE</b>	<b>2012 R.E. EQUALIZED VALUE</b>	<b>2013 R.E. EQUALIZED VALUE</b>	<b>2014 R.E. EQUALIZED VALUE</b>	<b>2015 R.E. EQUALIZED VALUE</b>	<b>2016 R.E. EQUALIZED VALUE</b>	<b>2017 R.E. EQUALIZED VALUE</b>	<b>2018 R.E. EQUALIZED VALUE</b>	<b>2019 R.E. EQUALIZED VALUE</b>	<b>2020 R.E. EQUALIZED VALUE</b>	<b>2021 R.E. EQUALIZED VALUE</b>
<b>RESIDENTIAL</b>										
LAND	\$ 1,144,914,300	\$ 1,145,606,200	\$ 1,196,754,300	\$ 1,255,956,400	\$ 1,251,699,600	\$ 1,281,391,700	\$ 1,335,844,600	\$ 1,362,617,800	\$ 1,416,705,200	\$ 1,458,272,200
IMP.	2,155,116,100	2,142,209,900	2,258,054,700	2,386,928,900	2,431,341,400	2,501,686,600	2,600,763,600	2,713,417,300	2,815,487,300	2,928,865,400
TOTAL	3,300,030,400	3,287,816,100	3,454,809,000	3,642,885,300	3,683,041,000	3,783,078,300	3,936,608,200	4,076,035,100	4,232,192,500	4,387,137,600
<b>COMMERCIAL</b>										
LAND	129,575,500	130,072,100	129,280,700	142,509,200	155,787,400	159,511,600	170,610,400	178,275,100	180,267,200	180,250,300
IMP.	373,653,200	363,525,500	371,603,400	390,139,400	462,667,200	478,211,600	517,587,000	590,688,900	621,223,100	628,149,200
TOTAL	503,228,700	493,597,600	500,884,100	532,648,600	618,454,600	637,723,200	688,197,400	768,964,000	801,490,300	808,399,500
<b>MANUFACTURING</b>										
LAND	17,189,300	17,208,600	17,250,200	17,125,000	18,036,700	18,036,700	17,743,700	17,522,400	18,006,500	23,344,800
IMP.	58,470,100	58,520,700	58,904,700	63,394,500	63,808,200	63,808,200	73,788,300	73,808,600	75,593,300	75,861,600
TOTAL	75,659,400	75,729,300	76,154,900	80,519,500	81,844,900	81,844,900	91,532,000	91,331,000	93,599,800	99,206,400
<b>AGRICULTURAL</b>										
LAND/TOTAL	1,297,800	1,247,400	1,228,900	1,238,500	1,686,700	1,512,900	1,539,700	1,565,600	1,654,000	1,674,000
<b>UNDEVELOPED</b>										
LAND/TOTAL	4,523,200	5,216,000	5,166,000	4,963,900	4,175,300	4,493,000	9,055,000	9,230,900	8,641,700	8,727,100
<b>AG FOREST</b>										
LAND/TOTAL	4,056,500	4,068,700	3,817,700	3,612,000	3,533,200	2,685,600	3,375,800	3,336,500	3,494,000	3,493,300
<b>FOREST</b>										
LAND/TOTAL	1,366,400	1,390,800	1,299,500	1,186,500	1,186,500	960,500	1,186,500	1,186,500	1,243,000	1,288,000
<b>OTHER</b>										
LAND	7,665,100	7,630,000	7,227,000	7,260,000	7,062,000	6,390,000	6,390,000	6,547,500	7,348,500	7,023,000
IMP.	10,535,600	10,430,200	10,221,600	10,370,400	9,757,600	10,139,000	10,318,100	10,394,700	10,860,900	11,108,500
TOTAL	18,200,700	18,060,200	17,448,600	17,630,400	16,819,600	16,529,000	16,708,100	16,942,200	18,209,400	18,131,500
<b>TOTAL REAL ESTATE</b>										
LAND	1,310,588,100	1,312,439,800	1,362,024,300	1,433,851,500	1,443,167,400	1,474,982,000	1,545,745,700	1,580,282,300	1,637,360,100	1,684,072,700
IMP.	2,597,775,000	2,574,686,300	2,698,784,400	2,850,833,200	2,967,574,400	3,053,845,400	3,202,457,000	3,388,309,500	3,523,164,600	3,643,984,700
TOTAL	3,908,363,100	3,887,126,100	4,060,808,700	4,284,684,700	4,410,741,800	4,528,827,400	4,748,202,700	4,968,591,800	5,160,524,700	5,328,057,400
<b>TOTAL PERSONAL</b>										
	63,804,400	62,342,400	65,952,800	77,044,000	68,167,900	81,665,900	49,654,300	80,203,300	71,906,300	75,092,900
<b>TOTAL EQUALIZED</b>										
	\$ 3,972,167,500	\$ 3,949,468,500	\$ 4,126,761,500	\$ 4,361,728,700	\$ 4,478,909,700	\$ 4,610,493,300	\$ 4,797,857,000	\$ 5,048,795,100	\$ 5,232,431,000	\$ 5,403,150,300
<b>ASSESSMENT RATIO</b>										
	108.81%	109.83%	106.26%	101.67%	100.39%	98.62%	96.59%	92.99%	90.83%	99.84%

Source: "Statistical Report of Property Valuations" Published by Bureau of Property Tax, Wisconsin Department of Revenue

**CITY OF MEQUON**  
**NET EQUALIZED VALUE OF TAXABLE PROPERTY (AS REDUCED BY TID)**  
**LAST TEN FISCAL YEARS**

Table 14

Levy Year	Fiscal Year	Real Property			Personal Property			Total		Ratio of Assessed to Equalized Value	TID Value Increments	Net Equalized Value (As Reduced by TID)
		Equalized Value	Equalized Value	Equalized Value	Equalized Value	Equalized Value	Equalized Value					
2012	2013	\$ 3,908,363,100	\$ 63,804,400	\$ 3,972,167,500	108.81%	\$ 11,785,700	\$ 3,960,381,800					
2013	2014	3,887,126,100	62,342,400	3,949,468,500	109.83%	12,334,700	3,937,133,800					
2014	2015	4,060,808,700	65,952,800	4,126,761,500	106.26%	16,970,700	4,109,790,800					
2015	2016	4,284,684,700	77,044,000	4,361,728,700	101.67%	15,095,900	4,346,632,800					
2016	2017	4,410,741,800	68,167,900	4,478,909,700	100.39%	55,150,600	4,423,759,100					
2017	2018	4,528,827,400	81,665,900	4,610,493,300	98.62%	67,856,300	4,542,637,000					
2018	2019	4,748,202,700	49,654,300	4,797,857,000	96.59%	80,914,200	4,716,942,800					
2019	2020	4,968,591,800	80,203,300	5,048,795,100	92.99%	134,140,300	4,914,654,800					
2020	2021	5,160,524,700	71,906,300	5,232,431,000	90.83%	182,450,100	5,049,980,900					
2021	2022	5,328,057,400	75,092,900	5,403,150,300	99.84%	168,412,400	5,234,737,900					

Source: "Statistical Report of Property Valuations" Published by Bureau of Property Tax, Wisconsin Department of Revenue

**CITY OF MEQUON, WISCONSIN**  
**ASSESSED AND EQUALIZED VALUATIONS FOR SCHOOL DISTRICTS WITHIN THE CITY**  
**LAST TEN FISCAL YEARS**

Mequon-Thiensville School District					Cedarburg School District			Totals	
As of January 1	Assessed Valuation	Equalized Valuation Without TID	TID Value Increments	Total Equalized Value	Assessed Valuation	Equalized Valuation	Assessed Valuation	Equalized Valuation Without TID	Total Equalized Value
2012	\$ 4,289,391,450	\$ 3,960,381,800	\$ 11,785,700	\$ 3,972,167,500	\$ 18,432,700	\$ 16,940,263	\$ 4,307,824,150	\$ 3,977,322,063	\$ 3,989,107,763
2013	4,314,641,750	3,937,133,800	12,334,700	3,949,468,500	18,461,100	16,808,795	4,333,102,850	3,953,942,595	3,966,277,295
2014	4,362,424,860	4,109,790,800	16,970,700	4,126,761,500	19,253,600	18,119,330	4,381,678,460	4,127,910,130	4,144,880,830
2015	4,415,110,120	4,346,632,800	15,095,900	4,361,728,700	19,247,300	18,932,056	4,434,357,420	4,365,564,856	4,380,660,756
2016	4,476,672,240	4,423,759,100	55,150,600	4,478,909,700	19,753,500	19,676,549	4,496,425,740	4,443,435,649	4,498,586,249
2017	4,526,766,000	4,542,637,000	67,856,300	4,610,493,300	19,899,300	20,077,942	4,546,665,300	4,562,714,942	4,630,571,242
2018	4,612,885,960	4,716,942,800	80,914,200	4,797,857,000	21,227,900	20,978,646	4,634,113,860	4,737,921,446	4,818,835,646
2019	4,672,228,560	4,914,654,800	134,140,300	5,048,795,100	22,778,800	23,155,791	4,695,007,360	4,937,810,591	5,071,950,891
2020	4,729,646,230	5,049,980,900	182,450,100	5,232,431,000	23,135,200	25,402,043	4,752,781,430	5,075,382,943	5,257,833,043
2021	5,394,765,380	5,234,737,900	168,412,400	5,403,150,300	26,710,500	26,293,550	5,421,475,880	5,261,031,450	5,429,443,850

Source: "Statement of Assessments and Tax Levy Certifications from the Mequon-Thiensville School District and School District of Cedarburg"

**CITY OF MEQUON, WISCONSIN**  
**COMPARATIVE TAX LEVIES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

Levy Year	Collection Year	State of Wisconsin	Ozaukee County	City of Mequon	MATC	Mequon-Thien. Schools	Cedarburg Schools	Sewer Utility	Tax Incremental Revenue	Gross Tax Levy
2012	2013	\$ 674,101	\$ 7,338,957	\$ 13,101,821	\$ 8,413,845	\$ 35,252,866	\$ 163,893	\$ 6,544,013	\$ 213,560	\$ 71,703,056
2013	2014	670,249	7,660,519	13,202,145	8,401,902	35,277,251	171,100	6,474,560	225,838	72,083,564
2014	2015	700,336	7,711,888	13,357,908	5,220,552	34,927,646	174,823	7,025,377	287,535	69,406,065
2015	2016	740,212	7,943,686	13,522,527	5,440,218	35,391,666	188,644	7,215,099	502,773	70,944,824
2016	2017	760,098	7,979,502	13,988,227	5,572,955	35,909,626	185,391	7,226,437	793,004	72,415,239
2017	2018	-	8,166,759	14,161,287	5,711,956	36,481,483	183,623	7,406,174	1,076,858	73,188,140
2018	2019	-	8,480,025	14,863,013	5,880,110	36,895,567	189,052	7,775,613	1,248,936	75,332,315
2019	2020	-	8,363,677	14,994,497	5,815,056	37,578,039	208,694	7,033,788	2,018,738	76,012,489
2020	2021	-	8,063,311	15,759,673	5,810,420	39,975,203	223,440	7,063,475	2,777,375	79,672,898
2021	2022	-	7,847,202	16,087,654	5,283,970	40,696,348	195,273	7,213,956	2,488,012	79,812,415

Source: "Statement of Taxes and Tax District Treasurer's Settlements"

**CITY OF MEQUON, WISCONSIN**  
**RATIO OF NET GENERAL OBLIGATION (G.O.) DEBT TO EQUALIZED VALUE**  
**LAST TEN FISCAL YEARS**

As of Dec. 31	Total G.O. Debt Outstanding	Plus: (Discounts)/ Premiums	Less: Funds Available for Debt Service	Net Debt Outstanding	Equalized Value	Statutory Debt Capacity (5% of Equalized Value)	Ratio of Net Debt to Debt Capacity	Population	Net Debt Per Capita	Net Debt Per \$1,000 of Equalized Value
2012	\$ 29,610,000	\$ 267,390	\$ -	\$ 29,877,390	\$ 3,972,167,500	\$ 198,608,375	15.04%	23,226	1,286	7.52
2013	29,875,000	429,850	-	30,304,850	3,949,468,500	197,473,425	15.35%	23,279	1,302	7.67
2014	26,300,000	346,513	-	26,646,513	4,126,761,500	206,338,075	12.91%	23,387	1,139	6.46
2015	29,490,000	554,950	-	30,044,950	4,361,728,700	218,086,435	13.78%	23,946	1,255	6.89
2016	34,220,000	656,388	-	34,876,388	4,478,909,700	223,945,485	15.57%	24,086	1,448	7.79
2017	29,545,000	1,444,562	-	30,989,562	4,610,493,300	230,524,665	13.44%	24,159	1,283	6.72
2018	43,950,000	2,048,845	-	45,998,845	4,797,857,000	239,892,850	19.17%	24,220	1,899	9.59
2019	44,260,000	2,136,479	-	46,396,479	5,048,795,100	252,439,755	18.38%	24,375	1,903	9.19
2020	39,550,000	2,264,293	-	41,814,293	5,232,431,000	261,621,550	15.98%	24,376	1,715	7.99
2021	35,045,000	2,032,130	-	37,077,130	5,403,150,300	270,157,515	13.72%	25,051	1,480	6.86

Source: City of Mequon Annual Financial Reports; State of Wisconsin Department of Administration, Demographic Services Center; and State of Wisconsin Department of Revenue, Bureau of Property Tax.

Note: Equalized value is used in lieu of assessed value, as the statutory debt capacity in Wisconsin is based on equalized value. Total G.O. Debt Outstanding only includes the unamortized premium on the outstanding Sewer Utility debt.



**CITY OF MEQUON**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business Activities			Total Primary Government	Total Property Equalized Value	Debt per \$1,000 of Equalized Value
	General Obligation Bonds/Notes	Tax Increment Project Revenue Bonds Payable	(Discounts)/ Premiums	Capital Leases	General Obligation Bonds/Notes	Revenue Bonds	(Discounts)/ Premiums			
2012	\$ 14,520,000	\$ 6,950,000	\$ -	\$ 145,696	\$ 8,140,000	\$ 15,625,000	\$ 267,390	\$ 45,648,086	\$ 3,972,167,500	11.49
2013	16,415,000	6,950,000	-	98,708	6,510,000	15,050,000	429,850	45,453,558	3,949,468,500	11.51
2014	14,450,000	6,950,000	-	221,643	4,900,000	14,425,000	346,513	41,293,156	4,126,761,500	10.01
2015	18,120,000	6,800,000	237,972	599,808	4,570,000	13,750,000	316,978	44,394,758	4,361,728,700	10.18
2016	24,735,000	6,550,000	426,009	527,341	2,935,000	13,050,000	230,379	48,453,729	4,478,909,700	10.82
2017	21,935,000	6,300,000	394,571	339,022	1,310,000	11,840,000	1,049,991	43,168,584	4,610,493,300	9.36
2018	19,095,000	6,000,000	358,819	179,318	18,855,000	11,040,000	1,690,026	57,218,163	4,797,857,000	11.93
2019	21,380,000	5,650,000	598,308	26,875	17,230,000	10,215,000	1,538,171	56,638,354	5,048,795,100	11.22
2020	17,745,000	5,900,000	875,699	53,727	15,905,000	9,365,000	1,388,594	51,233,020	5,232,431,000	9.79
2021	15,325,000	5,170,000	793,113	36,645	14,550,000	8,465,000	1,239,017	45,578,775	5,403,150,300	8.44

**CITY OF MEQUON  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

Table 19

	Values in thousands of dollars									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Equalized Value of Real and Personal Property	\$ 3,972,167	\$ 3,949,469	\$ 4,126,762	\$ 4,361,729	\$ 4,478,910	\$ 4,610,493	\$ 4,797,857	\$ 5,048,795	\$ 5,232,431	\$ 5,403,150
<b>General Obligation (G.O.) Debt Limit</b>	\$ 198,608	\$ 197,473	\$ 206,338	\$ 218,086	\$ 223,945	\$ 230,525	\$ 239,893	\$ 252,440	\$ 261,622	\$ 270,158
Five (5) Percent of Equalized Valuation per Section 67.03 of the Wisconsin Statutes										
Amount of Debt Applicable to Debt Limitation General Obligation Bonds/Notes	29,610	29,875	26,300	29,490	34,220	29,545	43,950	44,260	39,550	35,045
<b>Net O/S G.O. Debt Applicable to Debt Limitation</b>	\$ 29,610	\$ 29,875	\$ 26,300	\$ 29,490	\$ 34,220	\$ 29,545	\$ 43,950	\$ 44,260	\$ 39,550	\$ 35,045
<b>Legal margin for New Debt</b>	\$ 168,998	\$ 167,598	\$ 180,038	\$ 188,596	\$ 189,725	\$ 200,980	\$ 195,943	\$ 208,180	\$ 222,072	\$ 235,113
Total net debt applicable to the limit as a percentage of debt limit	14.91%	15.13%	12.75%	13.52%	15.28%	12.82%	18.32%	17.53%	15.12%	12.97%

**CITY OF MEQUON**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**AS OF DECEMBER 31, 2021**

Taxing Authority	Debt as of 12/31/21	Percent Applicable to City	Direct Debt	Overlapping Debt	Total Direct and Overlapping Debt	Total Debt per Capita
City of Mequon	\$ 21,324,758	100.000%	\$ 21,324,758	\$ -	\$ 21,324,758	851.25
MATC	96,875,000	5.643%	-	5,466,753	5,466,753	218.22
Ozaukee County	25,910,000	37.812%	-	9,797,011	9,797,011	391.08
Mequon-Thiensville Schools	65,365,000	92.860%	-	60,697,939	60,697,939	2,422.97
Cedarburg School District	56,345,000	0.880%	-	495,836	495,836	19.79
<b>Totals</b>	<b>\$ 265,819,758</b>		<b>\$ 21,324,758</b>	<b>\$ 76,457,540</b>	<b>\$ 97,782,298</b>	<b>\$ 3,903.33</b>

Source: City of Mequon Annual Financial Reports and Ehlers, Incorporated Final Official Statements

\*Overlapping debt is calculated by taking total outstanding debt for the overlapping entity as of year-end, and multiplying the amount by the percent of equalized property value of the overlapping entity in Mequon to determine the City's share.

**CITY OF MEQUON**  
**DEBT SERVICE FOR GENERAL OBLIGATION DEBT**  
**VS.**  
**GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Debt Service (A)			Total General Governmental Expenditures (B)	Debt Service % of Total General Expenditures
	Principal	Interest and Fiscal Charges	Total		
2012	1,465,000	801,018	2,266,018	16,946,228	13.37%
2013	575,000	685,225	1,260,225	18,267,240	6.90%
2014	1,965,000	824,037	2,789,037	17,935,217	15.55%
2015	2,220,000	732,434	2,952,434	18,095,726	16.32%
2016	2,540,000	872,260	3,412,260	19,185,995	17.79%
2017	3,050,000	1,001,473	4,051,473	19,788,558	20.47%
2018	3,140,000	836,390	3,976,390	19,726,103	20.16%
2019	3,100,000	742,850	3,842,850	20,317,860	18.91%
2020	3,385,000	924,542	4,309,542	21,056,491	20.47%
2021	3,150,000	572,390	3,722,390	20,900,385	17.81%

(A) Includes only City portion of debt service

(B) Includes General Fund and Debt Service Fund

**CITY OF MEQUON**  
**SCHEDULE OF GENERAL OBLIGATION DEBT**

**10 YEAR PRINCIPAL PAYMENTS SCHEDULE**  
**AS OF DECEMBER 31, 2021**

Year	2013A G.O. Notes	2015A G.O. Corp. Purp. Bonds	2016A G.O. Bonds	2019A G.O. Notes	2020A Refunding Bonds	Totals
2022	\$ 400,000	\$ 655,000	\$ 565,000	\$ 845,000	\$ 830,000	\$ 3,295,000
2023	400,000	660,000	575,000	340,000	875,000	2,850,000
2024	-	990,000	585,000	445,000	630,000	2,650,000
2025	-	990,000	600,000	525,000	650,000	2,765,000
2026	-	590,000	610,000	325,000	695,000	2,220,000
2027	-	290,000	625,000	530,000	730,000	2,175,000
2028	-	-	635,000	630,000	760,000	2,025,000
2029	-	-	650,000	530,000	-	1,180,000
2030	-	-	660,000	-	-	660,000
2031	-	-	675,000	-	-	675,000
<b>Totals</b>	<b>\$ 800,000</b>	<b>\$ 4,175,000</b>	<b>\$ 6,180,000</b>	<b>\$ 4,170,000</b>	<b>\$ 5,170,000</b>	<b>\$ 20,495,000</b>

**CITY OF MEQUON  
SCHEDULE OF GENERAL OBLIGATION DEBT**

**10 YEAR INTEREST PAYMENTS SCHEDULE  
AS OF DECEMBER 31, 2021**

Year	2013A G.O. Notes	2015A G.O. Corp. Purp. Bonds	2016A G.O. Bonds	2019A G.O. Notes	2020A Refunding Bonds	Totals
2022	\$ 9,000	\$ 92,225	\$ 120,953	\$ 128,775	\$ 133,250	\$ 484,203
2023	3,000	72,500	109,553	109,300	108,350	402,703
2024	-	52,700	97,953	93,600	82,100	326,353
2025	-	31,663	86,103	74,200	63,200	255,165
2026	-	13,887	74,002	57,200	43,700	188,789
2027	-	3,625	61,653	42,750	29,800	137,828
2028	-	-	49,053	25,350	15,200	89,603
2029	-	-	36,040	7,950	-	43,990
2030	-	-	22,283	-	-	22,283
2031	-	-	7,594	-	-	7,594
<b>Totals</b>	<b>\$ 12,000</b>	<b>\$ 266,600</b>	<b>\$ 665,184</b>	<b>\$ 539,125</b>	<b>\$ 475,600</b>	<b>\$ 1,958,508</b>

**CITY OF MEQUON**  
**Current Schedule of Debt Service 2022-2031**

Table 24

**OUTSTANDING PRINCIPAL**

<u>YEAR</u>	<u>G.O.</u>	<u>SEWER</u>	<u>WATER</u>	<u>TIF #2</u>	<u>TIF #3</u>	<u>TOTAL 12/31 PRINCIPAL</u>
2022	\$ 12,860,000	\$ 13,145,000	\$ 7,530,000	\$ 290,000	\$ 4,050,000	\$ 37,875,000
2023	10,885,000	11,690,000	6,560,000	-	3,465,000	32,600,000
2024	8,865,000	10,195,000	5,550,000	-	2,835,000	27,445,000
2025	6,750,000	8,650,000	4,525,000	-	2,185,000	22,110,000
2026	5,225,000	7,225,000	3,460,000	-	1,490,000	17,400,000
2027	3,780,000	5,745,000	2,355,000	-	760,000	12,640,000
2028	2,515,000	4,220,000	1,195,000	-	-	7,930,000
2029	1,335,000	2,650,000	-	-	-	3,985,000
2030	675,000	1,035,000	-	-	-	1,710,000
2031	-	-	-	-	-	-

**OUTSTANDING INTEREST**

<u>YEAR</u>	<u>G.O.</u>	<u>SEWER</u>	<u>WATER</u>	<u>TIF #2</u>	<u>TIF #3</u>	<u>TOTAL 12/31 INTEREST PAYABLE</u>
2022	\$ 294,353	\$ 416,538	\$ 281,800	\$ 7,240	\$ 101,110	\$ 1,101,041
2023	244,253	373,413	242,200	-	82,100	941,966
2024	191,965	317,006	201,500	-	63,200	773,671
2025	145,090	273,750	159,700	-	43,700	622,240
2026	108,028	216,750	116,300	-	29,800	470,878
2027	74,403	172,350	71,000	-	15,200	332,953
2028	43,990	126,600	23,900	-	-	194,490
2029	22,283	79,500	-	-	-	101,783
2030	7,594	31,050	-	-	-	38,644
2031	-	-	-	-	-	-

**PRINCIPAL & INTEREST**

<u>YEAR</u>	<u>G.O.</u>	<u>SEWER</u>	<u>WATER</u>	<u>TIF #2</u>	<u>TIF #3</u>	<u>TOTAL 12/31 INTEREST</u>
2022	\$ 13,154,353	\$ 13,561,538	\$ 7,811,800	\$ 297,240	\$ 4,151,110	\$ 38,976,041
2023	11,129,253	12,063,413	6,802,200	-	3,547,100	33,541,966
2024	9,056,965	10,512,006	5,751,500	-	2,898,200	28,218,671
2025	6,895,090	8,923,750	4,684,700	-	2,228,700	22,732,240
2026	5,333,028	7,441,750	3,576,300	-	1,519,800	17,870,878
2027	3,854,403	5,917,350	2,426,000	-	775,200	12,972,953
2028	2,558,990	4,346,600	1,218,900	-	-	8,124,490
2029	1,357,283	2,729,500	-	-	-	4,086,783
2030	682,594	1,066,050	-	-	-	1,748,644
2031	-	-	-	-	-	-

**CITY OF MEQUON**  
**PLEDGED REVENUE COVERAGE - WATER UTILITY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Maximum Annual Debt Service Requirement		
				Principal	Interest	Coverage
2012	\$ 2,806,469	\$ 1,194,568	\$ 1,611,901	\$ 525,000	\$ 697,625	1.32
2013	2,725,172	1,196,563	1,528,609	575,000	685,225	1.21
2014	3,041,988	1,186,461	1,855,527	625,000	669,875	1.43
2015	2,952,168	1,326,869	1,625,299	675,000	649,469	1.23
2016	3,405,056	1,395,684	2,009,372	700,000	625,406	1.52
2017	3,366,388	1,423,989	1,942,399	750,000	482,855	1.58
2018	3,429,076	1,468,952	1,960,124	800,000	466,350	1.55
2019	3,444,696	1,508,625	1,936,071	825,000	433,850	1.54
2020	3,630,110	1,518,561	2,111,549	850,000	398,225	1.69
2021	3,654,008	1,705,884	1,948,124	900,000	358,850	1.55

Source: City of Mequon Annual Financial Reports

Notes:

Gross revenues are operating revenues plus interest

Operating expenses do not include interest or depreciation

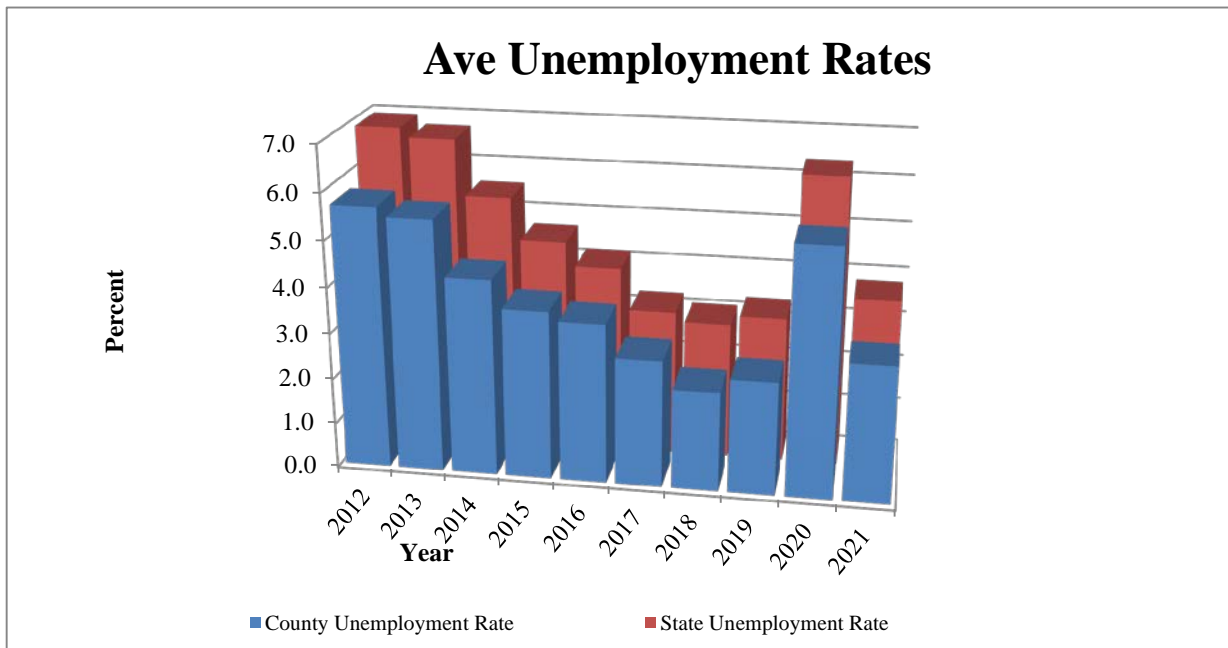


### CITY OF MEQUON, WISCONSIN DEMOGRAPHIC PROFILE LAST TEN FISCAL YEARS

#### Employment Information (Ozaukee County)

<u>Year</u>	<u>Labor Force</u>	<u>Average Employed</u>	<u>Average Unemployed</u>
2012	46,917	44,249	2,668
2013	47,006	44,432	2,574
2014	47,929	45,856	2,073
2015	48,136	46,342	1,794
2016	48,705	47,015	1,690
2017	49,035	47,666	1,369
2018	49,109	47,869	1,240
2019	49,030	47,625	1,405
2020	47,576	45,802	1,774
2021	49,349	47,862	1,487

Source: Wisconsin Department of Workforce Development; US Bureau of Labor Statistics



Source: Wisconsin Department of Workforce Development

## CITY OF MEQUON

### ADDITIONAL DEMOGRAPHIC INFORMATION

<b>Breakdown of Housing Units</b>	<b>2010</b>	<b>2015</b>	<b>(%)</b>	<b>Housing Valuations</b>	<b>2010</b>	<b>2016</b>
Total Dwelling Units	9,283	9,876		\$0 - \$99,000	62.00%	0.52%
Single Family	7,041	7,251	73%	\$100,000 - \$199,000	8.23%	8.78%
Plex (2-4 units/bldg.)	1,551	1,555	16%	\$200,000 - \$299,000	30.60%	30.12%
Multi-Family (5+ units/bldg.)	689	730	7%	\$300,000 - \$399,000	19.76%	19.81%
				\$400,000 - \$499,000	13.29%	13.59%
				\$500,000 - \$799,000	18.79%	19.05%
				\$800,000 - \$1,000,000	3.83%	3.78%
				\$1,000,000 and up	4.21%	4.36%
<b>Gender Composition</b>	<b>2010</b>	<b>2016</b>		Average Assessed Value	\$429,800	\$439,270
Female	51.4%	52.0%		Median Assessed Value	\$341,200	\$340,000
Male	48.6%	48.0%		Average Persons Per Household		2.49
<b>Race Comparison</b>	<b>2010</b>	<b>2016</b>		<b>Educational Attainment*</b>		<b>2016</b>
White	93.0%	92.8%		Ninth Grade Education or lower		2.1%
Black or African American	2.8%	2.4%		High School Diploma or higher		97.9%
American Indian, Eskimo	1.0%	0.2%		Bachelors degree or higher		63.3%
Asian or Pacific Islander	3.1%	3.2%		* Population 25 years and older		
Other	1.0%	1.4%		<b>Occupational Composition</b>		<b>2016</b>
<b>Age Composition</b>	<b>2010</b>	<b>2016</b>		Managerial & Professional		59.3%
Under 5 years	4.3%	4.7%		Service Occupations		10.5%
5 - 14 years	14.0%	12.6%		Sales and office occupations		21.0%
15 - 19 years	9.1%	7.8%		Farming, fishing and forestry		3.8%
20 - 24 years	5.2%	2.9%		Production and transportation		5.4%
25 - 34 years	5.0%	5.7%				
35 - 44 years	11.0%	10.3%				
45 - 54 years	18.0%	16.0%				
55 - 64 years	16.4%	18.3%				
Over 64 years	17.0%	21.7%				
<b>Household Income</b>	<b>2010</b>	<b>2016</b>		<b>Population:</b>	1960	8,543
Less than \$10,000	3.6%	2.9%			1970	12,150
\$10,000 - \$20,000	4.6%	1.8%			1980	16,193
\$20,000 - \$30,000	5.9%	5.3%			1990	18,885
\$30,000 - \$40,000	11.7%	7.3%			2000	21,823
\$40,000 - \$74,999	12.5%	21.3%			2010	23,132
\$75,000 - \$99,999	13.4%	10.4%			2017	24,159
\$100,000 - 149,999	23.2%	21.2%			2018	24,220
\$150,000 +	25.1%	29.8%			2019	24,375
Median Household Income	\$106,519	\$101,986			2020	24,376
					2021	25,051

Source: U.S. Census Bureau, Wisconsin Department of Revenue, Wisconsin Department of Administration, City of Mequon Financial Reports, and City of Mequon Comprehensive (Master) Plan  
Housing valuations are per City Assessor records.

**CITY OF MEQUON  
OTHER COMMUNITY INFORMATION**

Table 28

<b>GENERAL:</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Area in Square Miles	46.88	46.88	46.88	46.88	46.88	46.88
Households	9,952	9,990	10,035	10,090	10,090	10,146
Population	24,086	24,159	24,220	24,375	24,376	25,051
Equalized Valuations (\$000)	\$ 4,478,910	\$ 4,610,493	\$ 4,797,857	\$ 5,048,795	\$ 5,232,431	\$ 5,403,150

<b>PUBLIC SAFETY</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Number of Police Stations	1	1	1	1	1	1
Number of Sworn Police Officers	38	39	39	39	39	39
Number of Fire Stations	2	2	2	2	2	2

<b>PARKS</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Acres of Parkland	1,318.4	1,318.4	1,318.4	1,318.4	1,318.4	1,318.4
Number of Parks	27	27	27	27	27	27

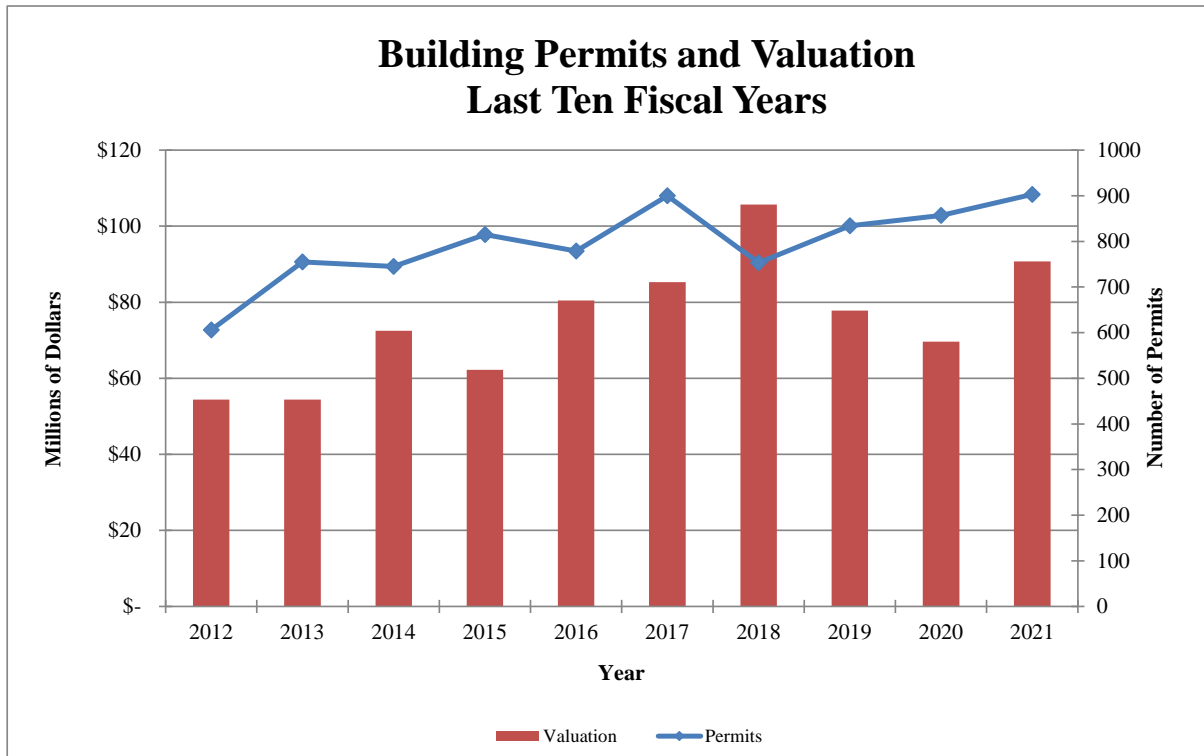
<b>INFRASTRUCTURE</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Miles of State Highway System	15.45	15.45	15.45	17.54	17.54	17.54
Miles of County Highway System	9.77	9.77	9.77	9.77	9.77	9.77
Miles of Local Roads and Streets	210.92	211.82	212.94	212.98	212.98	213.32
Miles of Sanitary Sewer Main	161.29	162.3	163.14	165.49	165.91	166.24
Miles of Water Main	92.17	93.10	93.80	94.59	95.01	95.72
Number of Bridges	17	17	17	17	17	17
Miles of Bike Trails	12.29	12.29	12.29	12.29	12.29	12.29

**CITY OF MEQUON**  
**Operating Indicators by Program/Function**  
**LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
Building Permits Issued	606	755	745	815	779	900	753	834	857	903
Valuation (Thousands \$)	54,390	54,365	72,473	62,197	80,464	85,268	105,698	77,777	69,662	90,723
Number of Employees	24	24	24	24	26	28	29	29	29	31
<b>Police</b>										
Calls for service	23,927	22,488	24,337	26,920	27,720	33,946	34,995	32,039	32,402	34,764
Physical Arrests	697	662	563	651	791	747	728	764	591	567
Reportable Traffic crashes	267	370	350	309	284	292	315	337	241	331
Number of Employees	46	46	48	48	50	52	51	54	54	53
<b>Fire / EMS</b>										
Fire calls for service	392	394	469	496	450	479	453	489	428	423
EMS calls for service	1,112	1,214	1,261	1,421	1,657	1,637	1,715	1,834	1,788	2,120
Number of Employees	62	62	62	60	72	62	66	68	71	74
<b>Parks</b>										
Acres of Parkland maintained	1,177	1,177	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318
Pavillion Rentals	72	59	67	79	82	81	94	83	30	80
Pool Attendance	21,482	13,071	11,374	10,701	12,943	9,735	10,928	9,233	8,010	8,801
Number of Employees	35	35	35	35	35	39	41	44	42	40

**CITY OF MEQUON  
BUILDING PERMITS AND VALUATION  
LAST TEN FISCAL YEARS**

	Number of Permits	Valuation (\$mil)
2012	606	\$54.39
2013	755	\$54.37
2014	745	\$72.47
2015	815	\$62.20
2016	779	\$80.46
2017	900	\$85.26
2018	753	\$105.70
2019	834	\$77.78
2020	857	\$69.66
2021	903	\$90.72



**City of Mequon, Wisconsin**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Table 31

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Marked Patrol Vehicles	11	11	11	11	11	11	11	11	11	11
Fire Stations	2	2	2	2	2	2	2	2	2	2
Ambulances	3	3	3	3	3	3	3	3	3	3
Fire Engines	3	3	3	3	3	3	3	3	3	3
Ladder Trucks	2	2	2	2	2	2	2	2	2	2
Tanker Trucks	2	2	2	2	2	2	2	2	2	2
<b>Public Works</b>										
Off-Road Bike Trail (miles)	12.29	12.29	12.29	12.29	12.29	12.29	12.29	12.29	12.29	12.29
Bridges	17	17	17	17	17	17	17	17	17	17
Miles of Road (miles)	211.77	209.73	209.73	209.73	210.92	211.82	212.94	212.98	212.98	213.32
<b>Culture &amp; Recreation</b>										
Parks	25	25	27	27	27	27	27	27	27	27
Football Fields	1	1	1	1	1	1	1	1	1	1
Soccer Fields	20	20	20	20	20	20	20	20	20	20
Baseball Fields	9	10	10	10	10	10	10	10	10	10
Archery	1	1	1	1	1	1	1	1	1	1
Playgrounds	6	6	6	6	6	6	6	6	6	6
Basketball Courts	1	1	1	1	1	1	1	1	1	1
Pool	1	1	1	1	1	1	1	1	1	1
<b>Water*</b>										
Water Mains (feet)	408,066	408,066	411,206	486,658	486,658	491,568	495,264	499,435	501,653	505,393
Fire Hydrants	876	949	955	1,079	1,098	1,112	1,122	1,130	1,136	1,148
<b>Sewer</b>										
Sanitary Sewer (miles)	153.21	159.22	159.22	159.93	161.29	162.3	163.1	165.49	165.91	166.24

Source: City of Mequon Department Directors and capital asset inventory records