

VILLAGE OF NEW GLARUS, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020



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**VILLAGE OF NEW GLARUS, WISCONSIN
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YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITORS' REPORT

Village Board
Village of New Glarus, Wisconsin

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and Library Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the schedules relating to pensions and other postemployment benefits on pages 74 through 75 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Village as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated July 16, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The accompanying supplementary information, for the year ended December 31, 2019 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 2019 financial statements. The accompanying supplementary information has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2019.

Prior-Year Comparative Information

We have previously audited the Village's 2019 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated July 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2021 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
March 31, 2021

Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

The management of the Village of New Glarus, Wisconsin (the "Village") offers readers of the Village's financial statements this narrative and analysis of the financial activities of the Village for the fiscal year ended December 31, 2020.

Financial Highlights

- As of the December 31, 2020, the assets and deferred outflows of resources of the Village of New Glarus exceeded its liabilities and deferred inflows of resources by \$19,573,498. This represents a 4.4% increase over the 2019 net position balance of \$18,742,304.
- The general fund balance at the end of 2020 was \$1,096,989, an increase of \$18,888 from the prior year.
Of the general fund balance, \$13,515 is nonspendable for other assets and prepaid items, \$15,084 committed for future capital projects, \$63,118 assigned for future public safety and recreation projects, and \$1,005,160 is currently unassigned. Of this balance, the Village has established an emergency reserve and working capital reserve of \$371,729.
- The outstanding general obligation debt as of December 31, 2020 is \$6,039,786. This compares to \$6,360,425 at the end of 2019.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of New Glarus basic financial statements. The basic financial statements comprise three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Basic Financial Statements.

Government-wide Financial Statements

The Government-wide Financial Statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. Financial information in the government-wide financial statements is reported as either governmental activities or business-type activities. Governmental activities are principally supported by taxes and intergovernmental revenues. Examples of governmental activities are: village hall operations, police, public works, debt service, swimming pool/ recreation, library, tax incremental finance district no. 3, tax incremental district no. 4, and general capital projects.

Business-type (Enterprise) activities recover all or a significant portion of their costs through user fees and charges. These activities include the Village's water, light, wastewater and stormwater utilities.

Statement of Net Position - presents information on all Village of New Glarus, Wisconsin's assets, liabilities, and deferred outflows/inflows of resources 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 Village is improving or decreasing. (See page 11 of this report).

Statement of Activities - presents information showing how the Village's net position changed during the 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 related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., earned but unused vacation leave.) (See pages 12 - 13 of this report.)

Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

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. The Village of New Glarus, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the Village's funds can be divided into three categories: government funds, proprietary funds and fiduciary funds.

Governmental Funds

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

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 Village'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 Village has identified four major governmental funds: General, Library, Debt Service, and General Capital Projects.

- General Fund: Accounts for the Village's primary operating activities.
- Library fund: Accounts for the Village's library operations.
- Debt Service Fund: Accounts for financial resources and payments made on long-term general obligation debt.
- General Capital Projects – Accounts for governmental capital projects other than sidewalks and those related to tax increment financing districts

The net change in fund balances for the year is \$89,300. The total fund balance for all governmental funds is \$2,693,879 (See pages 14 - 23.)

Proprietary/Enterprise Funds

Enterprise 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 Village has identified two major enterprise funds:

- Light and Water Utility: Accounts for revenues and expenses for operations of the municipal light and water distribution system.
- Wastewater Utility: accounts for operations of the sanitary sewer collection system and wastewater treatment plant.

The net change in position for the Light and Water Utility is an increase of \$73,278 and the Wastewater Utility had an increase of \$193,267. The Stormwater Utility had an increase in net position of \$58,081 for a combined change in proprietary / enterprise net position of \$324,626. Light and Water Utility net position totals \$5,936,842. Wastewater Utility net position totals \$5,162,724 and Stormwater Utility net position totals \$1,171,774, for a proprietary / enterprise fund total of \$12,271,340. (See pages 24 - 28.)

Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Government-wide Financial Analysis

Net position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$19,573,498 at the close of 2020.

Village of New Glarus, Wisconsin's Net Position (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 5,086	\$ 4,981	\$ 4,606	\$ 5,007	\$ 9,692	\$ 9,988
Capital assets	10,145	9,866	15,530	15,180	25,675	25,046
Total Assets	15,231	14,847	20,136	20,187	35,367	35,034
Deferred Outflows of Resources	428	498	226	300	654	798
Long-term liabilities outstanding	5,655	6,163	7,303	8,198	12,958	14,361
Other liabilities	159	154	517	186	676	340
Total Liabilities	5,814	6,317	7,820	8,384	13,634	14,701
Deferred Inflows of Resources	2,543	2,233	271	156	2,814	2,389
Net Position						
Net investment in capital assets	4,713	4,067	9,150	8,714	13,863	12,781
Restricted	1,051	764	1,872	1,702	2,923	2,466
Unrestricted	1,538	1,964	1,249	1,531	2,787	3,495
Total Net Position	\$ 7,302	\$ 6,795	\$ 12,271	\$ 11,947	\$ 19,573	\$ 18,742

By far the largest portion of the Village's net position (71%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,787,437) may be used to meet the Village's ongoing obligations to citizens and creditors.

Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Change in net position. Governmental activities increased the Village's net position by \$506,568 and business-type activities increased the Village's net position by \$324,626 during the current fiscal year. Key elements of these changes are as follows:

Village of New Glarus, Wisconsin's Change in Net Position (In thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for services	\$ 96	\$ 170	\$ 4,212	\$ 4,175	\$ 4,308	\$ 4,345
Operating grants and contributions	260	268	5	5	265	273
Capital grants and contributions	26	37	12	1	38	38
General Revenues						
Property taxes	1,548	1,506	-	-	1,548	1,506
Property tax increments	436	416	-	-	436	416
Other taxes	79	160	-	-	79	160
Grants and contributions not restricted to specific programs	307	270	-	-	307	270
Other	65	260	44	89	109	349
Total Revenues	2,817	3,087	4,273	4,270	7,090	7,357
Expenses						
General government	422	392	-	-	422	392
Public safety	726	725	-	-	726	725
Public works	588	620	-	-	588	620
Culture and recreation	490	497	-	-	490	497
Conservation and development	94	151	-	-	94	151
Interest on long-term debt	191	191	-	-	191	191
Light utility	-	-	2,377	2,412	2,377	2,412
Water utility	-	-	385	345	385	345
Wastewater collection	-	-	859	889	859	889
Stormwater	-	-	127	121	127	121
Total Expenses	2,511	2,576	3,748	3,767	6,259	6,343
Increase (Decrease) in Net Position						
Before Transfers	306	511	525	503	831	1,014
Transfers	201	193	(201)	(193)	-	-
Change in Net Position	507	704	324	310	831	1,014
Net Position - January 1	6,795	6,091	11,947	11,637	18,742	17,728
Net Position - December 31	\$ 7,302	\$ 6,795	\$ 12,271	\$ 11,947	\$ 19,573	\$ 18,742
Rounding Variance	-	-	-	-	-	-

Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. An analysis of the Village's general fund follows:

Governmental Funds

General Fund Budget Comparison: Budgeted versus Actual Revenue/Expenditures

(See pages 20 - 22 of this report.)

General Fund Revenues	
Budget	\$ 1,272,127
Actual	1,324,532
Variance	\$ 52,405

General Fund Expenditures	
Budget	\$ 1,451,127
Actual	1,471,401
Variance	\$ (20,274)

The functions with significant budget variances are listed below:

Health grants	36,180
Public charges for services	(37,778)

General Fund Balance	
Beginning of year	\$ 1,077,989
End of the year	1,096,877
Change in Fund Balance	\$ 18,888

Proprietary funds. (See pages 24 - 28.) The Village's proprietary funds provide the same type of information found in the Village's government-wide financial statements, but in more detail. Also, a separation of the financial activities of the light and water utilities can be found on pages 68 - 71 of this report.

Net position of the light and water utility fund at the end of the year amounted to \$5,936,842, an increase of \$73,278 from the prior year. Operating income for the light and water utility fund totaled \$304,660, with \$53,232 due to the light utility operations and \$251,428 due to the water utility operations.

Net position of the wastewater utility at the end of the year totaled \$51,62,724, an increase of \$193,267 from the prior year.

Net position of the stormwater utility at the end of the year totaled \$1,171,774, an increase of \$58,081 from the prior year.

Other factors concerning the finances of these funds have already been addressed in the discussion of the Village's business-type activities.

Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Capital Asset and Debt Administration

Capital assets - The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounts to \$25,674,972 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, infrastructure (streets and bridges), and construction in progress.

Village of New Glarus, Wisconsin's Capital Assets (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,963	\$ 1,963	\$ 56	\$ 56	\$ 2,019	\$ 2,019
Collection	25	25	-	-	25	25
Construction in progress	527	504	893	664	1,420	1,168
Land improvements	91	91	-	-	91	91
Buildings	1,632	1,618	5,757	5,757	7,389	7,375
Machinery and equipment	1,665	1,585	5,448	5,276	7,113	6,861
Infrastructure	10,428	10,056	12,650	11,989	23,078	22,045
Accumulated depreciation	(6,186)	(5,976)	(9,274)	(8,562)	(15,460)	(14,538)
Total	\$ 10,145	\$ 9,866	\$ 15,530	\$ 15,180	\$ 25,675	\$ 25,046

Long-term debt - At the end of the current fiscal year, the Village had general obligation debt outstanding of \$6,039,786. The remainder of the Village's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Village of New Glarus, Wisconsin's Outstanding Debt General Obligation Debt and Revenue Bonds (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General Obligation Debt						
Bonds	\$ 3,506	\$ 3,903	\$ 1,374	\$ 1,432	\$ 4,880	\$ 5,335
Notes	957	812	-	-	957	812
State Trust Fund Notes	203	214	-	-	203	214
Total General Obligation Debt	4,666	4,929	1,374	1,432	6,040	6,361
WPPI note payable	-	-	154	199	154	199
Revenue bonds	745	845	5,612	6,309	6,357	7,154
Total	\$ 5,411	\$ 5,774	\$ 7,140	\$ 7,940	\$ 12,551	\$ 13,714

Debt Service - Governmental Activities: All general obligation notes and bonds are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments. In accordance with Wisconsin Statutes, total general obligation debt of Village may not exceed five percent (5%) of the equalized value of taxable property of the village. The debt limit as of December 31, 2020 was \$10,827,400. Total general obligation debt outstanding at year-end was \$6,039,786. The outstanding debt applicable to debt limit of \$5,923,277 represents 54.7% of the Village debt capacity. The Village Board has adopted a policy to limit outstanding debt to a maximum of seventy-five (75%) of debt capacity.

Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Debt Service - Business-Type Activities: Revenue bonds are payable only from revenues derived from the operation of the Light, Water and Wastewater Utilities. Total revenue debt at the end of 2018 totaled \$6,357,012.

Economic Factors and Next Year's Budgets and Rates

- The economic condition and outlook of the Village has remained fairly stable.

This factor was considered in preparing the Village's budget for the 2020 fiscal year.

Contacting the Village's Financial Management

The administrative staff hopes the Management Discussion and Analysis is informative. We encourage you to read the 2020 audit in detail. If you would like additional information regarding the audit report please contact Village Administrator Drake Daily or Village Clerk/Treasurer Lynne Erb (608-527-5973) with your questions.

BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	Governmental Activities	Business-type Activities	Totals	
			2020	2019
ASSETS				
Cash and investments	\$ 3,456,443	\$ 1,397,214	\$ 4,853,657	\$ 4,800,766
Receivables				
Property taxes	1,199,126	-	1,199,126	1,139,667
Delinquent taxes	911	-	911	911
Accounts	67	419,117	419,184	385,322
Special assessments	28,595	-	28,595	43,516
Loans	38,034	-	38,034	241,379
Internal balances	194,565	(194,565)	-	-
Other assets and prepaid items	17,625	306,107	323,732	158,919
Restricted assets				
Cash and investments	-	2,589,972	2,589,972	3,216,836
Net pension asset	150,621	88,227	238,848	-
Capital assets, nondepreciable	2,515,490	949,028	3,464,518	3,212,251
Capital assets, depreciable	7,629,645	14,580,809	22,210,454	21,833,848
Total assets	15,231,122	20,135,909	35,367,031	35,033,415
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding	46,381	3,444	49,825	62,393
Pension related amounts	359,810	209,725	569,535	725,476
Other postemployment related amounts	21,775	12,756	34,531	10,444
Total deferred outflows of resources	427,966	225,925	653,891	798,313
LIABILITIES				
Accounts payable	73,149	465,588	538,737	160,841
Accrued and other current liabilities	16,838	16,740	33,578	79,299
Accrued interest payable	63,978	34,035	98,013	94,514
Special deposits	4,668	-	4,668	4,668
Long-term obligations				
Due within one year	689,210	870,017	1,559,227	1,429,729
Due in more than one year	4,915,830	6,403,587	11,319,417	12,614,057
Net pension liability	-	-	-	267,683
Net other postemployment liability	50,105	29,351	79,456	50,278
Total liabilities	5,813,778	7,819,318	13,633,096	14,701,069
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	2,080,203	-	2,080,203	2,000,603
Pension related amounts	452,284	264,929	717,213	371,238
Other postemployment related amounts	10,665	6,247	16,912	16,514
Total deferred inflows of resources	2,543,152	271,176	2,814,328	2,388,355
NET POSITION				
Net investment in capital assets	4,712,900	9,149,945	13,862,845	12,781,076
Restricted	1,050,839	1,872,377	2,923,216	2,465,391
Unrestricted	1,538,419	1,249,018	2,787,437	3,495,837
Total net position	\$ 7,302,158	\$ 12,271,340	\$ 19,573,498	\$ 18,742,304

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 421,945	\$ 40,678	\$ -	\$ -
Public safety	726,015	17,643	12,529	4,971
Public works	588,025	6,601	159,195	21,372
Culture and recreation	489,550	30,600	88,600	-
Conservation and development	94,017	-	-	-
Interest and fiscal charges	190,959	-	-	-
Gain (Loss) on sale of asset	49,925	-	-	-
Total governmental activities	<u>2,560,436</u>	<u>95,522</u>	<u>260,324</u>	<u>26,343</u>
BUSINESS-TYPE ACTIVITIES				
Light utility	2,377,059	2,403,839	-	9,155
Water utility	385,032	591,821	-	2,820
Wastewater utility	859,366	1,038,817	-	-
Stormwater utility	126,251	177,772	5,115	-
Total business-type activities	<u>3,747,708</u>	<u>4,212,249</u>	<u>5,115</u>	<u>11,975</u>
Total	<u>\$ 6,308,144</u>	<u>\$ 4,307,771</u>	<u>\$ 265,439</u>	<u>\$ 38,318</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Governmental Activities	Business-Type Activities	Totals	
			2020	2019
GOVERNMENTAL ACTIVITIES				
General government	\$ (381,267)	\$ -	\$ (381,267)	\$ (340,567)
Public safety	(690,872)	-	(690,872)	(686,234)
Public works	(400,857)	-	(400,857)	(411,671)
Culture and recreation	(370,350)	-	(370,350)	(322,388)
Conservation and development	(94,017)	-	(94,017)	(148,905)
Interest and fiscal charges	(190,959)	-	(190,959)	(191,271)
Gain (Loss) on sale of asset	(49,925)	-	(49,925)	6,351
Total governmental activities	<u>(2,178,247)</u>	<u>-</u>	<u>(2,178,247)</u>	<u>(2,094,685)</u>
BUSINESS-TYPE ACTIVITIES				
Light utility	-	35,935	35,935	113,181
Water utility	-	209,609	209,609	256,248
Wastewater utility	-	179,451	179,451	26,241
Stormwater utility	-	56,636	56,636	18,645
Total business-type activities	<u>-</u>	<u>481,631</u>	<u>481,631</u>	<u>414,315</u>
Total	<u>(2,178,247)</u>	<u>481,631</u>	<u>(1,696,616)</u>	<u>(1,680,370)</u>
General revenues				
Taxes				
Property taxes	1,547,728	-	1,547,728	1,505,907
Tax increments	436,298	-	436,298	416,012
Other taxes	79,304	-	79,304	160,419
Federal and state grants and other contributions not restricted to specific functions	307,003	-	307,003	270,286
Interest and investment earnings	46,133	44,259	90,392	176,869
Miscellaneous	67,085	-	67,085	164,986
Transfers	201,264	(201,264)	-	-
Total general revenues and transfers	<u>2,684,815</u>	<u>(157,005)</u>	<u>2,527,810</u>	<u>2,694,479</u>
Change in net position	506,568	324,626	831,194	1,014,109
Net position - January 1	<u>6,795,590</u>	<u>11,946,714</u>	<u>18,742,304</u>	<u>17,728,195</u>
Net position - December 31	<u>\$ 7,302,158</u>	<u>\$ 12,271,340</u>	<u>\$ 19,573,498</u>	<u>\$ 18,742,304</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	General	Library	Debt Service	General Capital Projects
ASSETS				
Cash and investments	\$ 1,203,605	\$ 308,492	\$ 360,230	\$ 280,047
Receivables				
Property taxes	379,035	112,049	340,383	808
Delinquent taxes	911	-	-	-
Accounts	67	-	-	-
Special assessments	-	-	28,595	-
Loans	-	-	-	-
Due from other funds	199,587	-	-	-
Prepaid items	13,515	4,024	-	-
	<u>\$ 1,796,720</u>	<u>\$ 424,565</u>	<u>\$ 729,208</u>	<u>\$ 280,855</u>
Total assets				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 11,335	\$ 519	\$ -	\$ 51,894
Accrued and other current liabilities	14,265	2,395	-	-
Due to other funds	-	-	5,022	-
Special deposits	4,668	-	-	-
	<u>30,268</u>	<u>2,914</u>	<u>5,022</u>	<u>51,894</u>
Total liabilities				
Deferred inflows of resources				
Property taxes levied for subsequent year	669,575	194,230	579,082	1,400
Loans receivable	-	-	-	-
Special assessments	-	-	28,595	-
	<u>669,575</u>	<u>194,230</u>	<u>607,677</u>	<u>1,400</u>
Total deferred inflows of resources				
Fund balances				
Nonspendable	13,515	4,024	-	-
Restricted	-	-	116,509	-
Committed	15,084	-	-	-
Assigned	63,118	223,397	-	227,561
Unassigned	1,005,160	-	-	-
	<u>1,096,877</u>	<u>227,421</u>	<u>116,509</u>	<u>227,561</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,796,720</u>	<u>\$ 424,565</u>	<u>\$ 729,208</u>	<u>\$ 280,855</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	Other Governmental Funds	Totals	
		2020	2019
ASSETS			
Cash and investments	\$ 1,304,069	\$ 3,456,443	\$ 3,354,071
Receivables			
Property taxes	366,851	1,199,126	1,139,667
Delinquent taxes	-	911	911
Accounts	-	67	-
Special assessments	-	28,595	43,516
Loans	38,034	38,034	241,379
Due from other funds	-	199,587	202,740
Prepaid items	86	17,625	14,636
	<u>86</u>	<u>17,625</u>	<u>14,636</u>
Total assets	<u>\$ 1,709,040</u>	<u>\$ 4,940,388</u>	<u>\$ 4,996,920</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 9,401	\$ 73,149	\$ 43,503
Accrued and other current liabilities	178	16,838	42,858
Due to other funds	-	5,022	15,814
Special deposits	-	4,668	4,668
	<u>-</u>	<u>4,668</u>	<u>4,668</u>
Total liabilities	<u>9,579</u>	<u>99,677</u>	<u>106,843</u>
Deferred inflows of resources			
Property taxes levied for subsequent year	635,916	2,080,203	2,000,603
Loans receivable	38,034	38,034	241,379
Special assessments	-	28,595	43,516
	<u>-</u>	<u>28,595</u>	<u>43,516</u>
Total deferred inflows of resources	<u>673,950</u>	<u>2,146,832</u>	<u>2,285,498</u>
Fund balances			
Nonspendable	86	17,625	14,636
Restricted	847,687	964,196	826,368
Committed	92,920	108,004	110,687
Assigned	85,688	599,764	706,939
Unassigned	(870)	1,004,290	945,949
	<u>(870)</u>	<u>1,004,290</u>	<u>945,949</u>
Total fund balances	<u>1,025,511</u>	<u>2,693,879</u>	<u>2,604,579</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,709,040</u>	<u>\$ 4,940,388</u>	<u>\$ 4,996,920</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	2020	2019
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 2,693,879	\$ 2,604,579
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	10,145,135	9,865,909
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special assessments	28,595	43,516
Long-term loan receivable	38,034	241,379
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Loss on advance refunding	46,381	55,505
Deferred outflows related to pensions	359,810	436,408
Deferred inflows related to pensions	(452,284)	(222,023)
Deferred outflows related to other postemployment benefits	21,775	6,246
Deferred inflows related to other postemployment benefits	(10,665)	(9,879)
Long-term assets are not considered available; therefore, are not reported in the funds:		
Net pension asset	150,621	-
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(5,410,819)	(5,773,897)
Debt premium	(67,797)	(80,124)
Compensated absences	(126,424)	(119,179)
Net pension liability	-	(160,091)
Other postemployment benefit	(50,105)	(30,072)
Accrued interest on long-term obligations	(63,978)	(62,687)
Net position of governmental activities as reported on the statement of net position (see pages 11)	\$ 7,302,158	\$ 6,795,590

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	General	Library	Debt Service	General Capital Projects
REVENUES				
Taxes	\$ 692,066	\$ 185,478	\$ 519,616	\$ 34,900
Special assessments	-	-	17,372	-
Intergovernmental	475,971	88,478	-	-
Licenses and permits	54,159	-	-	-
Fines and forfeits	17,366	-	-	-
Public charges for services	32,072	1,431	-	-
Miscellaneous	52,898	45,489	1,530	2,855
Total revenues	<u>1,324,532</u>	<u>320,876</u>	<u>538,518</u>	<u>37,755</u>
EXPENDITURES				
Current				
General government	405,375	-	-	43,140
Public safety	653,998	-	-	524,445
Public works	233,455	-	-	-
Culture and recreation	144,922	276,116	-	-
Conservation and development	33,651	-	-	-
Debt service				
Principal	-	-	423,839	-
Interest and fiscal charges	-	-	121,636	-
Capital outlay	-	39,740	-	48,009
Total expenditures	<u>1,471,401</u>	<u>315,856</u>	<u>545,475</u>	<u>615,594</u>
Excess of revenues over (under) expenditures	<u>(146,869)</u>	<u>5,020</u>	<u>(6,957)</u>	<u>(577,839)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	431,970
Proceeds from sale of capital assets	282	-	-	-
Transfers in	201,264	15,289	-	20,500
Transfers out	(35,789)	-	-	-
Total other financing sources (uses)	<u>165,757</u>	<u>15,289</u>	<u>-</u>	<u>452,470</u>
Net change in fund balances	18,888	20,309	(6,957)	(125,369)
Fund balances - January 1	<u>1,077,989</u>	<u>207,112</u>	<u>123,466</u>	<u>352,930</u>
Fund balances - December 31	<u>\$ 1,096,877</u>	<u>\$ 227,421</u>	<u>\$ 116,509</u>	<u>\$ 227,561</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Other Governmental Funds	Totals	
		2020	2019
REVENUES			
Taxes	\$ 631,326	\$ 2,063,386	\$ 2,053,149
Special assessments	-	17,372	45,996
Intergovernmental	10,674	575,123	537,134
Licenses and permits	-	54,159	58,763
Fines and forfeits	-	17,366	17,275
Public charges for services	2,254	35,757	87,455
Miscellaneous	218,071	320,843	280,308
Total revenues	<u>862,325</u>	<u>3,084,006</u>	<u>3,080,080</u>
EXPENDITURES			
Current			
General government	5,262	453,777	377,764
Public safety	-	1,178,443	859,354
Public works	161,789	395,244	847,363
Culture and recreation	10,035	431,073	420,154
Conservation and development	55,061	88,712	150,451
Debt service			
Principal	371,209	795,048	583,098
Interest and fiscal charges	71,235	192,871	195,711
Capital outlay	5,305	93,054	140,762
Total expenditures	<u>679,896</u>	<u>3,628,222</u>	<u>3,574,657</u>
Excess of revenues over (under) expenditures	<u>182,429</u>	<u>(544,216)</u>	<u>(494,577)</u>
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	431,970	620,472
Proceeds from sale of capital assets	-	282	6,351
Transfers in	-	237,053	264,503
Transfers out	-	(35,789)	(71,300)
Total other financing sources (uses)	<u>-</u>	<u>633,516</u>	<u>820,026</u>
Net change in fund balances	182,429	89,300	325,449
Fund balances - January 1	<u>843,082</u>	<u>2,604,579</u>	<u>2,279,130</u>
Fund balances - December 31	<u>\$ 1,025,511</u>	<u>\$ 2,693,879</u>	<u>\$ 2,604,579</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	2020	2019
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ 89,300	\$ 325,449
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	630,209	733,133
Depreciation expense reported in the statement of activities	(300,776)	(288,778)
Net book value of disposals	(50,207)	-
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(218,266)	1,828
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(431,970)	(620,472)
Principal repaid	795,048	583,098
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	(1,291)	1,237
Amortization of premiums and loss on advance refunding	3,203	3,203
Compensated absences	(7,245)	30,956
Net pension asset	150,621	(142,850)
Net pension liability	160,091	(160,091)
Deferred outflows of resources related to pensions	(76,598)	179,162
Deferred inflows of resources related to pensions	(230,261)	59,692
Net OPEB liability	(20,033)	3,481
Deferred outflows of resources related to other postemployment benefits	15,529	2,617
Deferred inflows of resources related to other postemployment benefits	(786)	(7,110)
Change in net position of governmental activities as reported in the statement of activities (see pages 14 - 15)	\$ 506,568	\$ 704,555

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	Budget		Actual	Variance	2019 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes					
General property	\$ 654,000	\$ 654,000	\$ 653,750	\$ (250)	\$ 625,121
Mobile home parking fees	10,500	10,500	9,986	(514)	10,058
Payment in lieu of taxes	27,000	27,000	28,275	1,275	27,715
Interest on taxes	50	50	55	5	158
Total taxes	<u>691,550</u>	<u>691,550</u>	<u>692,066</u>	<u>516</u>	<u>663,052</u>
Intergovernmental					
State					
State shared taxes	234,334	234,334	234,350	16	237,430
Fire insurance dues	8,307	8,307	8,374	67	8,307
Tax exempt computer aid	17,556	17,556	17,556	-	16,864
Law enforcement	500	500	14,980	14,480	8,265
Highway safety grant	-	-	4,971	4,971	4,171
Highway aids	157,298	157,298	157,088	(210)	137,452
Payment for municipal services	294	294	294	-	382
Health grants	-	-	36,180	36,180	-
Other	178	178	178	-	12,678
County					
Highways and bridges	2,000	2,000	2,000	-	2,000
Total intergovernmental	<u>420,467</u>	<u>420,467</u>	<u>475,971</u>	<u>55,504</u>	<u>427,549</u>
Licenses and permits					
Licenses					
Liquor and malt beverage Operators, cigarette and other licenses	9,200	9,200	6,817	(2,383)	9,430
Cable television fees	3,060	3,060	2,873	(187)	4,179
Permits	22,000	22,000	24,642	2,642	26,132
Building	10,000	10,000	17,962	7,962	17,022
Other permits and fees	1,000	1,000	1,865	865	2,000
Total licenses and permits	<u>45,260</u>	<u>45,260</u>	<u>54,159</u>	<u>8,899</u>	<u>58,763</u>
Fines and forfeits					
Court fines and penalties	16,000	16,000	17,366	1,366	17,275
Public charges for services					
Clerk's fees	6,500	6,500	3,346	(3,154)	8,546
Law enforcement fees	3,000	3,000	277	(2,723)	5,737
Public works	-	-	-	-	-
Parks	7,800	7,800	1,858	(5,942)	9,307
Recreation programs	8,500	8,500	6,110	(2,390)	9,929
Swimming	44,050	44,050	20,481	(23,569)	45,966
Total public charges for services	<u>69,850</u>	<u>69,850</u>	<u>32,072</u>	<u>(37,778)</u>	<u>79,485</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	Budget		Actual	Variance	2019 Actual
	Original	Final		Final Budget - Positive (Negative)	
Miscellaneous					
Interest on investments	25,000	25,000	26,453	1,453	58,393
Rent	3,000	3,000	3,000	-	3,000
Insurance recoveries and dividends	-	-	6,601	6,601	235
Donations	1,000	1,000	14,543	13,543	33,512
Other	-	-	2,301	2,301	2,237
Total miscellaneous	<u>29,000</u>	<u>29,000</u>	<u>52,898</u>	<u>23,898</u>	<u>97,377</u>
 Total revenues	 <u>1,272,127</u>	 <u>1,272,127</u>	 <u>1,324,532</u>	 <u>52,405</u>	 <u>1,343,501</u>
EXPENDITURES					
General government					
Legislative	10,024	10,024	13,024	(3,000)	8,175
Committee/commission	3,270	3,270	2,888	382	15,692
Elections	8,028	8,028	14,434	(6,406)	3,869
Legal	18,000	18,000	22,339	(4,339)	30,271
Village administrator	59,917	59,917	58,052	1,865	56,608
Clerk	90,869	90,869	89,037	1,832	88,604
Administrative support	8,000	8,000	43,758	(35,758)	10,822
General office	42,120	42,120	37,663	4,457	38,503
Accounting and auditing	8,900	8,900	8,731	169	8,756
Treasury	73,406	73,406	73,867	(461)	71,784
Assessment of property	11,700	11,700	11,217	483	7,541
Insurance and bonds	32,250	32,250	30,365	1,885	29,925
Other general government	800	800	-	800	210
Total general government	<u>367,284</u>	<u>367,284</u>	<u>405,375</u>	<u>(38,091)</u>	<u>370,760</u>
 Public safety					
Police department	478,907	478,907	526,670	(47,763)	473,961
Fire department	68,194	68,194	68,261	(67)	69,901
Ambulance	42,000	42,000	41,635	365	40,659
Inspection	9,000	9,000	16,500	(7,500)	15,443
Emergency government	300	300	549	(249)	2,979
Other public safety	2,250	2,250	383	1,867	327
Total public safety	<u>600,651</u>	<u>600,651</u>	<u>653,998</u>	<u>(53,347)</u>	<u>603,270</u>
 Public works					
Street administration	38,343	38,343	37,064	1,279	34,961
Highway and street maintenance	189,124	189,124	159,026	30,098	184,718
Street lighting	38,000	38,000	34,815	3,185	35,195
Sidewalks	-	-	-	-	136
Sanitation	2,311	2,311	2,550	(239)	3,595
Total public works	<u>267,778</u>	<u>267,778</u>	<u>233,455</u>	<u>34,323</u>	<u>258,605</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	Budget		Actual	Variance	2019 Actual
	Original	Final		Final Budget - Positive (Negative)	
Culture and recreation					
Parks - general	57,137	57,137	50,325	6,812	27,798
Recreation programs	32,924	32,924	12,198	20,726	31,338
Swimming pool	85,113	85,113	82,399	2,714	89,307
Total culture and recreation	<u>175,174</u>	<u>175,174</u>	<u>144,922</u>	<u>30,252</u>	<u>148,443</u>
Conservation and development					
Forestry	34,240	34,240	31,651	2,589	38,593
Economic development	6,000	6,000	2,000	4,000	4,687
Total conservation and development	<u>40,240</u>	<u>40,240</u>	<u>33,651</u>	<u>6,589</u>	<u>43,280</u>
Total expenditures	<u>1,451,127</u>	<u>1,451,127</u>	<u>1,471,401</u>	<u>(20,274)</u>	<u>1,424,358</u>
Excess of revenues over (under) expenditures	<u>(179,000)</u>	<u>(179,000)</u>	<u>(146,869)</u>	<u>32,131</u>	<u>(80,857)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	4,000	4,000	282	(3,718)	6,351
Transfers in	175,000	175,000	201,264	26,264	193,203
Transfers out	<u>(35,789)</u>	<u>(35,789)</u>	<u>(35,789)</u>	<u>-</u>	<u>(31,300)</u>
Total other financing sources (uses)	<u>143,211</u>	<u>143,211</u>	<u>165,757</u>	<u>22,546</u>	<u>168,254</u>
Net change in fund balance	<u>(35,789)</u>	<u>(35,789)</u>	<u>18,888</u>	<u>54,677</u>	<u>87,397</u>
Fund balance - January 1	<u>1,077,989</u>	<u>1,077,989</u>	<u>1,077,989</u>	<u>-</u>	<u>990,592</u>
Fund balance - December 31	<u>\$ 1,042,200</u>	<u>\$ 1,042,200</u>	<u>\$ 1,096,877</u>	<u>\$ 54,677</u>	<u>\$ 1,077,989</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – LIBRARY SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	Budget		Actual	Variance	2019 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 185,478	\$ 185,478	\$ 185,478	\$ -	\$ 161,787
Intergovernmental	80,453	80,453	88,478	8,025	86,867
Public charges for services	4,000	4,000	1,431	(2,569)	4,245
Miscellaneous	7,850	7,850	45,489	37,639	143,572
Total revenues	<u>277,781</u>	<u>277,781</u>	<u>320,876</u>	<u>43,095</u>	<u>396,471</u>
EXPENDITURES					
Current					
Culture and recreation	275,581	275,581	276,116	(535)	258,231
Capital outlay	2,200	2,200	39,740	(37,540)	48,350
Total expenditures	<u>277,781</u>	<u>277,781</u>	<u>315,856</u>	<u>(38,075)</u>	<u>306,581</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>5,020</u>	<u>5,020</u>	<u>89,890</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	15,289	15,289	-
Net change in fund balance	-	-	20,309	20,309	89,890
Fund balance - January 1	<u>207,112</u>	<u>207,112</u>	<u>207,112</u>	<u>-</u>	<u>117,222</u>
Fund balance - December 31	<u>\$ 207,112</u>	<u>\$ 207,112</u>	<u>\$ 227,421</u>	<u>\$ 20,309</u>	<u>\$ 207,112</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2020	2019
ASSETS					
Current assets					
Cash and investments	\$ 721,957	\$ 466,802	\$ 208,455	\$ 1,397,214	\$ 1,446,695
Receivables					
Accounts	278,073	123,702	17,342	419,117	385,322
Due from other funds	5,022	-	-	5,022	6,277
Other assets and prepaid items	304,252	1,521	334	306,107	144,283
Total current assets	1,309,304	592,025	226,131	2,127,460	1,982,577
Noncurrent assets					
Restricted assets					
Cash and investments	1,372,811	1,217,161	-	2,589,972	3,216,836
Other assets					
Net pension asset	59,649	21,563	7,015	88,227	-
Capital assets					
Nondepreciable	895,606	53,422	-	949,028	719,994
Depreciable	5,746,066	7,204,446	1,630,297	14,580,809	14,460,196
Total capital assets	6,641,672	7,257,868	1,630,297	15,529,837	15,180,190
Total assets	9,383,436	9,088,617	1,863,443	20,335,496	20,379,603
DEFERRED OUTFLOWS OF RESOURCES					
Loss on advance refunding	3,444	-	-	3,444	6,888
Pension related amounts	142,635	50,739	16,351	209,725	289,068
Other postemployment related amounts	8,623	3,118	1,015	12,756	4,198
Total deferred outflows of resources	154,702	53,857	17,366	225,925	300,154

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2020	2019
LIABILITIES					
Current liabilities					
Accounts payable	\$ 459,216	\$ 6,283	\$ 89	\$ 465,588	\$ 117,338
Accrued and other current liabilities	13,936	2,401	403	16,740	36,441
Due to other funds	199,587	-	-	199,587	193,203
Accrued interest payable	2,037	2,750	8,351	13,138	14,361
Current portion of long-term debt	81,913	45,000	53,310	180,223	125,132
Payable from restricted assets					
Current portion of long-term debt	301,947	387,847	-	689,794	676,459
Accrued interest payable	8,629	12,268	-	20,897	17,466
Total current liabilities	1,067,265	456,549	62,153	1,585,967	1,180,400
Long-term obligations, less current portion					
General obligation debt	242,117	475,000	497,493	1,214,610	1,373,967
Revenue bonds	1,860,000	2,964,172	124,190	4,948,362	5,612,012
WPPI Energy notes payable	108,902	-	-	108,902	153,965
Debt premium	26,370	-	-	26,370	28,317
Compensated absences	93,465	10,578	1,300	105,343	100,734
Net pension liability	-	-	-	-	107,592
Other postemployment benefits	19,840	7,175	2,336	29,351	20,206
Total long-term liabilities	2,350,694	3,456,925	625,319	6,432,938	7,396,793
Total liabilities	3,417,959	3,913,474	687,472	8,018,905	8,577,193
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	179,114	64,749	21,066	264,929	149,215
Other postemployment related amounts	4,223	1,527	497	6,247	6,635
Total deferred inflows of resources	183,337	66,276	21,563	271,176	155,850
NET POSITION					
Net investment in capital assets	4,808,792	3,385,849	955,304	9,149,945	8,713,683
Restricted	638,906	1,226,456	7,015	1,872,377	1,701,710
Unrestricted	489,144	550,419	209,455	1,249,018	1,531,321
Total net position	\$ 5,936,842	\$ 5,162,724	\$ 1,171,774	\$ 12,271,340	\$ 11,946,714

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2020	2019
OPERATING REVENUES					
Charges for services	\$ 2,972,981	\$ 1,033,897	\$ 177,772	\$ 4,184,650	\$ 4,102,171
Other	22,679	4,920	-	27,599	72,760
Total operating revenues	<u>2,995,660</u>	<u>1,038,817</u>	<u>177,772</u>	<u>4,212,249</u>	<u>4,174,931</u>
OPERATING EXPENSES					
Operation and maintenance	2,354,851	393,234	70,926	2,819,011	2,861,698
Depreciation	306,154	372,978	33,081	712,213	683,833
Taxes	29,995	-	-	29,995	26,610
Total operating expenses	<u>2,691,000</u>	<u>766,212</u>	<u>104,007</u>	<u>3,561,219</u>	<u>3,572,141</u>
Operating income	<u>304,660</u>	<u>272,605</u>	<u>73,765</u>	<u>651,030</u>	<u>602,790</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	26,509	16,305	1,445	44,259	88,442
Interest and fiscal charges	(69,594)	(93,154)	(22,244)	(184,992)	(191,593)
Amortization of debt discount/premium	(1,497)	-	-	(1,497)	(2,852)
Other nonoperating revenues (expenses)	2,820	-	5,115	7,935	5,350
Total nonoperating revenues (expenses)	<u>(41,762)</u>	<u>(76,849)</u>	<u>(15,684)</u>	<u>(134,295)</u>	<u>(100,653)</u>
Income before contributions and transfers	262,898	195,756	58,081	516,735	502,137
Capital contributions	9,155	-	-	9,155	620
Transfers out	(198,775)	(2,489)	-	(201,264)	(193,203)
Change in net position	<u>73,278</u>	<u>193,267</u>	<u>58,081</u>	<u>324,626</u>	<u>309,554</u>
Net position - January 1	<u>5,863,564</u>	<u>4,969,457</u>	<u>1,113,693</u>	<u>11,946,714</u>	<u>11,637,160</u>
Net position - December 31	<u>\$ 5,936,842</u>	<u>\$ 5,162,724</u>	<u>\$ 1,171,774</u>	<u>\$ 12,271,340</u>	<u>\$ 11,946,714</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 3,004,852	\$ 1,001,104	\$ 172,498	\$ 4,178,454	\$ 4,225,114
Cash paid for services provided	-	(32,337)	(2,000)	(34,337)	(15,471)
Cash paid for employee wages and benefits	(341,895)	(172,375)	(56,404)	(570,674)	(458,487)
Cash paid to suppliers	(1,864,458)	(186,906)	(14,506)	(2,065,870)	(2,344,488)
Net cash provided by operating activities	798,499	609,486	99,588	1,507,573	1,406,668
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental revenues	-	-	5,115	5,115	5,350
Transfer out	(192,391)	(2,489)	-	(194,880)	(196,068)
Net cash provided (used) by noncapital financing activities	(192,391)	(2,489)	5,115	(189,765)	(190,718)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(1,037,886)	(18,710)	-	(1,056,596)	(1,045,248)
Impact fees received	2,820	-	-	2,820	-
Proceeds for long-term debt	-	-	-	-	2,645,000
Premium for issuance of long-term debt	-	-	-	-	26,418
Principal paid on long-term debt	(362,624)	(399,513)	(37,507)	(799,644)	(1,010,979)
Interest paid on long-term debt	(69,594)	(93,154)	(22,244)	(184,992)	(189,593)
Net cash provided (used) by capital and related financing activities	(1,467,284)	(511,377)	(59,751)	(2,038,412)	425,598
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	26,509	16,305	1,445	44,259	88,442
Change in cash and investments	(834,667)	111,925	46,397	(676,345)	1,729,990
Cash and investments - January 1	2,929,435	1,572,038.00	162,058.00	4,663,531	2,933,541
Cash and investments - December 31	<u>\$ 2,094,768</u>	<u>\$ 1,683,963</u>	<u>\$ 208,455</u>	<u>\$ 3,987,186</u>	<u>\$ 4,663,531</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2020	2019
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income	\$ 304,660	\$ 272,605	\$ 73,765	\$ 651,030	\$ 602,790
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	306,154	372,978	33,081	712,213	683,833
Depreciation charged to sewer utility	3,891	-	-	3,891	10,531
Change in net pension liability (asset)	(132,112)	(46,648)	(17,059)	(195,819)	190,031
Change in deferred outflow of resources - pension related amounts	52,127	16,981	10,235	79,343	(136,419)
Change in deferred inflow of resources - pension related amounts	78,618	29,959	7,137	115,714	(13,363)
Change in net other postemployment benefits liability (asset)	6,230	2,464	451	9,145	844
Change in deferred outflow of resources - other postemployment related amounts	(5,796)	(2,139)	(623)	(8,558)	(2,104)
Change in deferred inflow of resources - other postemployment related amounts	(246)	(20)	(122)	(388)	5,038
Change in operating assets and liabilities					
Accounts receivables	9,192	(37,713)	(5,274)	(33,795)	50,183
Due from other funds	1,255	-	-	1,255	1,255
Other assets and prepaid items	(161,697)	(105)	(22)	(161,824)	5,316
Accounts payable	342,324	5,857	69	348,250	82
Accrued and other current liabilities	(9,047)	(6,207)	(2,239)	(17,493)	7,198
Compensated absences	2,946	1,474	189	4,609	1,453
Net cash provided by operating activities	<u>\$ 798,499</u>	<u>\$ 609,486</u>	<u>\$ 99,588</u>	<u>\$ 1,507,573</u>	<u>\$ 1,406,668</u>
Reconciliation of cash and cash equivalents to the statement of net position					
Cash and cash equivalents in current assets	\$ 721,957	\$ 466,802	\$ 208,455	\$ 1,397,214	\$ 1,446,695
Cash and cash equivalents in restricted assets	<u>1,372,811</u>	<u>1,217,161</u>	<u>-</u>	<u>2,589,972</u>	<u>3,216,836</u>
Total cash and investments	<u>\$ 2,094,768</u>	<u>\$ 1,683,963</u>	<u>\$ 208,455</u>	<u>\$ 3,987,186</u>	<u>\$ 4,663,531</u>
Noncash capital and related financing activities					
None					

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2020**

	<u>Custodial Fund</u>
ASSETS	
Cash and investments	<u>\$ 1,483,173</u>
LIABILITIES	
Due to other governments	<u>\$ 1,483,173</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2020**

	Custodial Fund
ADDITIONS	
Tax collections	\$ 2,455,905
DEDUCTIONS	
Payments to other governments	2,455,905
Change in fiduciary net position	-
Net position - January 1	-
Net position - December 31	\$ -

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Village is a municipal corporation governed by an elected seven member board. In accordance with GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has identified the following component unit that is required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61 and GASB Statement No. 90.

Village of New Glarus Community Development Authority (CDA)

The Authority is organized as a legally separate organization under Section 66.431 of the State of Wisconsin Statutes for the purpose of blight elimination, urban renewal programs and projects, and housing projects. The board of the Authority consists of two Village trustees and five community members who are appointed by the Village President. Wisconsin statutes provide for circumstances whereby the Village can impose its will on the Authority, and also create a potential financial benefit to or burden on the Village. All Authority activity is approved by the Village. As a component unit, the CDA's financial activity is presented as a blended component unit in the basic financial statements.

B. Joint Venture

The Village and the Townships of Primrose, Perry, York, and New Glarus jointly operate the local fire district, which is called the New Glarus Fire District (the "District"). The communities share in the annual operation of the District based upon equalized value of property served by the District.

The governing body is made up of citizens for each community. The governing body has authority to adopt its own budget and control the financial affairs of the District. The Village believes that the District will continue to provide services in the future at similar rates.

Financial information of the District as of December 31, 2020 is available directly from the District's office. Payments for the year to the District totaled \$68,261 and are recorded as expenditures in the Village's basic financial statements. Transactions of the District are not reported in the Village's basic financial statements.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements

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

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

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

The Village reports the following major governmental funds:

General Fund

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

Library Fund

This fund accounts for the operation of the Library. Significant revenues of the fund are property taxes and donations.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds, except for general obligation debt of the Village's Tax Incremental District Nos. 3 and 4.

General Capital Projects Fund

This fund accounts for the resources accumulated and payments made for capital projects of the general government, except those related to sidewalks and those related to the Village's Tax Incremental District Nos. 3 and 4.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Village reports the following major enterprise funds:

Light and Water Utility

The light and water utility accounts for the financing of the construction, operation, and maintenance of the Village owned light and water facilities.

Wastewater Utility

The wastewater utility accounts for financing of the construction, operation, and maintenance of the Village owned sewage facilities.

Additionally, the Village accounts for property taxes collected on behalf of other governments in a custodial fund.

D. Measurement Focus and Basis of Accounting

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

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

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

2. Property Taxes Receivable

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

In addition to its levy, the Village also levies and collects taxes for the School District of New Glarus, Green County and Madison Area Technical College. The Village has contracted with Green County to collect property taxes on behalf of the Village. Collections and remittances of taxes for other entities are accounted for in the Village's custodial fund.

3. Accounts Receivable

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

4. Special Assessments

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

VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Loans Receivable

The Village started a revolving loan fund from the proceeds received from the closure of TID No. 2 for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The Village records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the Village records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as committed fund balance in the fund financial statements.

6. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

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

7. Other Assets

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

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

8. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

9. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$5,000 for general capital assets and \$20,000 for infrastructure and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Governmental Activities Years</u>	<u>Business-type Activities Years</u>
Land improvements	30	-
Buildings and improvements	50 - 60	50 - 60
Machinery and equipment	5 - 25	5 - 25
Infrastructure	30 - 100	30 - 100

10. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

11. Deferred Outflows/Inflows of Resources

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Deferred Outflows/Inflows of Resources (Continued)

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

12. Long-Term Obligations

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

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

13. Pensions

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.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

14. Other Postemployment Benefits Other than Pensions (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's 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.

15. Fund Equity

Governmental Fund Financial Statements

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

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

15. Fund Equity (Continued)

The Village has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

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

F. Sales Tax

The Village collects sales tax from certain customers and remits the entire amount to the appropriate governmental entities. The Village's accounting policy is to exclude the tax collected and remitted from revenues and cost of sales.

G. Use of Estimates

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prior Year Information

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the Village's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

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

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

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2020.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess Expenditures Over Appropriations

The Village had the following excess expenditures over appropriations for the fiscal year ended December 31, 2020:

<u>Funds</u>	<u>Excess Expenditures</u>
General Fund	\$ 20,274
Tax incremental district no. 3	2,891
Tax incremental district no. 4	183,296
Library	38,075
Sanitary Sewer Utility	49,135
Storm Sewer Utility	574
Light & Water Utility	3,596
Waste management	22,605

C. Deficit Fund Equity

The following fund had deficit fund balance or net position as of December 31, 2020:

<u>Fund</u>	<u>Deficit Fund Balance</u>
Waste Management	\$ 870

The Village anticipates future tax levy will finance the deficit of the waste management fund.

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2020 and 2021 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2020 budget was 1.07%. The actual limit for the Village for the 2021 budget was 0.52%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

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

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

The carrying amount of the Village's cash and investments totaled \$8,926,802 on December 31, 2020 as summarized below:

Petty cash and cash on hand	\$ 625
Deposits with financial institutions	8,926,177

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	4,853,657
Restricted cash and investments	2,589,972
Fiduciary Fund statement of net position	
Agency fund	1,483,173
Total	<u>\$ 8,926,802</u>

Fair Value Measurements

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

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk

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

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

As of December 31, 2020, none of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits or uncollateralized.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets

Restricted assets on December 31, 2020 totaled \$2,589,972 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Enterprise Funds		
Light and Water Utility		
Capital Projects	\$ 784,925	Used to segregate resources for future capital projects in accordance with bond requirements
Debt retirement	324,217	Used to segregate resources accumulated for debt service payments
Debt reserve	262,101	Used to segregate resources set aside to comply with bond covenants
Impact fees	1,568	To account for impact fees collected and held by the Village to finance system improvements
Total Light and Water Utility	<u>1,372,811</u>	
Wastewater Utility		
Debt retirement	295,942	Used to segregate resources accumulated for debt service payments
Debt reserve	62,631	Used to segregate resources set aside to comply with bond covenants
Replacement account	853,896	Used to segregate resources accumulated for plant repairs and replacement.
Sewer connection account	4,692	Used to account for fees collected for new sewer services, set aside for costs of upgrading system.
Total Wastewater Utility	<u>1,217,161</u>	
Total	<u>\$ 2,589,972</u>	

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 1,963,232	\$ -	\$ -	\$ 1,963,232
Collection	25,263	-	-	25,263
Construction in progress	503,762	503,648	480,415	526,995
Total capital assets, nondepreciable	<u>2,492,257</u>	<u>503,648</u>	<u>480,415</u>	<u>2,515,490</u>
Capital assets, depreciable:				
Land improvements	91,026	-	-	91,026
Buildings and improvements	1,617,668	49,465	34,726	1,632,407
Machinery and equipment	1,585,056	79,600	-	1,664,656
Infrastructure	10,055,747	477,911	105,901	10,427,757
Subtotals	<u>13,349,497</u>	<u>606,976</u>	<u>140,627</u>	<u>13,815,846</u>
Less accumulated depreciation for:				
Land improvements	47,845	3,437	-	51,282
Buildings and improvements	811,114	36,628	27,830	819,912
Machinery and equipment	1,000,072	82,669	-	1,082,741
Infrastructure	4,116,814	178,042	62,590	4,232,266
Subtotals	<u>5,975,845</u>	<u>300,776</u>	<u>90,420</u>	<u>6,186,201</u>
Total capital assets, depreciable, net	<u>7,373,652</u>	<u>306,200</u>	<u>50,207</u>	<u>7,629,645</u>
Governmental activities capital assets, net	<u>\$ 9,865,909</u>	<u>\$ 809,848</u>	<u>\$ 530,622</u>	10,145,135
Less: Capital related debt				(5,410,819)
Less: Debt premium				(67,797)
Add: Deferred charge on refunding				<u>46,381</u>
Net investment in capital assets				<u>\$ 4,712,900</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 56,182	\$ -	\$ -	\$ 56,182
Construction in progress	663,812	796,186	567,152	892,846
Total capital assets, nondepreciable	<u>719,994</u>	<u>796,186</u>	<u>567,152</u>	<u>949,028</u>
Capital assets, depreciable:				
Buildings and improvements	5,756,998	-	-	5,756,998
Machinery and equipment	5,275,773	176,208	3,612	5,448,369
Infrastructure	11,988,965	660,509	180	12,649,294
Subtotals	<u>23,021,736</u>	<u>836,717</u>	<u>3,792</u>	<u>23,854,661</u>
Less accumulated depreciation for:				
Buildings and improvements	1,811,339	150,107	-	1,961,446
Machinery and equipment	2,684,349	292,202	3,612	2,972,939
Infrastructure	4,065,852	273,795	180	4,339,467
Subtotals	<u>8,561,540</u>	<u>716,104</u>	<u>3,792</u>	<u>9,273,852</u>
Total capital assets, depreciable, net	<u>14,460,196</u>	<u>120,613</u>	<u>-</u>	<u>14,580,809</u>
Business-type activities capital assets, net	<u>\$ 15,180,190</u>	<u>\$ 916,799</u>	<u>\$ 39,702</u>	15,529,837
Less: Capital related debt				(6,355,019)
Less: Debt premium				(28,317)
Add: Deferred charge on refunding				<u>3,444</u>
Net investment in capital assets				<u>\$ 9,149,945</u>

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

Governmental activities	
General government	\$ 20,648
Public safety	55,255
Public works	193,696
Culture and recreation	31,177
Total depreciation expense - governmental activities	<u>\$ 300,776</u>
Business-type activities	
Light utility	193,238
Water utility	112,916
Sewer utility	372,978
Stormwater management	33,081
Total depreciation expense - business-type activities	<u>712,213</u>
Depreciation charged to other accounts and salvage	3,891
Increase in accumulated depreciation	<u>\$ 716,104</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2020 are detailed below:

	Interfund Receivables	Interfund Payables
Operating activity between funds		
Governmental funds		
General	\$ 199,587	\$ -
Debt service	-	5,022
Enterprise fund		
Light and water utility	5,022	199,587
Totals	\$ 204,609	\$ 204,609

The Village's governmental funds were allocated a portion of the WPPI Energy Notes Payable and an interfund advance was established. Annual principal maturities on the advance follows:

Year Ended December 31,	Total
2021	\$ 1,255
2022	1,255
2023	1,255
2024	1,257
	\$ 5,022

Interfund transfers for the year ended December 31, 2020 were as follows:

Funds	Transfer In	Transfer Out
General	\$ 201,264	\$ 35,789
Library	15,289	-
General capital projects	20,500	-
Light and water utility	-	198,775
Wastewater utility	-	2,489
	\$ 237,053	\$ 237,053

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers (Continued)

Interfund transfers were made for the following purpose:

Tax equivalent payment made by light and water utility to general fund	\$	198,775
Tax equivalent payment made by wastewater utility to general fund		2,489
Transfer by general fund to capital project fund for project funding		20,500
Transfer by general fund to library fund for project funding		15,289
Total	<u>\$</u>	<u>237,053</u>

E. Long-Term Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2020:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	\$ 3,903,472	\$ -	\$ 397,439	\$ 3,506,033	\$ 383,150
Notes from direct borrowings and placements	812,374	431,970	287,668	956,676	163,397
State trust fund loans from direct borrowings and placements	213,051	-	9,941	203,110	10,336
Total general obligation debt	<u>4,928,897</u>	<u>431,970</u>	<u>695,048</u>	<u>4,665,819</u>	<u>556,883</u>
Revenue bonds	845,000	-	100,000	745,000	120,000
Debt premium	80,124	-	12,327	67,797	12,327
Compensated absences	119,179	10,061	2,816	126,424	-
Governmental activities Long-term obligations	<u>\$ 5,973,200</u>	<u>\$ 442,031</u>	<u>\$ 810,191</u>	<u>\$ 5,605,040</u>	<u>\$ 689,210</u>
Business-type activities:					
General Obligation Debt					
Bonds	\$ 1,431,528	\$ -	\$ 57,561	\$ 1,373,967	\$ 111,850
Revenue bonds	2,430,000	-	295,000	2,135,000	300,000
Revenue bonds from direct borrowings and placements	3,879,032	-	402,020	3,477,012	411,157
WPPI energy notes payable from direct borrowings and placements	199,028	-	45,063	153,965	45,063
Debt premium	30,264	-	1,947	28,317	1,947
Compensated absences	100,734	4,609	-	105,343	-
Business-type activities Long-term obligations	<u>\$ 8,070,586</u>	<u>\$ 4,609</u>	<u>\$ 801,591</u>	<u>\$ 7,273,604</u>	<u>\$ 870,017</u>

Total interest paid during the year on long-term debt totaled \$367,423.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
General obligation promissory note	01/29/16	01/29/26	3.20%	\$ 210,000	\$ -
State trust fund loan	02/09/16	03/15/35	3.75%	240,000	203,110
General obligation note	05/25/16	08/15/26	2.80%	430,000	273,707
General obligation note	09/22/16	09/22/23	2.75%	141,000	12,517
General obligation note	06/30/18	06/30/24	2.75%	125,000	78,909
General obligation promissory note	10/18/19	10/01/29	2.37%	175,472	159,573
General obligation promissory note	09/24/20	09/24/30	1.877-2.229%	431,970	431,970
Total outstanding general obligation debt from direct borrowing and direct placement					<u>\$ 1,159,786</u>

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
General obligation refunding bond	07/06/10	06/01/26	2.70 - 4.25%	\$ 935,000	\$ 460,000
General obligation corporate purpose bond	04/09/14	02/01/32	2.00 - 3.95%	1,000,000	700,000
General obligation corporate purpose bond	05/18/15	02/01/35	3.00 - 3.38%	3,315,000	2,235,000
General obligation corporate purpose bond	05/07/19	05/01/27	3.00 - 4.00%	1,550,000	1,485,000
Total outstanding general obligation debt					<u>\$ 4,880,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$6,039,786 on December 31, 2020 are detailed below:

Year Ended December 31,	Governmental Activities					
	Bonded Debt		Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 383,150	\$ 107,360	\$ 165,056	\$ 29,724	\$ 515,812	\$ 151,539
2022	383,387	95,349	156,112	27,096	498,024	136,120
2023	378,387	83,242	139,088	23,261	487,255	120,631
2024	378,624	71,061	139,153	19,420	485,227	104,960
2025	378,624	58,784	135,638	15,744	470,160	89,142
2025-2029	1,038,861	165,207	344,260	35,145	1,642,546	246,901
2030-2034	565,000	34,306	80,479	9,283	762,571	67,559
2035	-	-	-	-	67,302	1,493
	<u>\$ 3,506,033</u>	<u>\$ 615,309</u>	<u>\$ 1,159,786</u>	<u>\$ 159,673</u>	<u>\$ 4,665,819</u>	<u>\$ 774,982</u>

Year Ended December 31,	Business-Type Activities			
	Bonded Debt		Totals	
	Principal	Interest	Principal	Interest
2021	\$ 111,850	\$ 41,674	\$ 627,662	\$ 193,213
2022	106,613	37,647	604,637	173,767
2023	116,613	33,936	603,868	154,567
2024	116,378	30,441	601,605	135,401
2025	111,376	27,000	581,536	116,142
2025-2029	591,137	80,522	2,233,683	327,423
2030-2034	220,000	9,100	982,571	76,659
2035	-	-	67,302	1,493
	<u>\$ 1,373,967</u>	<u>\$ 260,320</u>	<u>\$ 6,302,864</u>	<u>\$ 1,178,665</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

The Village's outstanding notes from direct borrowings and direct placements related to governmental activities of \$956,676 contain a provision that in an event of default, outstanding amounts become immediately due if the Village is unable to make payment.

The Village's outstanding notes from direct borrowings related to governmental activities of \$203,110 are subject to a statutory provision that in an event of late or nonpayment, a one percent per month penalty will be charged and the payment will be collected through a reduction in payments from the State of Wisconsin.

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

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2020 was \$4,904,123 as follows:

Equalized valuation of the Village		\$ 216,548,000
Statutory limitation percentage		<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		10,827,400
Total outstanding general obligation debt applicable to debt limitation	\$ 6,039,786	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>116,509</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>5,923,277</u>
Legal margin for new debt		<u><u>\$ 4,904,123</u></u>

The Village intends that its general obligation debt will not exceed 75% of the above limitation or \$8,120,550. As of December 31, 2020, general obligation debt is \$2,197,273 below the Village limitation.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds

Revenue bonds outstanding on December 31, 2020 totaled \$6,510,976 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
Clean water revenue bond	07/23/08	05/01/28	2.20%	\$ 7,382,420	\$ 3,352,019
Revenue obligation trust fund loan	06/09/15	03/15/25	0.035	232,053	124,993
Total outstanding revenue bonds from direct borrowing and direct placements					<u>\$ 3,477,012</u>

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
Community development revenue refunding bonds	07/06/10	12/01/26	2.70 - 4.30%	\$ 1,520,000	\$ 745,000
Water and electric system revenue refunding bonds	07/10/13	05/01/21	1.10 - 2.30%	1,630,000	215,000
Water and electric revenue bonds	04/21/15	05/01/30	2.50 - 3.00%	565,000	440,000
Water and electric system revenue refunding bonds	12/19/19	05/01/39	2.38-3.00%	1,540,000	1,480,000
Total outstanding revenue bonds					<u>\$ 2,880,000</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$6,510,976 on December 31, 2020 are detailed below:

Year Ended December 31,	Business-Type Activities					
	Bonded Debt		Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 300,000	\$ 53,606	\$ 411,156	\$ 73,727	\$ 697,020	\$ 138,069
2022	90,000	48,634	420,489	64,300	711,156	127,333
2023	105,000	45,851	430,038	54,656	510,489	112,934
2024	115,000	42,731	439,802	44,794	535,038	100,507
2025	120,000	39,406	449,802	34,694	554,802	87,525
2025-2029	615,000	143,991	1,325,725	44,091	2,385,527	240,616
2030-2034	410,000	75,531	-	-	450,000	86,006
2035-2039	380,000	20,344	-	-	465,000	31,434
	<u>\$ 2,135,000</u>	<u>\$ 470,094</u>	<u>\$ 3,477,012</u>	<u>\$ 316,262</u>	<u>\$ 5,612,012</u>	<u>\$ 786,356</u>

Year Ended December 31,	Governmental Activities			
	Bonded Debt		Totals	
	Principal	Interest	Principal	Interest
2021	\$ 120,000	\$ 30,743	\$ 817,020	\$ 168,812
2022	125,000	26,063	836,156	153,396
2023	125,000	21,063	635,489	133,997
2024	125,000	15,938	660,038	116,445
2025	125,000	10,688	679,802	98,213
2025-2029	125,000	5,375	2,510,527	245,991
2030-2034	-	-	450,000	86,006
2035-2039	-	-	465,000	31,434
	<u>\$ 745,000</u>	<u>\$ 109,870</u>	<u>\$ 7,054,032</u>	<u>\$ 1,034,294</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds (Continued)

The Villages' outstanding notes from direct borrowings related to business type activities of \$3,477,012 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the Village or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

Utility Revenues Pledged

The Village has pledged future water, electric, stormwater and wastewater customer revenues, net of specified operating expenses, to repay water and electric system revenue bonds, stormwater revenue bonds, and clean water fund revenue bond (wastewater system). Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water, electric, stormwater and wastewater customer net revenues and are payable through 2039. The total principal and interest remaining to be paid on the bonds is \$6,398,368. Principal and interest paid for the current year and total customer net revenues were as follows:

	Water and Electric	Wastewater	Stormwater
Customer net revenues	\$ -	\$ 645,583	\$ 106,846
Principal and interest payments	353,607	457,199	27,684
Remaining payments	2,605,095	3,654,850	138,423

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

WPPI Energy Notes Payable

The Village has entered into a \$450,629 loan agreement with WPPI Energy, a Wisconsin municipal electric utility and provider of the Village's purchased power, to support renewable energy projects and energy efficiency projects. The loan agreement was dated May 6, 2014 and does not bear interest, unless the Village becomes delinquent. Monthly principal payments of \$3,755 are due through May 28, 2024. Annual principal maturities of the outstanding WPPI Energy notes payable of \$153,965 on December 31, 2020 are detailed below:

Year Ended December 31,	Business-Type Activities Principal
2021	\$ 45,063
2022	45,063
2023	45,063
2024	18,776
Total	\$ 153,965

F. Pension Plans

Wisconsin Retirement System

1. Plan Description

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 issued a standalone WRS Financial Report, 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.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (Continued)

1. Plan Description (Continued)

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

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

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

The WRS also provides death and disability benefits for employees.

2. Postretirement Adjustments

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (Continued)

2. Postretirement Adjustments (Continued)

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

3. Contributions

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

During the year ended December 31, 2020, the WRS recognized \$96,262 in contributions from the Village.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	11.7%
Protective without Social Security	6.8%	16.3%

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (Continued)

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Village reported an asset of \$238,848 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was .00740743%, which was a decrease of .00011666% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$91,248.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 453,390	\$ 226,891
Net differences between projected and actual earnings on pension plan investments	-	488,293
Changes in assumptions	18,612	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,271	2,029
Employer contributions subsequent to the measurement date	96,262	-
Total	<u>\$ 569,535</u>	<u>\$ 717,213</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (Continued)

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$96,262 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred 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>Expense</u>
2021	\$ (71,668)
2022	(54,474)
2023	7,830
2024	<u>(125,628)</u>
Total	<u>\$ (243,940)</u>

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age
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
Postretirement Adjustments*	1.9%*

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (Continued)

5. Actuarial Assumptions (Continued)

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

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

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global Equities	49.0%	8.0%	5.1%
Fixed Income	24.5%	4.9%	2.1%
Inflation Sensitive Assets	15.5%	4.0%	1.2%
Real Estate	9.0%	6.3%	3.5%
Private Equity/Debt	8.0%	10.6%	7.6%
Multi-asset	4.0%	6.9%	4.0%
Total Core Fund	110.0%	7.5%	4.6%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0%	7.5%	4.6%
International Equities	30.0%	8.2%	5.3%
Total Variable Fund	100.0%	7.8%	4.9%

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

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (Continued)

5. Actuarial Assumptions (Continued)

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

Sensitivity of the Village's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	\$ 615,079	\$ (238,848)	\$ (877,259)

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

6. Payables to the Pension Plan

At December 31, 2020, the Village reported a payable of \$0 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2020.

Defined Contribution Pension Plan

The Village contributes to the Service Award Program (SAP), a defined contribution pension plan, for its volunteer firefighters, first responders and emergency medical technicians. SAP is administered by PENFLEX INC.

The Village determines annually the amount it will contribute on behalf of each individual in the program. Participants are fully vested to receive a service award once he or she attains 15 years of service for a municipality and paid a service award upon reaching age of 60. A participant who has discontinued providing eligible service after performing a minimum 10 years of service shall be partially vested and may elect to receive a partial service award at any time after reaching age 53. Nonvested accounts are forfeited if the individual ceases to perform creditable service for a period of 12 months or more and distributed equally among all other open accounts sponsored by the participating municipality at the time of the forfeiture.

For the year ended December 31, 2020, the Village contributed \$13,790 to the plan, and the Village recognized pension expense of \$13,790.

G. Other Postemployment Benefits

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 postemployment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position

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

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

Benefits Provided

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

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 postretirement benefit.

Employers are required to pay the following contributions 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 as of December 31, 2020 are:

Coverage Type	Employer Contribution
50% Post-retirement coverage	40% of employee contribution
25% Post-retirement coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2019 are listed below:

Life Insurance Employee Contribution Rates For the Year Ended December 31, 2018	
Attained Age	Basic
Under 30	\$0.05
30 - 34	0.06
35 - 39	0.07
40 - 44	0.08
45 - 49	0.12
50 - 54	0.22
55 - 59	0.39
60 - 64	0.49
65 - 69	0.57

During the year ended December 31, 2020, the LRLIF recognized \$337 in contributions from the employer.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

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

At December 31, 2020, the Village reported a liability of \$79,456 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 December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.01865900%, which was a decrease of 0.0008260% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized OPEB expense of \$8,238.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,559
Net differences between projected and actual earnings on OPEB plan investments	1,498	-
Changes in assumptions	29,310	8,740
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,723	4,613
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 34,531</u>	<u>\$ 16,912</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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>Expense</u>
2021	\$ 2,989
2022	2,989
2023	2,827
2024	2,661
2025	2,422
Thereafter	3,731
Total	<u>\$ 17,619</u>

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

Actuarial valuation date:	January 01, 2019
Measurement date of net OPEB liability (asset):	December 31, 2019
Actuarial cost method:	Entry age normal
20 year tax-exempt municipal bond yield:	2.74%
Long-term expected rate of return:	4.25%
Discount rate:	2.87%
Salary increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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.

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

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

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Single discount rate. A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. 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 Village's proportionate share of net OPEB liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.87%, as well as what the Village's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87%) or 1-percentage-point higher (3.87%) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
Village's proportionate share of the net OPEB liability (asset)	\$ 109,712	\$ 79,456	\$ 56,433

Payable to the OPEB Plan

At December 31, 2020, the Village reported a payable of \$0 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2020.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2020, nonspendable fund balance was as follows:

General Fund		
Nonspendable		
Prepaid items	\$	<u>13,515</u>
Special Revenue Funds		
Nonspendable		
Library		<u>4,024</u>
Capital Projects Funds		
Nonspendable		
Tax incremental district No. 4		<u>86</u>
Total nonspendable fund balance	\$	<u><u>17,625</u></u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2020, restricted fund balance was as follows:

Debt Service Fund		
Restricted for		
Retirement of long-term debt	\$	<u>116,509</u>
Capital Projects Fund		
Restricted for		
Tax incremental district no. 3		814,074
Tax incremental district no. 4		<u>33,613</u>
Total restricted fund balance	\$	<u><u>964,196</u></u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by Village Board action. At December 31, 2020, General Fund balance was committed as follows:

General Fund		
Committed for		
Capital outlays	\$	<u>15,084</u>
Special Revenue Funds		
Committed for		
Room tax		5,882
Revolving loan fund		<u>87,038</u>
Subtotal		<u>92,920</u>
Total committed fund balance	\$	<u><u>108,004</u></u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2020, fund balance was assigned as follows:

General Fund		
Assigned for		
Public safety	\$	53,905
Culture and recreation		<u>9,213</u>
Subtotal		<u>63,118</u>
Special Revenue Funds		
Assigned for		
Library		223,397
Chalet museum		2,547
Employee payout		<u>62,764</u>
Subtotal		<u>288,708</u>
Capital Projects Funds		
Assigned for		
Capital projects		227,561
Sidewalk maintenance		<u>20,377</u>
Subtotal		<u>247,938</u>
Total assigned fund balance	\$	<u><u>599,764</u></u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

Minimum General Fund Balance Policy

The Village Board has adopted a policy that requires the Village to retain a minimum general fund balance for operating purposes to be 10% of the total current year budgeted expenditures. General Fund operating expenditures as well as a minimum general fund balance for capital purposes to be 15% of the total current year budgeted General Fund operating expenditures:

General Fund	
Operating reserve	\$ 148,692
Working capital reserve	223,037
	<u>\$ 371,729</u>

The Village's unassigned general fund balance of \$1,005,160 is above the minimum fund balance amount.

Net Position

The Village reports restricted net position at December 31, 2020 as follows:

Governmental Activities	
Restricted for	
Tax incremental district projects	\$ 847,687
Debt service	52,531
Pension	150,621
Total governmental activities restricted net position	<u>1,050,839</u>
Business-type Activities	
Restricted for	
Debt service	930,254
Capital projects	853,896
Pension	88,227
Total Business-type Activities Restricted Net Position	<u>1,872,377</u>
Total restricted net position	<u>\$ 2,923,216</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The Village has established separate capital projects funds for Tax Incremental District (TID) No. 3 and No. 4 which were created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village’s Districts are still eligible to incur project costs.

Since creation of the above Districts, the Village has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the Village from any future excess tax increment revenues. As of December 31, 2020, the Village can recover \$560,394 from future excess tax increment revenues of the following:

	Recoverable Costs
TID No. 3	\$ 390,927
TID No. 4	169,467

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the Village prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 3	2026
TID No. 4	2042

B. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage. Insurance settlements have not exceeded insurance coverage in any of the past three years nor has there been any significant reduction in insurance coverage compared to the prior year.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Contingencies

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

D. Enterprise Funds - Significant Customers

The water utility has one significant customer who is responsible for 8.3% of operating revenues in 2020. The wastewater utility has one significant customer who was responsible for 20.9% of operating revenues in 2020. The electric utility has one significant customer who is responsible for 15.6% of operating revenues in 2020.

E. Upcoming Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after June 15, 2021. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

E. Subsequent Events

During 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Village, COVID-19 may impact various parts of its fiscal year 2021 operations and financial results. Management believes the Village is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS**

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (plan year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.00783528%	\$ (192,457)	\$ 952,140	20.21%	102.74%
12/31/15	0.00762865%	123,963	946,576	13.10%	98.20%
12/31/16	0.00750925%	61,894	1,009,364	6.13%	99.12%
12/31/17	0.00758774%	(225,289)	1,018,289	22.12%	102.93%
12/31/18	0.00752409%	267,683	980,446	27.30%	96.45%
12/31/19	0.00740743%	(238,848)	1,021,198	23.39%	102.96%

**SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 73,784	\$ 73,784	\$ -	\$ 946,576	7.79%
12/31/16	73,566	73,566	-	1,009,364	7.29%
12/31/17	78,822	78,822	-	1,018,289	7.74%
12/31/18	73,800	73,800	-	980,446	7.53%
12/31/19	77,626	77,626	-	1,021,198	7.60%
12/31/20	96,262	96,262	-	1,193,785	8.06%

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS**

Plan Fiscal Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.01758800%	\$ 52,915	\$ 739,626	7.15%	44.81%
12/31/18	0.01948500%	50,278	906,000	5.55%	48.69%
12/31/19	0.01865900%	79,454	913,088	8.70%	37.58%

**SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS**

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 375	\$ 375	\$ -	\$ 906,000	0.04%
12/31/19	337	337	-	1,007,000	0.03%
12/31/20	498	498	-	1,169,000	0.04%

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020**

NOTE 1 WISCONSIN LOCAL RETIREE LIFE INSURANCE

There were no changes of benefit terms for any participating employer in the Local Retiree Life Insurance Fund.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates.

The Village 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.

NOTE 2 WISCONSIN RETIREMENT SYSTEM

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates.

The Village 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.

SUPPLEMENTARY INFORMATION

**VILLAGE OF NEW GLARUS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>Special Revenue</u>				
	<u>Chalet Museum</u>	<u>Room Tax</u>	<u>Revolving Loan</u>	<u>Employee Payout</u>	<u>Waste Management</u>
ASSETS					
Cash and investments	\$ 6,717	\$ 5,882	\$ 87,038	\$ 65,726	\$ 71,799
Receivables					
Property taxes	4,906	-	-	4,038	87,896
Loans	-	-	38,034	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 11,623</u>	<u>\$ 5,882</u>	<u>\$ 125,072</u>	<u>\$ 69,764</u>	<u>\$ 159,695</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 565	\$ -	\$ -	\$ -	\$ 8,147
Accrued and other current liabilities	6	-	-	-	55
Total liabilities	<u>571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,202</u>
Deferred inflows of resources					
Property taxes levied for subsequent year	8,505	-	-	7,000	152,363
Loans receivable	-	-	38,034	-	-
Total deferred inflows of resources	<u>8,505</u>	<u>-</u>	<u>38,034</u>	<u>7,000</u>	<u>152,363</u>
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	5,882	87,038	-	-
Assigned	2,547	-	-	62,764	-
Unassigned	-	-	-	-	(870)
Total fund balances	<u>2,547</u>	<u>5,882</u>	<u>87,038</u>	<u>62,764</u>	<u>(870)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,623</u>	<u>\$ 5,882</u>	<u>\$ 125,072</u>	<u>\$ 69,764</u>	<u>\$ 159,695</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	Capital Projects		Total	
	Sidewalk Maintenance	Tax Incremental District No. 3		Tax Incremental District No. 4
ASSETS				
Cash and investments	\$ 20,377	\$ 960,785	\$ 85,745	\$ 1,304,069
Receivables				
Property taxes	-	199,699	70,312	366,851
Loans	-	-	-	38,034
Prepaid items	-	-	86	86
Total assets	<u>\$ 20,377</u>	<u>\$ 1,160,484</u>	<u>\$ 156,143</u>	<u>\$ 1,709,040</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 244	\$ 445	\$ 9,401
Accrued and other current liabilities	-	-	117	178
Total liabilities	<u>-</u>	<u>244</u>	<u>562</u>	<u>9,579</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	-	346,166	121,882	635,916
Loans receivable	-	-	-	38,034
Total deferred inflows of resources	<u>-</u>	<u>346,166</u>	<u>121,882</u>	<u>673,950</u>
Fund balances				
Nonspendable	-	-	86	86
Restricted	-	814,074	33,613	847,687
Committed	-	-	-	92,920
Assigned	20,377	-	-	85,688
Unassigned	-	-	-	(870)
Total fund balances	<u>20,377</u>	<u>814,074</u>	<u>33,699</u>	<u>1,025,511</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,377</u>	<u>\$ 1,160,484</u>	<u>\$ 156,143</u>	<u>\$ 1,709,040</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Special Revenue				
	Chalet Museum	Room Tax	Revolving Loan	Employee Payout	Waste Management
REVENUES					
Taxes	\$ 8,500	\$ 37,560	\$ -	\$ 10,001	\$ 135,484
Intergovernmental	-	-	-	-	2,643
Public charges for services	720	-	-	-	1,534
Miscellaneous	1,192	-	8,863	-	-
Total revenues	<u>10,412</u>	<u>37,560</u>	<u>8,863</u>	<u>10,001</u>	<u>139,661</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public works	-	-	-	-	161,789
Culture and recreation	10,035	-	-	-	-
Conservation and development	-	44,294	5,007	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>10,035</u>	<u>44,294</u>	<u>5,007</u>	<u>-</u>	<u>161,789</u>
Net change in fund balances	377	(6,734)	3,856	10,001	(22,128)
Fund balances - January 1	<u>2,170</u>	<u>12,616</u>	<u>83,182</u>	<u>52,763</u>	<u>21,258</u>
Fund balances - December 31	<u>\$ 2,547</u>	<u>\$ 5,882</u>	<u>\$ 87,038</u>	<u>\$ 62,764</u>	<u>\$ (870)</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Capital Projects			Total
	Sidewalk Maintenance	Tax	Tax	
		Incremental District No. 3	Incremental District No. 4	
REVENUES				
Taxes	\$ -	\$ 337,343	\$ 102,438	\$ 631,326
Intergovernmental	-	7,310	721	10,674
Public charges for services	-	-	-	2,254
Miscellaneous	-	1,743	206,273	218,071
Total revenues	-	346,396	309,432	862,325
EXPENDITURES				
Current				
General government	-	150	5,112	5,262
Public works	-	-	-	161,789
Culture and recreation	-	-	-	10,035
Conservation and development	-	2,760	3,000	55,061
Debt service				
Principal	-	175,000	196,209	371,209
Interest and fiscal charges	-	54,341	16,894	71,235
Capital outlay	-	2,973	2,332	5,305
Total expenditures	-	235,224	223,547	679,896
Net change in fund balances	-	111,172	85,885	182,429
Fund balances - January 1	20,377	702,902	(52,186)	843,082
Fund balances - December 31	\$ 20,377	\$ 814,074	\$ 33,699	\$ 1,025,511

VILLAGE OF NEW GLARUS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
LIGHT AND WATER UTILITY
YEAR ENDED DECEMBER 31, 2020

	Light Utility	Water Utility	Total
OPERATING REVENUES			
Charges for services	\$ 2,390,504	\$ 582,477	\$ 2,972,981
Other	13,335	9,344	22,679
Total operating revenues	<u>2,403,839</u>	<u>591,821</u>	<u>2,995,660</u>
OPERATING EXPENSES			
Operation and maintenance	2,136,519	218,332	2,354,851
Depreciation	193,238	112,916	306,154
Taxes	20,850	9,145	29,995
Total operating expenses	<u>2,350,607</u>	<u>340,393</u>	<u>2,691,000</u>
Operating income	<u>\$ 53,232</u>	<u>\$ 251,428</u>	<u>\$ 304,660</u>
NONOPERATING REVENUES (EXPENSES)			
General property taxes			-
Interest income			26,509
Nonoperating grants			-
Gain (loss) on disposal of capital assets			-
Interest and fiscal charges			(69,594)
Amortization of debt discount/premium			(1,497)
Other nonoperating revenues (expenses)			<u>2,820</u>
Total nonoperating revenues (expenses)			<u>(41,762)</u>
Income before contributions and transfers			262,898
Capital contributions			9,155
Transfers in			-
Transfers out			(198,775)
Change in net position			73,278
Net position - January 1			<u>5,863,564</u>
Net position - December 31			<u>\$ 5,936,842</u>

VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF LIGHT UTILITY
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	2020	2019
OPERATING REVENUES		
Charges for services		
Sales of electricity		
Residential	\$ 954,157	\$ 939,147
Rural	35,836	35,970
Small commercial and industrial	425,063	475,278
Large commercial and industrial	932,480	1,009,045
Public street and highway lighting	37,165	37,543
Interdepartmental	5,803	5,987
Total charges for services	2,390,504	2,502,970
Other operating revenues		
Forfeited discounts	1,560	8,999
Miscellaneous service revenues	357	1,167
Rent from electric property	10,845	10,845
Other	573	350
Total other operating revenues	13,335	21,361
Total operating revenues	2,403,839	2,524,331
OPERATING EXPENSES		
Operation and maintenance		
Other power supply expenses		
Purchased power	1,797,070	1,844,589
Distribution expenses		
Operation supervision	18,038	16,135
Line and station labor	7,960	432
Line and station supplies	26,770	15,579
Meter	1,736	3,792
Customer installations	814	440
Miscellaneous distribution	6,039	195
Maintenance of structures and equipment	1,640	14
Maintenance of lines	54,741	52,655
Maintenance of line transformers	1,878	793
Maintenance of street lighting and signal systems	2,443	4,420
Maintenance of meters	963	1,359
Total distribution expenses	123,022	95,814
Customer accounts expenses		
Meter reading labor	1,572	3,188
Accounting and collecting labor	22,767	23,122
Supplies and expenses	3,125	2,424
Uncollectible accounts	(823)	(561)
Total customer accounts expenses	26,641	28,173

VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF LIGHT UTILITY
OPERATING REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	<u>2019</u>	<u>2019</u>
OPERATING EXPENSES (Continued)		
Administrative and general expenses		
Administrative and general salaries	31,054	26,738
Office supplies	3,199	2,725
Outside services employed	6,600	10,345
Property insurance	3,538	3,640
Injuries and damages	10,841	13,294
Employee pensions and benefits	86,860	95,756
Regulatory commission	-	10
Miscellaneous general expenses	11,554	4,620
Transportation expenses	24,820	15,077
Maintenance of general plant	9,705	6,459
Appropriations of income to village	1,615	492
Total administrative and general expenses	<u>189,786</u>	<u>179,156</u>
Total operation and maintenance	2,136,519	2,147,732
Depreciation	193,238	185,537
Taxes	20,850	17,348
Total operating expenses	<u>2,350,607</u>	<u>2,350,617</u>
Operating income	<u>\$ 53,232</u>	<u>\$ 173,714</u>
Reconciliation of operating income to PSC operating income		
Operating income (as reported above)	\$ 53,232	\$ 173,714
Add: Depreciation on contributed plant	12,792	12,617
Add: Appropriations on income to Village	1,615	492
Less: GASB 68 conversion	(940)	17,741
Less: GASB 75 conversion	187	1,447
Less: Property tax equivalent	(97,787)	(94,760)
PSC operating income	<u>\$ (30,901)</u>	<u>\$ 111,251</u>
Rate of return	<u>-1.59%</u>	<u>5.93%</u>

VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF WATER UTILITY
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	2020	2019
OPERATING REVENUES		
Charges for services		
Unmetered	\$ 1,605	\$ 2,519
Residential	260,543	250,574
Commercial	66,276	67,187
Industrial	84,458	98,354
Public authority	17,754	19,655
Private fire protection	5,571	5,436
Public fire protection	146,270	145,297
Total charges for services	582,477	589,022
Other revenues		
Forfeited discounts	395	2,349
Other	8,949	9,531
Total other revenues	9,344	11,880
 Total operating revenues	 591,821	 600,902
OPERATING EXPENSES		
Operation and maintenance		
Source of supply expenses		
Operation labor	6	414
Operation supplies	1,216	382
Maintenance of water source plant	5,711	923
Total source of supply expenses	6,933	1,719
Pumping expenses		
Operation labor	13,336	17,632
Fuel or power purchased for pumping	18,075	19,058
Operation supplies	812	883
Maintenance of pumping plant	2,920	1,366
Total pumping expenses	35,143	38,939
Water treatment expenses		
Operation labor	10,256	11,330
Chemicals	8,958	15,573
Operation supplies and expenses	3,821	3,778
Maintenance of water treatment plant	2,100	435
Total water treatment expenses	25,135	31,116
Transmission and distribution expenses		
Operation labor	11,751	16,093
Operation supplies and expenses	833	54
Maintenance of distribution reservoirs and standpipes	59	486
Maintenance of mains	8,621	4,649
Maintenance of services	16,482	7,400
Maintenance of meters	551	538
Maintenance of hydrants	2,051	1,392
Maintenance of other plant	136	1,473
Total transmission and distribution expenses	40,484	32,085

VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF WATER UTILITY (CONTINUED)
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	<u>2019</u>	<u>2019</u>
OPERATING EXPENSES (Continued)		
Customer accounts expenses		
Meter reading labor	866	1,792
Accounting and collecting labor	5,692	5,617
Supplies	3,005	2,218
Uncollectible accounts	2	-
Total customer accounts expenses	<u>9,565</u>	<u>9,627</u>
Administrative and general expenses		
Administrative and general salaries	12,489	10,922
Office supplies and expenses	1,563	1,325
Outside services employed	10,758	7,983
Property insurance	1,826	1,864
Injuries and damages	3,830	3,792
Employee pensions and benefits	60,817	59,700
Regulatory commission	125	125
Miscellaneous general	7,959	6,577
Transportation	26	6,265
Maintenance of general plant	1,460	2,605
Appropriations of income to village	219	186
Total administrative and general expenses	<u>101,072</u>	<u>101,344</u>
Total operation and maintenance	218,332	214,830
Depreciation	112,916	99,588
Taxes	9,145	9,262
Total operating expenses	<u>340,393</u>	<u>323,680</u>
Operating income	<u>\$ 251,428</u>	<u>\$ 277,222</u>
Reconciliation of operating income to PSC operating income		
Operating income (as reported above)	\$ 251,428	\$ 277,222
Add: Depreciation on contributed plant	6,031	6,120
Add: Appropriations on income to Village	219	186
Less: GASB 68 conversion	(424)	9,942
Less: GASB 75 conversion	-	811
Less: Property tax equivalent	(100,988)	(96,106)
PSC operating income	<u>\$ 156,266</u>	<u>\$ 198,175</u>
Rate of return	<u>4.37%</u>	<u>5.63%</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Village Board
Village of New Glarus, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of New Glarus, Wisconsin (the Village), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 31, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Village of New Glarus, Wisconsin's Response to Findings

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
March 31, 2021

**VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2020**

Section I – Internal Control Over Financial Reporting

2020-001

**Control Deficiencies
Segregation of Duties
Repeat of Finding 2019-001**

Type of Finding

Significant Deficiency in Internal Control over Financial Reporting

Condition

Essentially one employee performs the majority of the accounting functions for the general Village and the Village's light and water utility.

Context

While performing audit procedures, it was noted that the Village does not have adequate segregation of duties for internal control purposes.

Criteria

Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.

Cause

The lack of segregation of duties is due to the limited number of employees and the size of the Village's operations. In addition, the Village has not completed a formal risk assessment and review of internal controls to identify additional mitigating and compensating controls which could be implemented to reduce the risk of errors or intentional fraud.

Effect

Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.

Recommendation

We recommend the Village Board continue to monitor the transactions and the financial records of the Village. We recommend the Village perform a risk assessment of its operations and current procedures to identify and implement mitigating controls to reduce the risk of errors and intentional fraud.

Management Response

Management believes that the cost of segregating cash receipts and cash disbursement duties from the related recording functions outweigh the benefits to be received.

Contact for Corrective Action Plan

Lynne Erb, Clerk-Treasurer

**VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Section I – Internal Control Over Financial Reporting (Continued)

**2020-002
Control Deficiencies
Preparation of Annual Financial Report
Repeat of Finding 2019-002**

Type of Finding

Significant Deficiency in Internal Control over Financial Reporting

Condition

Current Village staff maintains accounting records which reflect the Village's financial transactions; however, preparing the Village's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Village contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. For the same reasons, the Village contracts with us to compile the Wisconsin Municipal Report Form C and the Public Service Commission Report.

Context

The Village engages CliftonLarsonAllen, LLP (CLA) to assist in preparing its financial statements and compilation of the Wisconsin Municipal Report Form C and the Public Service Commission Report and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the Village's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, and compilation of Wisconsin Municipal Report Form C and the Public Service Commission Report, the Village has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, and the Wisconsin Municipal Report Form C and the Public Service Commission Report are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Village's activities and operations.

Criteria

Internal controls should be in place to provide reasonable assurance that financial statements and are prepared in accordance with U.S. GAAP and that the Wisconsin Municipal Report Form C and the Public Service Commission Report are prepared in accordance with the regulatory basis.

Cause

Village management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect

Without our involvement, the Village may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

**VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Section I – Internal Control Over Financial Reporting (Continued)

Recommendation

We recommend the Village continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Village is necessary to obtain a complete and adequate understanding of the Village's annual financial report, Municipal Financial Report and Public Service Commission Report.

Management Response

Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report, Wisconsin Municipal Financial Report Form C and the Public Service Commission Report prior to issuance.

Contact for Corrective Action Plan

Lynne Erb, Clerk-Treasurer

Section II – Compliance and Other Matters

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2020.