

**VILLAGE OF NEW GLARUS, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**



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## INDEPENDENT AUDITORS' REPORT

Village Board  
Village of New Glarus, Wisconsin

### Report on the Audit of the Financial Statements

#### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2021, 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.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of New Glarus, Wisconsin and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of New Glarus, Wisconsin's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Village of New Glarus, Wisconsin's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of New Glarus, Wisconsin's ability to continue as a going concern for a reasonable period of time.

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

***Report on Summarized Prior-Year Comparative Information***

We have previously audited the Village's 2020 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 March 31, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions and other postemployment benefits 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.

**Supplementary Information**

Our audit for the year ended December 31, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual statements, and schedules for the year ended December 31, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2021 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 GAAS. In our opinion combining and individual statements, and schedules for the year ended December 31, 2021 are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, the basic financial statements of the Village as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated March 31, 2021, 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 2020 actual amounts in the supplementary information are presented for purposes of additional analysis and are 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 2020 financial statements. information was subjected to the audit procedures applied in the audit of the 2020 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 2020 actual amounts in the supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2020.

Village Board  
Village of New Glarus, Wisconsin

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Wauwatosa, Wisconsin  
April 29, 2022

# Village of New Glarus, Wisconsin

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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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, 2021.

### Financial Highlights

- As of the December 31, 2021, the assets and deferred outflows of resources of the Village of New Glarus exceeded its liabilities and deferred inflows of resources by \$20,148,801. This represents a 2.9% increase over the 2020 net position balance of \$19,573,498.
- The general fund balance at the end of 2021 was \$1,120,204, an increase of \$23,327 from the prior year.  
Of the general fund balance, \$13,632 is nonspendable for other assets and prepaid items, \$15,187 committed for future capital projects, and \$1,091,385 is currently unassigned. Of this balance, the Village has established an emergency reserve and working capital reserve of \$376,785.
- The outstanding general obligation debt as of December 31, 2021 is \$5,812,133. This compares to \$6,039,786 at the end of 2020.

### 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 13 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 14 - 15 of this report.)

# Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021

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## **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 \$166,603. The total fund balance for all governmental funds is \$2,860,482 (See pages 16 - 25.)

## **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 a decrease of \$174,079 and the Wastewater Utility had an increase of \$114,278. The Stormwater Utility had an increase in net position of \$70,472 for a combined change in proprietary / enterprise net position of \$10,671. Light and Water Utility net position totals \$5,762,763. Wastewater Utility net position totals \$5,277,002 and Stormwater Utility net position totals \$1,242,246, for a proprietary / enterprise fund total of \$12,282,011. (See pages 26 - 30.)

# Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021

## 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 \$20,148,801 at the close of 2021.

Village of New Glarus, Wisconsin's Net Position (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 5,532	\$ 5,086	\$ 6,832	\$ 4,606	\$ 12,364	\$ 9,692
Capital assets	10,244	10,145	16,119	15,530	26,363	25,675
<b>Total Assets</b>	<b>15,776</b>	<b>15,231</b>	<b>22,951</b>	<b>20,136</b>	<b>38,727</b>	<b>35,367</b>
Deferred Outflows of Resources	594	428	321	226	915	654
Long-term liabilities outstanding	5,444	5,655	10,125	7,303	15,569	12,958
Other liabilities	257	159	473	517	730	676
<b>Total Liabilities</b>	<b>5,701</b>	<b>5,814</b>	<b>10,598</b>	<b>7,820</b>	<b>16,299</b>	<b>13,634</b>
Deferred Inflows of Resources	2,802	2,543	392	271	3,194	2,814
<b>Net Position</b>						
Net investment in capital assets	5,051	4,713	9,093	9,150	14,144	13,863
Restricted	1,346	1,051	2,193	1,872	3,539	2,923
Unrestricted	1,470	1,538	996	1,249	2,466	2,787
<b>Total Net Position</b>	<b>\$ 7,867</b>	<b>\$ 7,302</b>	<b>\$ 12,282</b>	<b>\$ 12,271</b>	<b>\$ 20,149</b>	<b>\$ 19,573</b>

By far the largest portion of the Village's net position (70%) 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 (18%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,466,571) 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, 2021

**Change in net position.** Governmental activities increased the Village's net position by \$564,632 and business-type activities increased the Village's net position by \$10,671 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	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 157	\$ 96	\$ 4,572	\$ 4,212	\$ 4,729	\$ 4,308
Operating grants and contributions	263	260	5	5	268	265
Capital grants and contributions	22	26	13	12	35	38
<b>General Revenues</b>						
Property taxes	1,597	1,548	-	-	1,597	1,548
Property tax increments	468	436	-	-	468	436
Other taxes	106	79	-	-	106	79
Grants and contributions not restricted to specific programs	272	307	-	-	272	307
Other	73	65	5	44	78	109
<b>Total Revenues</b>	<b>2,958</b>	<b>2,817</b>	<b>4,595</b>	<b>4,273</b>	<b>7,553</b>	<b>7,090</b>
<b>Expenses</b>						
General government	517	422	-	-	517	422
Public safety	558	726	-	-	558	726
Public works	706	588	-	-	706	588
Culture and recreation	470	490	-	-	470	490
Conservation and development	194	94	-	-	194	94
Interest on long-term debt	168	191	-	-	168	191
Light utility	-	-	2,675	2,377	2,675	2,377
Water utility	-	-	393	385	393	385
Wastewater collection	-	-	1,180	859	1,180	859
Stormwater	-	-	116	127	116	127
<b>Total Expenses</b>	<b>2,613</b>	<b>2,511</b>	<b>4,364</b>	<b>3,748</b>	<b>6,977</b>	<b>6,259</b>
<b>Increase (Decrease) in Net Position</b>						
Before Transfers	345	306	231	525	576	831
Transfers	220	201	(220)	(201)	-	-
<b>Change in Net Position</b>	<b>565</b>	<b>507</b>	<b>11</b>	<b>324</b>	<b>576</b>	<b>831</b>
Net Position - January 1	7,302	6,795	12,271	11,947	19,573	18,742
<b>Net Position - December 31</b>	<b>\$ 7,867</b>	<b>\$ 7,302</b>	<b>\$ 12,282</b>	<b>\$ 12,271</b>	<b>\$ 20,149</b>	<b>\$ 19,573</b>

# Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021

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## 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 22 - 24 of this report.)

General Fund Revenues	
Budget	\$ 1,288,140
Actual	1,334,773
Variance	\$ 46,633

General Fund Expenditures	
Budget	\$ 1,472,140
Actual	1,498,795
Variance	\$ (26,655)

The functions with significant budget variances are listed below:

Licenses and Permits	23,742
Public safety	(68,343)

General Fund Balance	
Beginning of year	\$ 1,096,877
End of the year	1,120,204
Change in Fund Balance	\$ 23,327

**Proprietary funds.** (See pages 26 - 30.) 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 84-88 of this report.

Net position of the light and water utility fund at the end of the year amounted to \$5,762,763, a decrease of \$174,079 from the prior year. Operating income for the light and water utility fund totaled \$187,864, with a loss of \$63,557 due to the light utility operations and an income of \$251,421 due to the water utility operations.

Net position of the wastewater utility at the end of the year totaled \$5,277,002, an increase of \$114,278 from the prior year.

Net position of the stormwater utility at the end of the year totaled \$1,242,246, an increase of \$70,472 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, 2021

## 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, 2021 amounts to \$26,362,355 (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	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,963	\$ 1,963	\$ 56	\$ 56	\$ 2,019	\$ 2,019
Collection	25	25	-	-	25	25
Construction in progress	23	527	1,185	893	1,208	1,420
Land improvements	299	91	-	-	299	91
Buildings	2,228	1,632	5,757	5,757	7,985	7,389
Machinery and equipment	1,775	1,665	5,456	5,448	7,231	7,113
Infrastructure	10,428	10,428	13,693	12,650	24,121	23,078
Accumulated depreciation	(6,497)	(6,186)	(10,028)	(9,274)	(16,525)	(15,460)
<b>Total</b>	<b>\$ 10,244</b>	<b>\$ 10,145</b>	<b>\$ 16,119</b>	<b>\$ 15,530</b>	<b>\$ 26,363</b>	<b>\$ 25,675</b>

**Long-term debt** - At the end of the current fiscal year, the Village had general obligation debt outstanding of \$5,812,133. 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	
	2021	2020	2021	2020	2021	2020
General Obligation Debt						
Bonds	\$ 3,123	\$ 3,506	\$ 1,262	\$ 1,374	\$ 4,385	\$ 4,880
Notes	1,234	957	-	-	1,234	957
State Trust Fund Notes	193	203	-	-	193	203
<b>Total General Obligation Debt</b>	<b>4,550</b>	<b>4,666</b>	<b>1,262</b>	<b>1,374</b>	<b>5,812</b>	<b>6,040</b>
WPPI note payable	-	-	109	154	109	154
Revenue bonds	625	745	8,521	5,612	9,146	6,357
<b>Total</b>	<b>\$ 5,175</b>	<b>\$ 5,411</b>	<b>\$ 9,892</b>	<b>\$ 7,140</b>	<b>\$ 15,067</b>	<b>\$ 12,551</b>

**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, 2021 was \$11,409,090. Total general obligation debt outstanding at year-end was \$5,812,133. The outstanding debt applicable to debt limit of \$5,685,788 represents 49.8% 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, 2021

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***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 2021 totaled \$9,145,855.

## **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 2021 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 2021 audit in detail. If you would like additional information regarding the audit report please contact Village Administrator Drake Daily or Village Clerk/Treasurer Kelsey Jenson (608-527-5973) with your questions.

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Governmental	Business-Type	Totals	
	Activities	Activities	2021	2020
<b>ASSETS</b>				
Cash and Investments	\$ 3,772,987	\$ 1,285,135	\$ 5,058,122	\$ 4,853,657
Receivables:				
Property Taxes	1,173,497	-	1,173,497	1,199,126
Delinquent Taxes	553	-	553	911
Accounts	1,142	396,165	397,307	419,184
Special Assessments	12,637	-	12,637	28,595
Loans	30,352	-	30,352	38,034
Internal Balances	220,768	(220,768)	-	-
Other Assets and Prepaid Items	16,153	209,028	225,181	323,732
Restricted Assets:				
Cash and Investments	-	4,987,161	4,987,161	2,589,972
Net Pension Asset	304,264	175,631	479,895	238,848
Capital Assets, Nondepreciable	2,011,842	1,241,097	3,252,939	3,464,518
Capital Assets, Depreciable	8,231,963	14,877,453	23,109,416	22,210,454
Total Assets	<u>15,776,158</u>	<u>22,950,902</u>	<u>38,727,060</u>	<u>35,367,031</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Advance Refunding	37,257	-	37,257	49,825
Pension Related Amounts	511,176	294,684	805,860	569,535
Other Postemployment Related Amounts	45,499	26,265	71,764	34,531
Total Deferred Outflows of Resources	<u>593,932</u>	<u>320,949</u>	<u>914,881</u>	<u>653,891</u>
<b>LIABILITIES</b>				
Accounts Payable	59,871	413,452	473,323	538,737
Accrued and Other Current Liabilities	24,252	19,091	43,343	33,578
Accrued Interest Payable	55,544	40,430	95,974	98,013
Special Deposits	4,759	-	4,759	4,668
Unearned Revenue	112,571	-	112,571	-
Long-Term Obligations:				
Due Within One Year	695,903	826,391	1,522,294	1,559,227
Due in More Than One Year	4,664,111	9,249,971	13,914,082	11,319,417
Net Other Postemployment Liability	84,058	48,526	132,584	79,456
Total Liabilities	<u>5,701,069</u>	<u>10,597,861</u>	<u>16,298,930</u>	<u>13,633,096</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	2,123,165	-	2,123,165	2,080,203
Pension Related Amounts	666,934	384,976	1,051,910	717,213
Other Postemployment Related Amounts	12,132	7,003	19,135	16,912
Total Deferred Inflows of Resources	<u>2,802,231</u>	<u>391,979</u>	<u>3,194,210</u>	<u>2,814,328</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	5,050,576	9,093,422	14,143,998	13,862,845
Restricted	1,345,743	2,192,489	3,538,232	2,923,216
Unrestricted	<u>1,470,471</u>	<u>996,100</u>	<u>2,466,571</u>	<u>2,787,437</u>
Total Net Position	<u>\$ 7,866,790</u>	<u>\$ 12,282,011</u>	<u>\$ 20,148,801</u>	<u>\$ 19,573,498</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 517,626	\$ 45,695	\$ -	\$ -
Public Safety	557,851	27,189	11,736	4,978
Public Works	705,836	19,245	166,142	16,898
Culture and Recreation	470,138	57,555	84,977	11
Conservation and Development	193,537	7,682	-	-
Interest and Fiscal Charges	167,979	-	-	-
Loss/(Gain) on Sale of Asset	(2,521)	-	-	-
Total Governmental Activities	2,610,446	157,366	262,855	21,887
<b>BUSINESS-TYPE ACTIVITIES</b>				
Light Utility	2,674,945	2,495,071	-	1,416
Water Utility	392,725	600,132	-	12,040
Wastewater Utility	1,179,910	1,294,920	-	-
Stormwater Utility	116,238	181,947	4,567	-
Total Business-Type Activities	4,363,818	4,572,070	4,567	13,456
Total	\$ 6,974,264	\$ 4,729,436	\$ 267,422	\$ 35,343

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**STATEMENT OF ACTIVITIES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Governmental Activities	Business-Type Activities	Totals	
			2021	2020
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ (471,931)	\$ -	\$ (471,931)	\$ (381,267)
Public Safety	(513,948)	-	(513,948)	(690,872)
Public Works	(503,551)	-	(503,551)	(400,857)
Culture and Recreation	(327,595)	-	(327,595)	(370,350)
Conservation and Development	(185,855)	-	(185,855)	(94,017)
Interest and Fiscal Charges	(167,979)	-	(167,979)	(190,959)
Gain (Loss) on Sale of Asset	2,521	-	2,521	(49,925)
Total Governmental Activities	<u>(2,168,338)</u>	-	<u>(2,168,338)</u>	<u>(2,178,247)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Light Utility	-	(178,458)	(178,458)	35,935
Water Utility	-	219,447	219,447	209,609
Wastewater Utility	-	115,010	115,010	179,451
Stormwater Utility	-	70,276	70,276	56,636
Total Business-Type Activities	<u>-</u>	<u>226,275</u>	<u>226,275</u>	<u>481,631</u>
Total	(2,168,338)	226,275	(1,942,063)	(1,696,616)
<b>GENERAL REVENUES AND TRANSFERS</b>				
Taxes:				
Property Taxes	1,596,813	-	1,596,813	1,547,728
Tax Increments	468,048	-	468,048	436,298
Other Taxes	105,834	-	105,834	79,304
Federal and State Grants and Other				
Contributions Not Restricted to				
Specific Functions	271,785	-	271,785	307,003
Interest and Investment Earnings	4,729	4,224	8,953	90,392
Miscellaneous	65,933	-	65,933	67,085
Transfers	219,828	(219,828)	-	-
Total General Revenues and Transfers	<u>2,732,970</u>	<u>(215,604)</u>	<u>2,517,366</u>	<u>2,527,810</u>
<b>CHANGE IN NET POSITION</b>	564,632	10,671	575,303	831,194
Net Position - Beginning of Year	<u>7,302,158</u>	<u>12,271,340</u>	<u>19,573,498</u>	<u>18,742,304</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 7,866,790</u>	<u>\$ 12,282,011</u>	<u>\$ 20,148,801</u>	<u>\$ 19,573,498</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

<b>ASSETS</b>	General	Library	Debt Service	General Capital Projects
Cash and Investments	\$ 1,236,010	\$ 313,141	\$ 385,474	\$ 386,683
Receivables:				
Property Taxes	377,328	107,270	328,082	-
Delinquent Taxes	553	-	-	-
Accounts	1,142	-	-	-
Special Assessments	-	-	12,637	-
Loans	-	-	-	-
Due from Other Funds	224,535	-	-	-
Prepaid Items	13,632	2,432	-	-
	<u>\$ 1,853,200</u>	<u>\$ 422,843</u>	<u>\$ 726,193</u>	<u>\$ 386,683</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 14,297	\$ 1,883	\$ -	\$ 34,774
Accrued and Other Current Liabilities	21,767	2,248	-	-
Due to Other Funds	-	-	3,767	-
Unearned Revenue	-	-	-	112,571
Special Deposits	4,759	-	-	-
Total Liabilities	<u>40,823</u>	<u>4,131</u>	<u>3,767</u>	<u>147,345</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for				
Subsequent Year	692,173	194,230	583,444	-
Loans Receivable	-	-	-	-
Special Assessments	-	-	12,637	-
Total Deferred Inflows of Resources	<u>692,173</u>	<u>194,230</u>	<u>596,081</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	13,632	2,432	-	-
Restricted	-	-	126,345	-
Committed	15,187	-	-	-
Assigned	-	222,050	-	351,909
Unassigned	1,091,385	-	-	(112,571)
Total Fund Balances	<u>1,120,204</u>	<u>224,482</u>	<u>126,345</u>	<u>239,338</u>
	<u>\$ 1,853,200</u>	<u>\$ 422,843</u>	<u>\$ 726,193</u>	<u>\$ 386,683</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,853,200</u>	<u>\$ 422,843</u>	<u>\$ 726,193</u>	<u>\$ 386,683</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2021  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)**

	Other Governmental Funds	Totals	
<b>ASSETS</b>		2021	2020
Cash and Investments	\$ 1,451,679	\$ 3,772,987	\$ 3,456,443
Receivables:			
Property Taxes	360,819	1,173,499	1,199,126
Delinquent Taxes	-	553	911
Accounts	-	1,142	67
Special Assessments	-	12,637	28,595
Loans	30,352	30,352	38,034
Due from Other Funds	-	224,535	199,587
Prepaid Items	89	16,153	17,625
	\$ 1,842,939	\$ 5,231,858	\$ 4,940,388
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 8,919	\$ 59,873	\$ 73,149
Accrued and Other Current Liabilities	237	24,252	16,838
Due to Other Funds	-	3,767	5,022
Unearned Revenue	-	112,571	-
Special Deposits	-	4,759	4,668
Total Liabilities	9,156	205,222	99,677
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for			
Subsequent Year	653,318	2,123,165	2,080,203
Loans Receivable	30,352	30,352	38,034
Special Assessments	-	12,637	28,595
Total Deferred Inflows of Resources	683,670	2,166,154	2,146,832
<b>FUND BALANCES</b>			
Nonspendable	89	16,153	17,625
Restricted	970,678	1,097,023	964,196
Committed	96,565	111,752	108,004
Assigned	85,553	659,512	599,764
Unassigned	(2,772)	976,042	1,004,290
Total Fund Balances	1,150,113	2,860,482	2,693,879
	\$ 1,842,939	\$ 5,231,858	\$ 4,940,388
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,842,939	\$ 5,231,858	\$ 4,940,388

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	2021	2020
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION</b>		
Total Fund Balances as Shown on Previous Page	\$ 2,860,482	\$ 2,693,879
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.	10,243,805	10,145,135
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special Assessments	12,637	28,595
Long-Term Loan Receivable	30,352	38,034
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Loss on Advance Refunding	37,257	46,381
Deferred Outflows Related to Pensions	511,176	359,810
Deferred Inflows Related to Pensions	(666,934)	(452,284)
Deferred Outflows Related to Other Postemployment Benefits	45,499	21,775
Deferred Inflows Related to Other Postemployment Benefits	(12,132)	(10,665)
Long-term assets are not considered available; therefore, are not reported in the funds.		
Net Pension Asset	304,264	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	(5,175,016)	(5,410,819)
Debt Premium	(55,470)	(67,797)
Compensated Absences	(129,528)	(126,424)
Other Postemployment Benefit	(84,058)	(50,105)
Accrued Interest on Long-Term Obligations	(55,544)	(63,978)
Net Position of Governmental Activities as Reported on the Statement of Net Position (See Page 13)	\$ 7,866,790	\$ 7,302,158

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	General	Library	Debt Service	General Capital Projects
<b>REVENUES</b>				
Taxes	\$ 707,436	\$ 194,230	\$ 564,150	\$ 1,400
Special Assessments	-	-	16,898	-
Intergovernmental	444,039	84,988	-	-
Licenses and Permits	69,002	-	-	-
Fines and Forfeits	18,433	-	-	-
Public Charges for Services	68,763	340	-	-
Miscellaneous	27,100	11,248	2,415	30,226
Total Revenues	<u>1,334,773</u>	<u>290,806</u>	<u>583,463</u>	<u>31,626</u>
<b>EXPENDITURES</b>				
Current:				
General Government	364,013	-	-	2,355
Public Safety	682,347	-	-	148,995
Public Works	271,464	-	-	90,227
Culture and Recreation	146,213	259,119	-	234,715
Conservation and Development	34,758	-	-	-
Debt Service:				
Principal	-	-	456,498	-
Interest and Fiscal Charges	-	-	117,129	-
Capital Outlay	-	34,626	-	4,587
Total Expenditures	<u>1,498,795</u>	<u>293,745</u>	<u>573,627</u>	<u>480,879</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(164,022)	(2,939)	9,836	(449,253)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	-	-	-	426,030
Proceeds from Sale of Capital Assets	2,521	-	-	-
Transfers In	219,828	-	-	35,000
Transfers Out	(35,000)	-	-	-
Total Other Financing Sources (Uses)	<u>187,349</u>	<u>-</u>	<u>-</u>	<u>461,030</u>
<b>NET CHANGE IN FUND BALANCES</b>	23,327	(2,939)	9,836	11,777
Fund Balances - Beginning of Year	<u>1,096,877</u>	<u>227,421</u>	<u>116,509</u>	<u>227,561</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,120,204</u>	<u>\$ 224,482</u>	<u>\$ 126,345</u>	<u>\$ 239,338</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Other Governmental Funds	Totals	
		2021	2020
<b>REVENUES</b>			
Taxes	\$ 703,555	\$ 2,170,771	\$ 2,063,386
Special Assessments	-	16,898	17,372
Intergovernmental	13,540	542,567	575,123
Licenses and Permits	-	69,002	54,159
Fines and Forfeits	-	18,433	17,366
Public Charges for Services	5,602	74,705	35,757
Miscellaneous	9,368	80,357	320,843
Total Revenues	732,065	2,972,733	3,084,006
<b>EXPENDITURES</b>			
Current:			
General Government	5,345	371,713	453,777
Public Safety	8,279	839,621	1,178,443
Public Works	159,881	521,572	395,244
Culture and Recreation	13,514	653,561	431,073
Conservation and Development	156,807	191,565	88,712
Debt Service:			
Principal	205,336	661,834	795,048
Interest and Fiscal Charges	56,329	173,458	192,871
Capital Outlay	1,972	41,185	93,054
Total Expenditures	607,463	3,454,509	3,628,222
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	124,602	(481,776)	(544,216)
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-Term Debt Issued	-	426,030	431,970
Proceeds from Sale of Capital Assets	-	2,521	282
Transfers In	200,000	454,828	237,053
Transfers Out	(200,000)	(235,000)	(35,789)
Total Other Financing Sources (Uses)	-	648,379	633,516
<b>NET CHANGE IN FUND BALANCES</b>	124,602	166,603	89,300
Fund Balances - Beginning of Year	1,025,511	2,693,879	2,604,579
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,150,113</u>	<u>\$ 2,860,482</u>	<u>\$ 2,693,879</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	2021	2020
<b>RECONCILIATION TO THE STATEMENT OF ACTIVITIES</b>		
Net Change in Fund Balances as Shown on Previous Page	\$ 166,603	\$ 89,300
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	432,481	630,209
Depreciation Expense Reported in the Statement of Activities	(333,811)	(300,776)
Loss on 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.		
	(23,640)	(218,266)
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	(426,030)	(431,970)
Principal Repaid	661,833	795,048
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	8,434	(1,291)
Amortization of Premiums and Loss on Advance Refunding	3,203	3,203
Compensated Absences	(3,104)	(7,245)
Net Pension Asset	153,643	150,621
Net Pension Liability	-	160,091
Deferred Outflows of Resources Related to Pensions	151,366	(76,598)
Deferred Inflows of Resources Related to Pensions	(214,650)	(230,261)
Net OPEB Liability	(33,953)	(20,033)
Deferred Outflows of Resources Related to Other Postemployment Benefits	23,724	15,529
Deferred Inflows of Resources Related to Other Postemployment Benefits	(1,467)	(786)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (See Pages 14 - 15)	\$ 564,632	\$ 506,568

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, 2021**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	Budget		Actual	Variance	2020 Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Taxes:					
General Property	\$ 669,575	\$ 669,575	\$ 669,165	\$ (410)	\$ 653,750
Mobile Home Parking Fees	10,200	10,200	9,343	(857)	9,986
Payment in Lieu of Taxes	27,000	27,000	28,852	1,852	28,275
Interest on Taxes	50	50	76	26	55
Total Taxes	<u>706,825</u>	<u>706,825</u>	<u>707,436</u>	<u>611</u>	<u>692,066</u>
Intergovernmental:					
State:					
State Shared Taxes	233,717	233,717	233,718	1	234,350
Fire Insurance Dues	8,307	8,307	8,768	461	8,374
Tax Exempt Computer Aid	18,247	18,247	18,247	-	17,556
Law Enforcement	500	500	9,566	9,066	14,980
Highway Safety Grant	-	-	4,540	4,540	4,971
Highway Aids	163,662	163,662	166,165	2,503	157,088
Payment for Municipal Services	294	294	419	125	294
Health Grants	-	-	-	-	36,180
Other	178	178	616	438	178
County:					
Highways and Bridges	2,000	2,000	2,000	-	2,000
Total Intergovernmental	<u>426,905</u>	<u>426,905</u>	<u>444,039</u>	<u>17,134</u>	<u>475,971</u>
Licenses and Permits:					
Licenses:					
Liquor and Malt Beverage Operators, Cigarette, and Other Licenses	9,200	9,200	9,867	667	6,817
Cable Television Fees	3,060	3,060	3,899	839	2,873
	22,000	22,000	22,924	924	24,642
Permits:					
Building	10,000	10,000	28,902	18,902	17,962
Other Permits and Fees	1,000	1,000	3,410	2,410	1,865
Total Licenses and Permits	<u>45,260</u>	<u>45,260</u>	<u>69,002</u>	<u>23,742</u>	<u>54,159</u>
Fines and Forfeits					
Court Fines and Penalties	16,000	16,000	18,433	2,433	17,366
Public Charges for Services:					
Clerk's Fees	6,000	6,000	6,019	19	3,346
Law Enforcement Fees	3,000	3,000	8,742	5,742	277
Parks	7,600	7,600	2,485	(5,115)	1,858
Recreation Programs	8,500	8,500	9,218	718	6,110
Swimming	44,050	44,050	42,299	(1,751)	20,481
Total Public Charges for Services	<u>69,150</u>	<u>69,150</u>	<u>68,763</u>	<u>(387)</u>	<u>32,072</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, 2021**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	Budget		Actual	Variance	2020 Actual
	Original	Final		Final Budget - Positive (Negative)	
Miscellaneous:					
Interest on Investments	\$ 20,000	\$ 20,000	\$ 3,042	\$ (16,958)	\$ 26,453
Rent	3,000	3,000	3,000	-	3,000
Insurance Recoveries and Dividends	-	-	8,540	8,540	6,601
Donations	1,000	1,000	9,135	8,135	14,543
Other	-	-	3,383	3,383	2,301
Total Miscellaneous	<u>24,000</u>	<u>24,000</u>	<u>27,100</u>	<u>3,100</u>	<u>52,898</u>
Total Revenues	1,288,140	1,288,140	1,334,773	46,633	1,324,532
<b>EXPENDITURES</b>					
General Government:					
Legislative	10,024	10,024	8,651	1,373	13,024
Committee/Commission	3,270	3,270	2,462	808	2,888
Elections	5,894	5,894	5,552	342	14,434
Legal	18,000	18,000	16,006	1,994	22,339
Village Administrator	61,464	61,464	58,245	3,219	58,052
Clerk	93,194	93,194	93,279	(85)	89,037
Administrative Support	10,500	10,500	14,252	(3,752)	43,758
General Office	41,676	41,676	32,684	8,992	37,663
Accounting and Auditing	8,900	8,900	10,275	(1,375)	8,731
Treasury	75,686	75,686	77,018	(1,332)	73,867
Assessment of Property	9,700	9,700	9,760	(60)	11,217
Insurance and Bonds	35,170	35,170	35,829	(659)	30,365
Other General Government	800	800	-	800	-
Total General Government	<u>374,278</u>	<u>374,278</u>	<u>364,013</u>	<u>10,265</u>	<u>405,375</u>
Public Safety:					
Police Department	494,018	494,018	546,670	(52,652)	526,670
Fire Department	68,086	68,086	68,480	(394)	68,261
Ambulance	40,350	40,350	40,345	5	41,635
Inspection	9,000	9,000	25,432	(16,432)	16,500
Emergency Government	300	300	111	189	549
Other Public Safety	2,250	2,250	1,309	941	383
Total Public Safety	<u>614,004</u>	<u>614,004</u>	<u>682,347</u>	<u>(68,343)</u>	<u>653,998</u>
Public Works:					
Street Administration	39,427	39,427	40,595	(1,168)	37,064
Highway and Street Maintenance	192,280	192,280	194,806	(2,526)	159,026
Street Lighting	38,000	38,000	35,246	2,754	34,815
Sidewalks	-	-	-	-	-
Sanitation	2,228	2,228	817	1,411	2,550
Total Public Works	<u>271,935</u>	<u>271,935</u>	<u>271,464</u>	<u>471</u>	<u>233,455</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, 2021**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	Budget		Actual	Variance	2020 Actual
	Original	Final		Final Budget - Positive (Negative)	
Culture and Recreation:					
Parks - General	\$ 55,263	\$ 55,263	\$ 51,331	\$ 3,932	\$ 50,325
Recreation Programs	30,693	30,693	13,452	17,241	12,198
Swimming Pool	85,655	85,655	81,430	4,225	82,399
Total Culture and Recreation	<u>171,611</u>	<u>171,611</u>	<u>146,213</u>	<u>25,398</u>	<u>144,922</u>
Conservation and Development:					
Forestry	34,312	34,312	30,694	3,618	31,651
Economic Development	6,000	6,000	4,064	1,936	2,000
Total Conservation and Development	<u>40,312</u>	<u>40,312</u>	<u>34,758</u>	<u>5,554</u>	<u>33,651</u>
Total Expenditures	<u>1,472,140</u>	<u>1,472,140</u>	<u>1,498,795</u>	<u>(26,655)</u>	<u>1,471,401</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(184,000)	(184,000)	(164,022)	19,978	(146,869)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Sale of Capital Assets	4,000	4,000	2,521	(1,479)	282
Transfers In	180,000	180,000	219,828	39,828	201,264
Transfers Out	(35,000)	(35,000)	(35,000)	-	(35,789)
Total Other Financing Sources (Uses)	<u>149,000</u>	<u>149,000</u>	<u>187,349</u>	<u>38,349</u>	<u>165,757</u>
<b>NET CHANGE TO FUND BALANCE</b>	(35,000)	(35,000)	23,327	58,327	18,888
Fund Balance - Beginning of Year	<u>1,096,885</u>	<u>1,096,885</u>	<u>1,096,877</u>	<u>(8)</u>	<u>1,077,989</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,061,885</u>	<u>\$ 1,061,885</u>	<u>\$ 1,120,204</u>	<u>\$ 58,319</u>	<u>\$ 1,096,877</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, 2021**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	Budget		Actual	Variance	2020 Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Taxes	\$ 194,230	\$ 194,230	\$ 194,230	\$ -	\$ 185,478
Intergovernmental	78,222	78,222	84,988	6,766	88,478
Public Charges for Services	500	500	340	(160)	1,431
Miscellaneous	7,900	7,900	11,248	3,348	45,489
Total Revenues	<u>280,852</u>	<u>280,852</u>	<u>290,806</u>	<u>9,954</u>	<u>320,876</u>
<b>EXPENDITURES</b>					
Current:					
Culture and Recreation	278,652	278,652	259,119	19,533	276,116
Capital Outlay	2,200	2,200	34,626	(32,426)	39,740
Total Expenditures	<u>280,852</u>	<u>280,852</u>	<u>293,745</u>	<u>(12,893)</u>	<u>315,856</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(2,939)	(2,939)	5,020
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	15,289
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,289</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(2,939)	(2,939)	20,309
Fund Balance - Beginning of Year	<u>227,421</u>	<u>227,421</u>	<u>227,421</u>	<u>-</u>	<u>207,112</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 227,421</u>	<u>\$ 227,421</u>	<u>\$ 224,482</u>	<u>\$ (2,939)</u>	<u>\$ 227,421</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2021	2020
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 522,107	\$ 505,071	\$ 257,957	\$ 1,285,135	\$ 1,397,214
Receivables:					
Accounts	275,567	104,075	16,523	396,165	419,117
Due from Other Funds	3,767	-	-	3,767	5,022
Other Assets and Prepaid Items	207,034	1,566	428	209,028	306,107
Total Current Assets	<u>1,008,475</u>	<u>610,712</u>	<u>274,908</u>	<u>1,894,095</u>	<u>2,127,460</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and Investments	3,732,480	1,254,681	-	4,987,161	2,589,972
Other Assets:					
Net Pension Asset	122,194	40,880	12,557	175,631	88,227
Capital Assets:					
Nondepreciable	1,187,675	53,422	-	1,241,097	949,028
Depreciable	6,463,608	6,819,217	1,594,628	14,877,453	14,580,809
Total Capital Assets	<u>7,651,283</u>	<u>6,872,639</u>	<u>1,594,628</u>	<u>16,118,550</u>	<u>15,529,837</u>
Total Assets	12,514,432	8,778,912	1,882,093	23,175,437	20,335,496
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Loss on Advance Refunding	-	-	-	-	3,444
Pension Related Amounts	205,431	68,369	20,884	294,684	209,725
Other Postemployment Related Amounts	18,271	6,114	1,880	26,265	12,756
Total Deferred Outflows of Resources	<u>223,702</u>	<u>74,483</u>	<u>22,764</u>	<u>320,949</u>	<u>225,925</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (CONTINUED)**  
**DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2021	2020
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 407,666	\$ 5,670	\$ 116	\$ 413,452	\$ 465,588
Accrued and Other Current Liabilities	15,770	2,866	455	19,091	16,740
Due to Other Funds	224,535	-	-	224,535	199,587
Accrued Interest Payable	10,641	1,031	7,449	19,121	13,138
Current Portion of Long-Term Debt	76,676	45,000	54,126	175,802	180,223
Payable from Restricted Assets:					
Current Portion of Long-Term Debt	254,225	396,364	-	650,589	689,794
Accrued Interest Payable	9,041	12,268	-	21,309	20,897
Total Current Liabilities	<u>998,554</u>	<u>463,199</u>	<u>62,146</u>	<u>1,523,899</u>	<u>1,585,967</u>
Long-Term Obligations, Less					
Current Portion:					
General Obligation Debt	235,504	430,000	444,183	1,109,687	1,214,610
Revenue Bonds	5,205,000	2,567,808	123,374	7,896,182	4,948,362
WPPI Energy Notes Payable	63,839	-	-	63,839	108,902
Debt Premium	67,708	-	-	67,708	26,370
Compensated Absences	98,294	12,852	1,409	112,555	105,343
Net Pension Liability	-	-	-	-	-
Other Postemployment Benefits	33,756	11,296	3,474	48,526	29,351
Total Long-Term Liabilities	<u>5,704,101</u>	<u>3,021,956</u>	<u>572,440</u>	<u>9,298,497</u>	<u>6,432,938</u>
Total Liabilities	6,702,655	3,485,155	634,586	10,822,396	8,018,905
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related Amounts	267,844	89,608	27,524	384,976	264,929
Other Postemployment Related Amounts	4,872	1,630	501	7,003	6,247
Total Deferred Inflows of Resources	<u>272,716</u>	<u>91,238</u>	<u>28,025</u>	<u>391,979</u>	<u>271,176</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	4,687,010	3,433,467	972,945	9,093,422	9,149,945
Restricted	898,037	1,284,712	9,740	2,192,489	1,872,377
Unrestricted	<u>177,716</u>	<u>558,823</u>	<u>259,561</u>	<u>996,100</u>	<u>1,249,018</u>
Total Net Position	<u>\$ 5,762,763</u>	<u>\$ 5,277,002</u>	<u>\$ 1,242,246</u>	<u>\$ 12,282,011</u>	<u>\$ 12,271,340</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2021	2020
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 3,063,412	\$ 1,272,601	\$ 181,925	\$ 4,517,938	\$ 4,184,650
Other	31,791	22,319	-	54,110	27,599
Total Operating Revenues	<u>3,095,203</u>	<u>1,294,920</u>	<u>181,925</u>	<u>4,572,048</u>	<u>4,212,249</u>
<b>OPERATING EXPENSES</b>					
Operation and Maintenance	2,554,780	711,450	59,750	3,325,980	2,819,011
Depreciation	323,037	385,229	35,669	743,935	712,213
Taxes	29,522	-	-	29,522	29,995
Total Operating Expenses	<u>2,907,339</u>	<u>1,096,679</u>	<u>95,419</u>	<u>4,099,437</u>	<u>3,561,219</u>
<b>OPERATING INCOME</b>	187,864	198,241	86,506	472,611	651,030
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	2,296	1,732	196	4,224	44,259
Interest and Fiscal Charges	(158,834)	(83,231)	(20,819)	(262,884)	(184,992)
Amortization of Debt Discount/Premium	(1,497)	-	-	(1,497)	(1,497)
Other Nonoperating Revenues (Expenses)	12,040	-	4,589	16,629	7,935
Total Nonoperating Revenues (Expenses)	<u>(145,995)</u>	<u>(81,499)</u>	<u>(16,034)</u>	<u>(243,528)</u>	<u>(134,295)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	41,869	116,742	70,472	229,083	516,735
Capital Contributions	1,416	-	-	1,416	9,155
Transfers Out	<u>(217,364)</u>	<u>(2,464)</u>	<u>-</u>	<u>(219,828)</u>	<u>(201,264)</u>
<b>CHANGE IN NET POSITION</b>	(174,079)	114,278	70,472	10,671	324,626
Net Position - Beginning of Year	<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>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 5,762,763</u>	<u>\$ 5,277,002</u>	<u>\$ 1,242,246</u>	<u>\$ 12,282,011</u>	<u>\$ 12,271,340</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 3,097,709	\$ 1,314,547	\$ 182,744	\$ 4,595,000	\$ 4,178,454
Cash Paid for Services Provided	-	(32,337)	(2,000)	(34,337)	(34,337)
Cash Paid for Employee Wages and Benefits	(370,312)	(178,079)	(58,454)	(606,845)	(570,674)
Cash Paid to Suppliers	(2,192,048)	(511,532)	(3,444)	(2,707,024)	(2,065,870)
Net Cash Provided by Operating Activities	535,349	592,599	118,846	1,246,794	1,507,573
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental Revenues	-	-	4,589	4,589	5,115
Transfer Out	(192,416)	(2,464)	-	(194,880)	(194,880)
Net Cash Provided (Used) by Noncapital Financing Activities	(192,416)	(2,464)	4,589	(190,291)	(189,765)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(1,341,948)	-	-	(1,341,948)	(1,056,596)
Impact Fees Received	12,040	-	-	12,040	2,820
Proceeds for Long-Term Debt	3,620,000	-	-	3,620,000	-
Premium for Issuance of Long-Term Debt	45,563	-	-	45,563	-
Principal Paid on Long-Term Debt	(381,913)	(432,847)	(53,310)	(868,070)	(799,644)
Interest Paid on Long-Term Debt	(139,152)	(83,231)	(20,819)	(243,202)	(184,992)
Net Cash Provided (Used) by Capital and Related Financing Activities	1,814,590	(516,078)	(74,129)	1,224,383	(2,038,412)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	2,296	1,732	196	4,224	44,259
<b>CHANGE IN CASH AND INVESTMENTS</b>					
Cash and Investments - Beginning of Year	2,094,768	1,683,963	208,455	3,987,186	4,663,531
<b>CASH AND INVESTMENTS - END OF YEAR</b>					
	\$ 4,254,587	\$ 1,759,752	\$ 257,957	\$ 6,272,296	\$ 3,987,186

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2021	2020
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income	\$ 187,864	\$ 198,241	\$ 86,506	\$ 472,611	\$ 651,030
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	323,037	385,229	35,669	743,935	712,213
Depreciation Charged to Sewer Utility	10,716	-	-	10,716	3,891
Change in Net Pension Liability (Asset)	(62,545)	(19,317)	(5,542)	(87,404)	(195,819)
Change in Deferred Outflow of Resources - Pension Related Amounts	(62,796)	(17,630)	(4,533)	(84,959)	79,343
Change in Deferred Inflow of Resources - Pension Related Amounts	88,730	24,859	6,458	120,047	115,714
Change in Net Other Postemployment Benefits Liability (Asset)	13,916	4,121	1,138	19,175	9,145
Change in Deferred Outflow of Resources - Other Postemployment Related Amounts	(9,648)	(2,996)	(865)	(13,509)	(8,558)
Change in Deferred Inflow of Resources - Other Postemployment Related Amounts	649	103	4	756	(388)
Change in Operating Assets and Liabilities:					
Accounts Receivables	2,506	19,627	819	22,952	(33,795)
Due from Other Funds	1,255	-	-	1,255	1,255
Other Assets and Prepaid Items	97,218	(45)	(94)	97,079	(161,824)
Accounts Payable	(51,550)	(613)	27	(52,136)	348,250
Accrued and Other Current Liabilities	(8,832)	(1,254)	(850)	(10,936)	(17,493)
Compensated Absences	4,829	2,274	109	7,212	4,609
Net Cash Provided by Operating Activities	<u>\$ 535,349</u>	<u>\$ 592,599</u>	<u>\$ 118,846</u>	<u>\$ 1,246,794</u>	<u>\$ 1,507,573</u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION**

Cash and Cash Equivalents in Current Assets	\$ 522,107	\$ 505,071	\$ 257,957	\$ 1,285,135	\$ 1,397,214
Cash and Cash Equivalents in Restricted Assets	3,732,480	1,254,681	-	4,987,161	2,589,972
Total Cash and Investments	<u>\$ 4,254,587</u>	<u>\$ 1,759,752</u>	<u>\$ 257,957</u>	<u>\$ 6,272,296</u>	<u>\$ 3,987,186</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, 2021**

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 681,924
Taxes Receivable	<u>2,940,367</u>
Total Assets	<u>\$ 3,622,291</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Due to Other Governments	<u>\$ 681,924</u>
Total Liabilities	<u>\$ 681,924</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Property Tax Levied for Subsequent Years	<u>\$ 2,940,367</u>
Total Deferred Inflow of Resources	<u>\$ 2,940,367</u>

*See accompanying Notes to Basic Financial Statements.*

**VILLAGE OF NEW GLARUS, WISCONSIN  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2021**

	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Tax Collections	\$ 1,674,860
<b>DEDUCTIONS</b>	
Payments to Other Governments	<u>1,674,860</u>
<b>CHANGE IN FIDUCIARY NET POSITION</b>	-
Net Position - Beginning of Year	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>

*See accompanying Notes to Basic Financial Statements.*

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021, is available directly from the District's office. Payments for the year to the District totaled \$59,569 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, 2021**

**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, 2021**

**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, 2021**

**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, 2021**

**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 2020 tax roll are recognized as revenue in 2021).

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021**

**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	15 - 30	-
Buildings and Improvements	20 - 60	50 - 60
Machinery and Equipment	5 - 50	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, 2021**

**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, 2021**

**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, 2021**

**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, 2021**

**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, 2020, 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, 2021.

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021:

<u>Funds</u>	<u>Excess Expenditures</u>
General Fund	\$ 26,655
Employee Payout	8,279
Tax Incremental District No. 3	198,723
Tax Incremental District No. 4	80,086
Library	12,893
Chalet Museum	2,509
Sanitary Sewer Utility	341,976
Light and Water Utility	289,309
Waste Management	3,918

**C. Deficit Fund Equity**

The following fund had deficit fund balance or net position as of December 31, 2021:

<u>Fund</u>	<u>Deficit Fund Balance</u>
Waste Management	\$ 2,772

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 2021 and 2022 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 2021 budget was .52%. The actual limit for the Village for the 2022 budget was 1.72%. 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, 2021**

**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 \$10,727,207 on December 31, 2021 as summarized below:

Petty Cash and Cash on Hand	\$ 625
Deposits With Financial Institutions	10,726,582
Total	\$ 10,727,207

Reconciliation to the Basic Financial Statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 5,058,122
Restricted Cash and Investments	4,987,161
Fiduciary Fund Statement of Net Position:	
Agency Fund	681,924
Total	\$ 10,727,207

**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, 2021**

**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, 2021, 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, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Restricted Assets**

Restricted assets on December 31, 2021 totaled \$4,987,161 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Enterprise Funds:		
Light and Water Utility:		
Capital Projects	\$ 2,938,679	Used to segregate resources for future capital projects in accordance with bond requirements
Debt Retirement	326,277	Used to segregate resources accumulated for debt service payments
Debt Reserve	456,333	Used to segregate resources set aside to comply with bond covenants
Impact Fees	11,191	To account for impact fees collected and held by the Village to finance system improvements
Total Light and Water Utility	<u>3,732,480</u>	
Wastewater Utility:		
Debt Retirement	290,099	Used to segregate resources accumulated for debt service payments
Debt Reserve	62,702	Used to segregate resources set aside to comply with bond covenants
Replacement Account	881,779	Used to segregate resources accumulated for plant repairs and replacement
Sewer Connection Account	20,101	Used to account for fees collected for new sewer services, set aside for costs of upgrading system
Total Wastewater Utility	<u>1,254,681</u>	
Total	<u>\$ 4,987,161</u>	

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2021 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	526,995	-	503,648	23,347
Total Capital Assets, Nondepreciable	2,515,490	-	503,648	2,011,842
Capital Assets, Depreciable:				
Land Improvements	91,026	207,680	-	298,706
Buildings and Improvements	1,632,407	595,157	-	2,227,564
Machinery and Equipment	1,664,656	133,292	22,710	1,775,238
Infrastructure	10,427,757	-	-	10,427,757
Subtotals	13,815,846	936,129	22,710	14,729,265
Less Accumulated Depreciation for:				
Land Improvements	51,282	5,167	-	56,449
Buildings and Improvements	819,912	52,536	-	872,448
Machinery and Equipment	1,082,741	91,689	22,710	1,151,720
Infrastructure	4,232,266	184,419	-	4,416,685
Subtotals	6,186,201	333,811	22,710	6,497,302
Total Capital Assets, Depreciable, Net	7,629,645	602,318	-	8,231,963
Governmental Activities Capital Assets, Net	<u>\$ 10,145,135</u>	<u>\$ 602,318</u>	<u>\$ 503,648</u>	10,243,805
Less: Capital Related Debt				(5,175,016)
Less: Debt Premium				(55,470)
Add: Deferred Charge on Refunding				37,257
Net Investment in Capital Assets				<u>\$ 5,050,576</u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 56,182	\$ -	\$ -	\$ 56,182
Construction in Progress	892,846	1,335,300	1,043,231	1,184,915
Total Capital Assets, Nondepreciable	949,028	1,335,300	1,043,231	1,241,097
Capital Assets, Depreciable:				
Buildings and Improvements	5,756,998	-	-	5,756,998
Machinery and Equipment	5,448,369	7,709	-	5,456,078
Infrastructure	12,649,294	1,043,586	-	13,692,880
Subtotals	23,854,661	1,051,295	-	24,905,956
Less Accumulated Depreciation for:				
Buildings and Improvements	1,961,446	150,107	-	2,111,553
Machinery and Equipment	2,972,939	303,693	-	3,276,632
Infrastructure	4,339,467	300,851	-	4,640,318
Subtotals	9,273,852	754,651	-	10,028,503
Total Capital Assets, Depreciable, Net	14,580,809	296,644	-	14,877,453
Business-Type Activities Capital Assets, Net	<u>\$ 15,529,837</u>	<u>\$ 1,631,944</u>	<u>\$ 39,702</u>	16,118,550
Less: Capital Related Debt				(9,891,874)
Less: Debt Premium				(71,933)
Add: Unspent Bond Proceeds				2,938,679
Net Investment In Capital Assets				<u>\$ 9,093,422</u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

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

Governmental Activities:	
General Government	\$ 21,911
Public Safety	77,262
Public Works	197,913
Culture and Recreation	<u>36,725</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 333,811</u></u>
Business-Type Activities:	
Light Utility	\$ 216,258
Water Utility	106,779
Sewer Utility	385,229
Stormwater Management	<u>35,668</u>
Total Depreciation Expense - Business-Type Activities	743,934
Depreciation Charged to Other Accounts and Salvage	<u>10,717</u>
Increase in Accumulated Depreciation	<u><u>\$ 754,651</u></u>

**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, 2021 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Operating Activity Between Funds:		
Governmental Funds:		
General	\$ 224,535	\$ -
Debt Service	-	3,767
Enterprise Fund:		
Light and Water Utility	<u>3,767</u>	<u>224,535</u>
Totals	<u><u>\$ 228,302</u></u>	<u><u>\$ 228,302</u></u>

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:

<u>Year Ended December 31,</u>	<u>Total</u>
2022	\$ 1,255
2023	1,255
2024	<u>1,257</u>
Total	<u><u>\$ 3,767</u></u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

Interfund transfers for the year ended December 31, 2021 were as follows:

Funds	Transfer In	Transfer Out
General	\$ 219,828	\$ 35,000
General Capital Projects	35,000	-
Nonmajor Governmental Funds	200,000	200,000
Light and Water Utility	-	217,364
Wastewater Utility	-	2,464
Totals	<u>\$ 454,828</u>	<u>\$ 454,828</u>

Interfund transfers were made for the following purpose:

Tax Equivalent Payment Made by Light and Water Utility to General Fund	\$ 217,364
Tax Equivalent Payment Made by Wastewater Utility to General Fund	2,464
Transfer by General Fund to Capital Project Fund for Project Funding	35,000
Transfer by Tax Increment District No. 3 for Project Funding	200,000
Total	<u>\$ 454,828</u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2021:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 3,506,033	\$ -	\$ 383,150	\$ 3,122,883	\$ 383,387
Notes from Direct Borrowings and Placements	956,676	426,030	148,347	1,234,359	164,465
State Trust Fund Loans from Direct Borrowings and Placements	203,110	-	10,336	192,774	10,724
Total General Obligation Debt	4,665,819	426,030	541,833	4,550,016	558,576
Revenue Bonds	745,000	-	120,000	625,000	125,000
Debt Premium	67,797	-	12,327	55,470	12,327
Compensated Absences	126,424	7,497	4,393	129,528	-
Governmental Activities Long-Term Obligations	<u>\$ 5,605,040</u>	<u>\$ 433,527</u>	<u>\$ 678,553</u>	<u>\$ 5,360,014</u>	<u>\$ 695,903</u>
Business-Type Activities:					
General Obligation Debt:					
Bonds	\$ 1,373,967	\$ -	\$ 111,850	\$ 1,262,117	\$ 106,613
Revenue Bonds	2,135,000	3,620,000	300,000	5,455,000	250,000
Revenue Bonds from Direct Borrowings and Placements	3,477,012	-	411,157	3,065,855	420,490
WPPI Energy Notes Payable from Direct Borrowings and Placements	153,965	-	45,063	108,902	45,063
Debt Premium	28,317	45,563	1,947	71,933	4,225
Compensated Absences	105,343	7,212	-	112,555	-
Business-Type Activities Long-Term Obligations	<u>\$ 7,273,604</u>	<u>\$ 3,672,775</u>	<u>\$ 870,017</u>	<u>\$ 10,076,362</u>	<u>\$ 826,391</u>

Total interest paid during the year on long-term debt totaled \$341,314.

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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 12/31/21
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	192,774
General Obligation Note	05/25/16	08/15/26	2.80%	430,000	231,165
General Obligation Note	09/22/16	09/22/23	2.75%	141,000	-
General Obligation Note	06/30/18	06/30/24	2.75%	125,000	55,594
General Obligation Promissory Note	10/18/19	10/01/29	2.37%	175,472	143,479
General Obligation Promissory Note	09/24/20	09/24/30	1.877 - 2.229%	431,970	509,121
Bank of New Glarus Note	04/22/21	04/22/31	1.88%	295,000	295,000
Total Outstanding General Obligation Debt from Direct Borrowing and Direct Placement					<u>\$ 1,427,133</u>

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
General Obligation Refunding Bond	07/06/10	06/01/26	2.70 - 4.25%	\$ 935,000	\$ 385,000
General Obligation Corporate Purpose Bond	04/09/14	02/01/32	2.00 - 3.95%	1,000,000	650,000
General Obligation Corporate Purpose Bond	05/18/15	02/01/35	3.00 - 3.38%	3,315,000	1,960,000
General Obligation Corporate Purpose Bond	05/07/19	05/01/27	3.00 - 4.00%	1,550,000	1,390,000
Total Outstanding General Obligation Debt					<u>\$ 4,385,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$5,517,133 on December 31, 2021 are detailed below:

Year Ended December 31,	Governmental Activities					
	Bonded Debt		Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 383,387	\$ 95,349	\$ 175,188	\$ 33,975	\$ 558,575	\$ 129,325
2023	378,387	83,242	178,739	31,391	557,126	114,632
2024	378,624	71,061	164,836	26,968	543,460	98,029
2025	378,624	58,784	161,830	22,794	540,454	81,578
2026	388,861	46,197	165,828	18,786	554,689	64,983
2027-2031	830,000	135,069	515,177	45,084	1,345,177	180,153
2032-2036	385,000	18,247	65,535	6,265	450,535	24,512
2037-2041	-	-	-	-	-	-
Total	<u>\$ 3,122,883</u>	<u>\$ 507,949</u>	<u>\$ 1,427,133</u>	<u>\$ 185,263</u>	<u>\$ 4,550,016</u>	<u>\$ 693,212</u>

Year Ended December 31,	Business-Type Activities			
	Bonded Debt		Totals	
	Principal	Interest	Principal	Interest
2022	\$ 106,613	\$ 37,647	\$ 665,188	\$ 166,971
2023	116,613	33,936	673,739	148,568
2024	116,376	30,441	659,836	128,470
2025	111,376	27,000	651,830	108,578
2026	121,139	23,462	675,828	88,445
2027-2031	555,000	62,685	1,900,177	242,838
2032-2036	135,000	3,475	585,535	27,987
2037-2041	-	-	-	-
Total	<u>\$ 1,262,117</u>	<u>\$ 218,646</u>	<u>\$ 5,812,133</u>	<u>\$ 911,858</u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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 \$1,234,359 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 \$192,774 are subject to a statutory provision that in an event of late or nonpayment, a 1% 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, 2021 was \$5,723,302 as follows:

Equalized Valuation of the Village		\$ 228,181,800
Statutory Limitation Percentage		(x) 5%
General Obligation Debt Limitation, Per		
Section 67.03 of the Wisconsin Statutes		11,409,090
Total Outstanding General Obligation Debt Applicable		
to Debt Limitation	\$ 5,812,133	
Less: Amounts Available for Financing General		
Obligation Debt - Debt Service Fund	126,345	
Net Outstanding General Obligation Debt		5,685,788
Applicable to Debt Limitation		5,685,788
Legal Margin for New Debt		<u>\$ 5,723,302</u>

The Village intends that its general obligation debt will not exceed 75% of the above limitation or \$8,556,818. As of December 31, 2021, general obligation debt is \$2,871,030 below the Village limitation.

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

Revenue Bonds

Revenue bonds outstanding on December 31, 2021 totaled \$9,254,757 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
Clean Water Revenue Bond	07/23/08	05/01/28	2.20%	\$ 7,382,420	\$ 2,964,172
Revenue Obligation Trust Fund Loan	06/09/15	03/15/25	0.035	232,053	101,683
Total Outstanding Revenue Bonds From Direct Borrowing and Direct Placements					<u>\$ 3,065,855</u>
	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
Community Development Revenue Refunding Bonds	07/06/10	12/01/26	2.70 - 4.30%	\$ 1,520,000	\$ 625,000
Water and Electric System Revenue Refunding Bonds	07/10/13	05/01/21	1.10 - 2.30%	1,630,000	-
Water and Electric Revenue Bonds Water and Electric System Revenue Refunding Bonds	04/21/15	05/01/30	2.50 - 3.00%	565,000	415,000
Water and Electric System Revenue Refunding Bonds	12/19/19	05/01/39	2.38 - 3.00%	1,540,000	1,420,000
Water and Electric System Revenue Bonds	11/18/21	05/01/41	1.00 - 3.00%	3,620,000	3,620,000
Total Outstanding Revenue Bonds					<u>\$ 6,080,000</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$9,254,757 on December 31, 2021 are detailed below:

Year Ended December 31,	Business-Type Activities					
	Bonded Debt		Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 250,000	\$ 111,713	\$ 420,489	\$ 64,300	\$ 670,489	\$ 176,013
2023	265,000	110,496	430,038	54,656	695,038	165,152
2024	275,000	105,776	439,802	44,794	714,802	150,570
2025	280,000	100,851	449,802	34,694	729,802	135,545
2026	285,000	95,785	432,344	24,366	717,344	120,151
2027-2031	1,420,000	393,886	893,380	19,725	2,313,380	413,611
2032-2036	1,350,000	254,403	-	-	1,350,000	254,403
2037-2041	1,330,000	86,888	-	-	1,330,000	86,888
Total	<u>\$ 5,455,000</u>	<u>\$ 1,259,797</u>	<u>\$ 3,065,855</u>	<u>\$ 242,535</u>	<u>\$ 8,520,855</u>	<u>\$ 1,502,332</u>
Year Ended December 31,	Governmental Activities					
	Bonded Debt		Totals			
	Principal	Interest	Principal	Interest		
2022	\$ 125,000	\$ 26,063	\$ 795,489	\$ 202,075		
2023	125,000	21,063	820,038	186,215		
2024	125,000	15,938	839,802	166,508		
2025	125,000	10,688	854,802	146,233		
2026	125,000	5,375	842,344	125,526		
2027-2031			2,313,380	413,611		
2032-2036	-	-	1,350,000	254,403		
2037-2041	-	-	1,330,000	86,888		
Total	<u>\$ 625,000</u>	<u>\$ 79,125</u>	<u>\$ 9,145,855</u>	<u>\$ 1,581,457</u>		

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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 \$3,065,855 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 2041. The total principal and interest remaining to be paid on the bonds is \$10,023,188. Principal and interest paid for the current year and total customer net revenues were as follows:

	Water and Electric	Wastewater	Stormwater
Customer Net Revenues	\$ 510,901	\$ 583,470	\$ 122,175
Principal and Interest Payments	400,965	515,905	73,891
Remaining Payments	6,714,798	3,197,652	110,738

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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 \$108,902 on December 31, 2021 are detailed below:

<u>Year Ended December 31,</u>	<u>Business-Type Activities Principal</u>
2022	\$ 45,063
2023	45,063
2024	18,776
Total	<u>\$ 108,902</u>

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

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

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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 December 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, 2021**

**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
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	50.0%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%

**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, 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, 2021, the WRS recognized \$93,171 in contributions from the Village.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (Including Teachers, Executives, and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021, the Village reported an asset of \$479,895 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The 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, 2020, the Village's proportion was .00768677%, which was an increase of .00027934% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized pension expense of (\$49,647).

At December 31, 2021, 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	\$ 694,555	\$ 149,606
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	900,965
Changes in Assumptions	10,884	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	7,250	1,339
Employer Contributions Subsequent to the Measurement Date	93,171	-
Total	<u>\$ 805,860</u>	<u>\$ 1,051,910</u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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)**

\$93,171 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Expense
2021	\$ (87,404)
2022	(22,750)
2023	(161,263)
2024	(67,804)
2025	-
Total	\$ (339,221)

**5. Actuarial Assumptions**

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

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age
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, 2021**

**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, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 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 geometric real rates of return for each major asset class are summarized in the following table:

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0	3.2%	-0.8%
Inflation Sensitive Assets	16.0	2.0%	-0.4%
Real Estate	8.0	5.6%	3.1%
Private Equity/Debt	44.0	10.2%	7.6%
Multi-Asset	4.0	5.8%	3.3%
Cash	-10.0	N/A	N/A
Total Core Fund	100.0%	6.6%	4.1%
Variable Fund Asset Class:			
U.S. Equities	70.0%	6.6%	4.1%
International Equities	30.0	7.4%	4.9%
Total Variable Fund	100.0%	7.1%	4.6%

New England Pension Consultants Long Term U.S. CPI (Inflation) Forecast: 2.4%

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, 2021**

**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 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% 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%, 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%) or 1-percentage-point higher (8.00%) 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)	\$ 456,794	\$ (479,895)	\$ (1,167,887)

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

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plans (Continued)**

**6. Payables to the Pension Plan**

At December 31, 2021, the Village reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.

***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, 2021, the Village contributed \$13,037 to the plan, and the Village recognized pension expense of \$13,037.

**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 members.

OPEB Plan Fiduciary Net Position

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

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, 2021**

**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 member 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 member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2021 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2021 are as listed below:

Life Insurance Employee Contribution Rates Year Ended December 31, 2020	
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 reporting period, the LRLIF recognized \$480 in contributions from the employer.

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021, the Village reported a liability of \$132,584 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. 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, 2020, the Village's proportion was 0.02410300%, which was an increase of 0.00544400% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized OPEB expense of \$18,602.

At December 31, 2021, 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	\$ -	\$ 6,326
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	1,930	-
Changes in Assumptions	51,576	9,097
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	18,258	3,712
Employer Contributions Subsequent to the Measurement Date	-	-
Total	<u>\$ 71,764</u>	<u>\$ 19,135</u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2021	\$ 9,507
2022	9,298
2023	9,083
2024	8,698
2025	9,909
Thereafter	6,134
Total	<u>\$ 52,629</u>

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

Actuarial Valuation Date:	January 01, 2020
Measurement Date of Net OPEB Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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	50%	1.47%
U.S. Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive 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 2.25%, 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 (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Village's Proportionate Share of the Net OPEB Liability (Asset)	\$ 180,352	\$ 132,584	\$ 96,458

Payable to the OPEB Plan

At December 31, 2021, the Village reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2021

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021, nonspendable fund balance was as follows:

General Fund:	
Nonspendable:	
Prepaid Items	\$ 13,632
Special Revenue Funds:	
Nonspendable:	
Library	2,432
Capital Projects Funds:	
Nonspendable:	
Tax Incremental District No. 4	89
Total Nonspendable Fund Balance	\$ 16,153

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, 2021, restricted fund balance was as follows:

Debt Service Fund:	
Restricted for:	
Retirement of Long-Term Debt	\$ 126,345
Capital Projects Fund:	
Restricted for:	
Tax Incremental District No. 3	720,115
Tax Incremental District No. 4	250,563
Total Restricted Fund Balance	\$ 1,097,023

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021, General Fund balance was committed as follows:

General Fund:	
Committed for:	
Capital Outlays	\$ 15,187
Special Revenue Funds:	
Committed for:	
Room Tax	11,779
Revolving Loan Fund	84,786
Subtotal	<u>96,565</u>
 Total Committed Fund Balance	 <u><u>\$ 111,752</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, 2021, fund balance was assigned as follows:

Special Revenue Funds:	
Assigned for:	
Library	\$ 222,050
Chalet Museum	3,691
Employee Payout	61,485
Subtotal	<u>287,226</u>
Capital Projects Funds:	
Assigned for:	
Capital Projects	351,909
Sidewalk Maintenance	20,377
Subtotal	<u>372,286</u>
 Total Assigned Fund Balance	 <u><u>\$ 659,512</u></u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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	\$ 150,714
Working Capital Reserve	226,071
Total	<u>\$ 376,785</u>

The Village's unassigned general fund balance of \$1,091,385 is above the minimum fund balance amount.

Net Position

The Village reports restricted net position at December 31, 2021 as follows:

Governmental Activities:

Restricted for:

Tax Incremental District Projects	\$ 970,678
Debt Service	70,801
Pension	<u>304,264</u>
Total Governmental Activities	
Restricted Net Position	1,345,743

Business-Type Activities:

Restricted for:

Debt Service	1,985,566
Capital Projects	31,292
Pension	<u>175,631</u>
Total Business-Type Activities	
Restricted Net Position	<u>2,192,489</u>
Total Restricted Net Position	<u>\$ 3,538,232</u>

Restricted assets is offset by certain liabilities payable from restricted resources.

Business-Type Activities:

Restricted Assets	\$ 4,987,161
Less: Accrued interest	<u>(2,938,679)</u>
Total Restricted Net Position	<u>\$ (2,938,679)</u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021, the Village can recover \$232,010 from future excess tax increment revenues of the following:

	Recoverable Costs
TID No. 3	\$ 289,887
TID No. 4	(57,877)

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, 2021**

**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 wastewater utility has two significant customers who were responsible for 21.74% and 11.92% of operating revenues in 2021, respectively. The electric utility has one significant customer who is responsible for 16.3% of operating revenues in 2021.

**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.

**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**

Plan 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%
12/31/20	0.00768677%	(479,895)	1,193,785	40.20%	105.26%

**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%
12/31/21	93,171	93,171	-	1,157,758	8.05%

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%
12/31/20	0.02410300%	132,584	1,061,000	12.50%	31.36%

**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%
12/31/21	480	480	-	1,061,000	0.05%

**VILLAGE OF NEW GLARUS, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

**NOTE 1 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.

**NOTE 2 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.

## **SUPPLEMENTARY INFORMATION**

**VILLAGE OF NEW GLARUS, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	Special Revenue				
	Chalet Museum	Room Tax	Revolving Loan	Employee Payout	Waste Management
<b>ASSETS</b>					
Cash and Investments	\$ 7,742	\$ 11,779	\$ 84,786	\$ 61,485	\$ 76,224
Receivables:					
Property Taxes	4,698	-	-	-	86,597
Loans	-	-	30,352	-	-
Prepaid Items	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 12,440</b>	<b>\$ 11,779</b>	<b>\$ 115,138</b>	<b>\$ 61,485</b>	<b>\$ 162,821</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 148	\$ -	\$ -	\$ -	\$ 8,771
Accrued and Other Current Liabilities	96	-	-	-	24
<b>Total Liabilities</b>	<b>244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,795</b>
Deferred Inflows of Resources:					
Property Taxes Levied for Subsequent Year	8,505	-	-	-	156,798
Loans Receivable	-	-	30,352	-	-
<b>Total Deferred Inflows of Resources</b>	<b>8,505</b>	<b>-</b>	<b>30,352</b>	<b>-</b>	<b>156,798</b>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	11,779	84,786	-	-
Assigned	3,691	-	-	61,485	-
Unassigned	-	-	-	-	(2,772)
<b>Total Fund Balances</b>	<b>3,691</b>	<b>11,779</b>	<b>84,786</b>	<b>61,485</b>	<b>(2,772)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 12,440</b>	<b>\$ 11,779</b>	<b>\$ 115,138</b>	<b>\$ 61,485</b>	<b>\$ 162,821</b>

**VILLAGE OF NEW GLARUS, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2021**

	Capital Projects			Total
	Sidewalk Maintenance	Tax Incremental District No. 3	Tax Incremental District No. 4	
<b>ASSETS</b>				
Cash and Investments	\$ 20,377	\$ 871,930	\$ 317,356	\$ 1,451,679
Receivables:				
Property Taxes	-	187,273	82,251	360,819
Loans	-	-	-	30,352
Prepaid Items	-	-	89	89
	<u>20,377</u>	<u>871,930</u>	<u>317,356</u>	<u>1,451,679</u>
Total Assets	<u>\$ 20,377</u>	<u>\$ 1,059,203</u>	<u>\$ 399,696</u>	<u>\$ 1,842,939</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 8,919
Accrued and Other Current Liabilities	-	-	117	237
Total Liabilities	<u>-</u>	<u>-</u>	<u>117</u>	<u>9,156</u>
Deferred Inflows of Resources:				
Property Taxes Levied for Subsequent Year	-	339,088	148,927	653,318
Loans Receivable	-	-	-	30,352
Total Deferred Inflows of Resources	<u>-</u>	<u>339,088</u>	<u>148,927</u>	<u>683,670</u>
Fund Balances:				
Nonspendable	-	-	89	89
Restricted	-	720,115	250,563	970,678
Committed	-	-	-	96,565
Assigned	20,377	-	-	85,553
Unassigned	-	-	-	(2,772)
Total Fund Balances	<u>20,377</u>	<u>720,115</u>	<u>250,652</u>	<u>1,150,113</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,377</u>	<u>\$ 1,059,203</u>	<u>\$ 399,696</u>	<u>\$ 1,842,939</u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue				
	Chalet Museum	Room Tax	Revolving Loan	Employee Payout	Waste Management
<b>REVENUES</b>					
Taxes	\$ 8,505	\$ 64,017	\$ -	\$ 7,000	\$ 152,363
Intergovernmental	2,938	-	-	-	3,227
Public Charges for Services	3,213	-	-	-	2,389
Miscellaneous	2	-	9,176	-	-
Total Revenues	<u>14,658</u>	<u>64,017</u>	<u>9,176</u>	<u>7,000</u>	<u>157,979</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	8,279	-
Public Works	-	-	-	-	159,881
Culture and Recreation	13,514	-	-	-	-
Conservation and Development	-	58,120	11,428	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>13,514</u>	<u>58,120</u>	<u>11,428</u>	<u>8,279</u>	<u>159,881</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,144	5,897	(2,252)	(1,279)	(1,902)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,144	5,897	(2,252)	(1,279)	(1,902)
Fund Balances - Beginning of Year	<u>2,547</u>	<u>5,882</u>	<u>87,038</u>	<u>62,764</u>	<u>(870)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,691</u>	<u>\$ 11,779</u>	<u>\$ 84,786</u>	<u>\$ 61,485</u>	<u>\$ (2,772)</u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

	Capital Projects			Total
	Sidewalk Maintenance	Tax		
		Incremental District No. 3	Incremental District No. 4	
<b>REVENUES</b>				
Taxes	\$ -	\$ 346,166	\$ 125,504	\$ 703,555
Intergovernmental	-	7,310	65	13,540
Public Charges for Services	-	-	-	5,602
Miscellaneous	-	190	-	9,368
Total Revenues	-	353,666	125,569	732,065
<b>EXPENDITURES</b>				
Current:				
General Government	-	149	5,196	5,345
Public Safety	-	-	-	8,279
Public Works	-	-	-	159,881
Culture and Recreation	-	-	-	13,514
Conservation and Development	-	2,760	84,499	156,807
Debt Service:				
Principal	-	195,000	10,336	205,336
Interest and Fiscal Charges	-	48,712	7,617	56,329
Capital Outlay	-	1,004	968	1,972
Total Expenditures	-	247,625	108,616	607,463
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	106,041	16,953	124,602
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	200,000	200,000
Transfers Out	-	(200,000)	-	(200,000)
Total Other Financing Sources (Uses)	-	(200,000)	200,000	-
<b>NET CHANGE IN FUND BALANCES</b>	-	(93,959)	216,953	124,602
Fund Balances - Beginning of Year	20,377	814,074	33,699	1,025,511
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 20,377</u>	<u>\$ 720,115</u>	<u>\$ 250,652</u>	<u>\$ 1,150,113</u>

**VILLAGE OF NEW GLARUS, WISCONSIN  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 LIGHT AND WATER UTILITY  
 YEAR ENDED DECEMBER 31, 2021**

	<u>Light Utility</u>	<u>Water Utility</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 2,473,474	\$ 589,938	\$ 3,063,412
Other	21,597	10,194	31,791
Total Operating Revenues	<u>2,495,071</u>	<u>600,132</u>	<u>3,095,203</u>
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	2,321,075	233,705	2,554,780
Depreciation	216,753	106,284	323,037
Taxes	20,800	8,722	29,522
Total Operating Expenses	<u>2,558,628</u>	<u>348,711</u>	<u>2,907,339</u>
<b>OPERATING INCOME</b>	<u>\$ (63,557)</u>	<u>\$ 251,421</u>	187,864
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income			2,296
Interest and Fiscal Charges			(158,834)
Amortization of Debt Discount/Premium			(1,497)
Other Nonoperating Revenues (Expenses)			12,040
Total Nonoperating Revenues (Expenses)			<u>(145,995)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>			41,869
Capital Contributions			1,416
Transfers Out			<u>(217,364)</u>
<b>CHANGE IN NET POSITION</b>			(174,079)
Net Position - Beginning of Year			<u>5,936,842</u>
<b>NET POSITION - END OF YEAR</b>			<u>\$ 5,762,763</u>

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**SCHEDULE OF LIGHT UTILITY**  
**OPERATING REVENUES AND EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021	2020
<b>OPERATING REVENUES</b>		
Charges for Services:		
Sales of Electricity:		
Residential	\$ 973,806	\$ 954,157
Rural	37,622	35,836
Small Commercial and Industrial	436,037	425,063
Large Commercial and Industrial	982,507	932,480
Public Street and Highway Lighting	37,580	37,165
Interdepartmental	5,922	5,803
Total Charges for Services	2,473,474	2,390,504
Other Operating Revenues:		
Forfeited Discounts	7,341	1,560
Miscellaneous Service Revenues	850	357
Rent from Electric Property	10,845	10,845
Other	2,561	573
Total Other Operating Revenues	21,597	13,335
 Total Operating Revenues	 2,495,071	 2,403,839
<b>OPERATING EXPENSES</b>		
Operation and Maintenance:		
Other Power Supply Expenses:		
Purchased Power	1,883,905	1,797,070
Distribution Expenses:		
Operation Supervision	17,804	18,038
Line and Station Labor	659	7,960
Line and Station Supplies	78,795	26,770
Meter	4,534	1,736
Customer Installations	1,098	814
Miscellaneous Distribution	45,461	6,039
Maintenance of Structures and Equipment	38	1,640
Maintenance of Lines	59,900	54,741
Maintenance of Line Transformers	884	1,878
Maintenance of Street Lighting and Signal Systems	4,299	2,443
Maintenance of Meters	1,276	963
Total Distribution Expenses	214,748	123,022
Customer Accounts Expenses:		
Meter Reading Labor	1,466	1,572
Accounting and Collecting Labor	24,801	22,767
Supplies and Expenses	2,704	3,125
Uncollectible Accounts	(775)	(823)
Total Customer Accounts Expenses	28,196	26,641

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**SCHEDULE OF LIGHT UTILITY**  
**OPERATING REVENUES AND EXPENSES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021	2020
<b>OPERATING EXPENSES (Continued)</b>		
Administrative and General Expenses:		
Administrative and General Salaries	\$ 31,605	\$ 31,054
Office Supplies	3,751	3,199
Outside Services Employed	15,854	6,600
Property Insurance	4,973	3,538
Injuries and Damages	17,758	10,841
Employee Pensions and Benefits	65,793	86,860
Regulatory Commission	13,234	-
Miscellaneous General Expenses	15,700	11,554
Transportation Expenses	16,843	24,820
Maintenance of General Plant	7,937	9,705
Appropriations of Income To Village	778	1,615
Total Administrative and General Expenses	194,226	189,786
Total Operation and Maintenance	2,321,075	2,136,519
Depreciation	216,753	193,238
Taxes	20,800	20,850
 Total Operating Expenses	 2,558,628	 2,350,607
 <b>OPERATING INCOME</b>	 \$ (63,557)	 \$ 53,232
 <b>RECONCILIATION OF OPERATING INCOME TO PSC OPERATING INCOME</b>		
Operating Income (as Reported Above)	\$ (63,557)	\$ 53,232
Add: Depreciation on Contributed Plant	13,002	12,792
Add: Appropriations on Income to Village	778	1,615
Less: GASB 68 Conversion	(25,838)	(940)
Less: GASB 75 Conversion	3,425	187
Less: Property Tax Equivalent	(118,660)	(97,787)
PSC Operating Income	\$ (190,850)	\$ (30,901)
 Rate of Return	 -7.77%	 -1.59%

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**SCHEDULE OF WATER UTILITY**  
**OPERATING REVENUES AND EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021	2020
<b>OPERATING REVENUES</b>		
Charges for Services:		
Unmetered	\$ 1,826	\$ 1,605
Residential	263,740	260,543
Multi-Family	-	-
Commercial	70,234	66,276
Industrial	85,636	84,458
Public Authority	14,330	17,754
Private Fire Protection	5,436	5,571
Public Fire Protection	148,736	146,270
Total Charges for Services	589,938	582,477
Other Revenues:		
Forfeited Discounts	1,301	395
Other	8,893	8,949
Total Other Revenues	10,194	9,344
 Total Operating Revenues	 600,132	 591,821
<b>OPERATING EXPENSES</b>		
Operation and Maintenance:		
Source of Supply Expenses:		
Operation Labor	-	6
Operation Supplies	929	1,216
Maintenance of Water Source Plant	7,599	5,711
Total Source of Supply Expenses	8,528	6,933
Pumping Expenses:		
Operation Labor	14,555	13,336
Fuel or Power Purchased for Pumping	17,489	18,075
Operation Supplies	813	812
Maintenance of Pumping Plant	1,923	2,920
Total Pumping Expenses	34,780	35,143
Water Treatment Expenses:		
Operation Labor	9,783	10,256
Chemicals	11,625	8,958
Operation Supplies and Expenses	4,437	3,821
Maintenance of Water Treatment Plant	1,702	2,100
Total Water Treatment Expenses	27,547	25,135
Transmission and Distribution Expenses:		
Operation Labor	13,915	11,751
Operation Supplies and Expenses	225	833
Maintenance of Distribution Reservoirs and Standpipes	45	59
Maintenance of Mains	2,619	8,621
Maintenance of Services	14,779	16,482
Maintenance of Meters	573	551
Maintenance of Hydrants	11,092	2,051
Maintenance of Other Plant	82	136
Total Transmission and Distribution Expenses	43,330	40,484

**VILLAGE OF NEW GLARUS, WISCONSIN**  
**SCHEDULE OF WATER UTILITY**  
**OPERATING REVENUES AND EXPENSES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021	2020
<b>OPERATING EXPENSES (Continued)</b>		
Customer Accounts Expenses:		
Meter Reading Labor	\$ 804	\$ 866
Accounting and Collecting Labor	6,426	5,692
Supplies	2,749	3,005
Uncollectible Accounts	-	2
Total Customer Accounts Expenses	9,979	9,565
Administrative and General Expenses:		
Administrative and General Salaries	12,791	12,489
Office Supplies and Expenses	1,680	1,563
Outside Services Employed	10,061	10,758
Property Insurance	2,470	1,826
Injuries and Damages	5,149	3,830
Employee Pensions and Benefits	58,736	60,817
Regulatory Commission	125	125
Miscellaneous General	8,899	7,959
Transportation	8,069	26
Maintenance of General Plant	1,352	1,460
Appropriations of Income to Village	209	219
Total Administrative and General Expenses	109,541	101,072
Total Operation And Maintenance	233,705	218,332
Depreciation	106,284	112,916
Taxes	8,722	9,145
 Total Operating Expenses	 348,711	 340,393
 <b>OPERATING INCOME</b>	 <b>\$ 251,421</b>	 <b>\$ 251,428</b>
 <b>RECONCILIATION OF OPERATING INCOME TO PSC OPERATING INCOME</b>		
Operating Income (as Reported Above)	\$ 251,421	\$ 251,428
Add: Depreciation on Contributed Plant	6,031	6,031
Add: Appropriations on Income to Village	209	219
Less: GASB 68 Conversion	(11,251)	(424)
Less: GASB 75 Conversion	1,492	-
Less: Property Tax Equivalent	(98,704)	(100,988)
PSC Operating Income	\$ 149,198	\$ 156,266
 Rate Of Return	 4.29%	 4.37%

**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, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated April 29, 2022.

**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 2021-001 and 2021-002 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  
April 29, 2022

**VILLAGE OF NEW GLARUS, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2021**

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***Section I – Internal Control Over Financial Reporting***

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**2021-001**

**Control Deficiencies**

**Segregation of Duties**

**Repeat of Finding 2020-001**

**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**

Kelsey Jenson, Clerk-Treasurer

**VILLAGE OF NEW GLARUS, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

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***Section I – Internal Control Over Financial Reporting (Continued)***

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**2021-002**

**Control Deficiencies**

**Preparation of Annual Financial Report**

**Repeat of Finding 2020-002**

**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, 2021**

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***Section I – Internal Control Over Financial Reporting (Continued)***

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**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**

Kelsey Jenson, Clerk-Treasurer

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***Section II – Compliance and Other Matters***

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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, 2021.