

VILLAGE OF NEW GLARUS, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022



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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, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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.

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 is the responsibility of management and, 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, 2022 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, 2022 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, 2022 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2022.

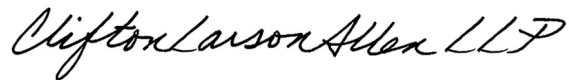
We also previously audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, the basic financial statements of the Village as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated April 29, 2022, 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 Schedule of Light Utility Operating Revenues and Expenses and Schedule of Water Utility Operating Revenues and Expenses for the year end 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 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 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 Schedule of Light Utility Operating Revenues and Expenses and Schedule of Water Utility Operating Revenues and Expenses for the year end December 31, are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2021.

Report on Summarized Prior-Year Comparative Information

We have previously audited the Village's 2021 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 April 29, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
May 31, 2023

Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

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, 2022.

Financial Highlights

- As of the December 31, 2022, the assets and deferred outflows of resources of the Village of New Glarus exceeded its liabilities and deferred inflows of resources by \$21,259,883. This represents a 5.5% increase over the 2021 net position balance of \$20,148,801.
- The general fund balance at the end of 2022 was \$1,111,561, a decrease of \$8,643 from the prior year.
Of the general fund balance, \$15,103 is nonspendable for other assets and prepaid items, \$10,474 committed for future capital projects, and \$1,085,984 is currently unassigned. Of this balance, the Village has established an emergency reserve and working capital reserve of \$387,655.
- The outstanding general obligation debt as of December 31, 2022 is \$6,774,654. This compares to \$5,812,133 at the end of 2021.

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, 2022

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 \$133,262. The total fund balance for all governmental funds is \$2,993,744 (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 an increase of \$24,527 and the Wastewater Utility had an increase of \$342,726. The Stormwater Utility had an increase in net position of \$56,006 for a combined change in proprietary / enterprise net position of \$423,259. Light and Water Utility net position totals \$5,787,290. Wastewater Utility net position totals \$5,619,728 and Stormwater Utility net position totals \$1,298,252, for a proprietary / enterprise fund total of \$12,705,270. (See pages 26 - 30.)

Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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 \$21,259,883 at the close of 2022.

Village of New Glarus, Wisconsin's Net Position (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 6,386	\$ 5,532	\$ 4,902	\$ 6,832	\$ 11,288	\$ 12,364
Capital assets	10,853	10,244	18,786	16,119	29,639	26,363
Total Assets	17,239	15,776	23,688	22,951	40,927	38,727
Deferred Outflows of Resources	894	594	469	321	1,363	915
Long-term liabilities outstanding	5,586	5,444	10,109	10,125	15,695	15,569
Other liabilities	766	257	803	473	1,569	730
Total Liabilities	6,352	5,701	10,912	10,598	17,264	16,299
Deferred Inflows of Resources	3,226	2,802	541	392	3,767	3,194
Net Position						
Net investment in capital assets	5,494	5,051	9,313	9,093	14,807	14,144
Restricted	1,690	1,346	2,269	2,193	3,959	3,539
Unrestricted	1,371	1,470	1,122	996	2,493	2,466
Total Net Position	\$ 8,555	\$ 7,867	\$ 12,704	\$ 12,282	\$ 21,259	\$ 20,149

By far the largest portion of the Village's net position (69%) 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 (19%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,569,033) 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, 2022

Change in net position. Governmental activities increased the Village's net position by \$687,823 and business-type activities increased the Village's net position by \$423,259 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	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for services	\$ 161	\$ 157	\$ 4,954	\$ 4,572	\$ 5,115	\$ 4,729
Operating grants and contributions	304	263	4	5	308	268
Capital grants and contributions	17	22	6	13	23	35
General Revenues						
Property taxes	1,622	1,597	-	-	1,622	1,597
Property tax increments	488	468	-	-	488	468
Other taxes	127	106	-	-	127	106
Grants and contributions not restricted to specific programs	266	272	-	-	266	272
Other	112	73	42	5	154	78
Total Revenues	3,097	2,958	5,006	4,595	8,103	7,553
Expenses						
General government	428	517	-	-	428	517
Public safety	763	558	-	-	763	558
Public works	656	706	-	-	656	706
Culture and recreation	496	470	-	-	496	470
Conservation and development	122	194	-	-	122	194
Interest on long-term debt	200	168	-	-	200	168
Light utility	-	-	2,746	2,675	2,746	2,675
Water utility	-	-	503	393	503	393
Wastewater collection	-	-	940	1,180	940	1,180
Stormwater	-	-	139	116	139	116
Total Expenses	2,665	2,613	4,328	4,364	6,993	6,977
Increase (Decrease) in Net Position						
Before Transfers	432	345	678	231	1,110	576
Transfers	256	220	(256)	(220)	-	-
Change in Net Position	688	565	422	11	1,110	576
Net Position - January 1	7,867	7,302	12,282	12,271	20,149	19,573
Net Position - December 31	\$ 8,555	\$ 7,867	\$ 12,704	\$ 12,282	\$ 21,259	\$ 20,149

Village of New Glarus, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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	\$ 1,287,917
Actual	1,365,116
Variance	\$ 77,199

General Fund Expenditures	
Budget	\$ 1,550,617
Actual	1,630,612
Variance	\$ (79,995)

The functions with significant budget variances are listed below:

Miscellaneous revenues	\$ 49,947
Public safety	(59,462)
Public works	(30,675)
Culture and recreation	204,343

General Fund Balance	
Beginning of year	\$ 1,120,204
End of the year	1,111,561
Change in Fund Balance	\$ (8,643)

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 86-90 of this report.

Net position of the light and water utility fund at the end of the year amounted to \$5,787,290, an increase of \$24,527 from the prior year. Operating income for the light and water utility fund totaled \$366,259, with an income of \$211,962 due to the light utility operations and an income of \$154,297 due to the water utility operations.

Net position of the wastewater utility at the end of the year totaled \$5,619,728, an increase of \$342,726 from the prior year.

Net position of the stormwater utility at the end of the year totaled \$1,298,252, an increase of \$56,006 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, 2022

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, 2022 amounts to \$29,639,097 (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	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,963	\$ 1,963	\$ 56	\$ 56	\$ 2,019	\$ 2,019
Collection	25	25	-	-	25	25
Construction in progress	63	23	4,466	1,185	4,529	1,208
Land improvements	299	299	-	-	299	299
Buildings	2,228	2,228	5,757	5,757	7,985	7,985
Machinery and equipment	1,825	1,775	5,460	5,456	7,285	7,231
Infrastructure	11,215	10,428	13,746	13,693	24,961	24,121
Accumulated depreciation	(6,765)	(6,497)	(10,699)	(10,028)	(17,464)	(16,525)
Total	\$ 10,853	\$ 10,244	\$ 18,786	\$ 16,119	\$ 29,639	\$ 26,363

Long-term debt - At the end of the current fiscal year, the Village had general obligation debt outstanding of \$6,774,654. 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	
	2022	2021	2022	2021	2022	2021
General Obligation Debt						
Bonds	\$ 3,544	\$ 3,123	\$ 1,951	\$ 1,262	\$ 5,495	\$ 4,385
Notes	1,098	1,234	-	-	1,098	1,234
State Trust Fund Notes	182	193	-	-	182	193
Total General Obligation Debt	4,824	4,550	1,951	1,262	6,775	5,812
WPPI note payable	-	-	64	109	64	109
Revenue bonds	500	625	7,850	8,521	8,350	9,146
Total	\$ 5,324	\$ 5,175	\$ 9,865	\$ 9,892	\$ 15,189	\$ 15,067

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, 2022 was \$12,834,460. Total general obligation debt outstanding at year-end was \$6,774,654. The outstanding debt applicable to debt limit of \$6,642,248 represents 51.8% 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, 2022

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 2022 totaled \$8,350,366.

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 2022 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 2022 audit in detail. If you would like additional information regarding the audit report, please contact Village Administrator Lauren Freeman 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, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2021)

	Governmental Activities	Business-Type Activities	Totals	
			2022	2021
ASSETS				
Cash and Investments	\$ 4,356,714	\$ 1,519,929	\$ 5,876,643	\$ 5,058,122
Receivables:				
Property Taxes	1,250,271	-	1,250,271	1,173,497
Delinquent Taxes	1,127	-	1,127	553
Accounts	50,643	451,434	502,077	397,307
Special Assessments	8,473	-	8,473	12,637
Loans	21,668	-	21,668	30,352
Internal Balances	264,793	(264,793)	-	-
Other Assets and Prepaid Items	17,716	289,783	307,499	225,181
Restricted Assets:				
Cash and Investments	-	2,679,604	2,679,604	4,987,161
Net Pension Asset	414,887	226,386	641,273	479,895
Capital Assets, Nondepreciable	2,051,292	4,521,901	6,573,193	3,252,939
Capital Assets, Depreciable	8,801,345	14,264,559	23,065,904	23,109,416
Total Assets	17,238,929	23,688,803	40,927,732	38,727,060
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Advance Refunding	28,133	-	28,133	37,257
Pension Related Amounts	813,348	440,740	1,254,088	805,860
Other Postemployment Related Amounts	52,239	28,522	80,761	71,764
Total Deferred Outflows of Resources	893,720	469,262	1,362,982	914,881
LIABILITIES				
Accounts Payable	455,198	751,012	1,206,210	473,323
Accrued and Other Current Liabilities	33,170	7,598	40,768	43,343
Accrued Interest Payable	52,431	43,967	96,398	95,974
Special Deposits	-	-	-	4,759
Unearned Revenue	225,142	-	225,142	112,571
Long-Term Obligations:				
Due Within One Year	749,515	910,672	1,660,187	1,522,294
Due in More Than One Year	4,729,471	9,139,776	13,869,247	13,914,082
Net Other Postemployment Liability	107,421	58,650	166,071	132,584
Total Liabilities	6,352,348	10,911,675	17,264,023	16,298,930
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	2,234,010	-	2,234,010	2,123,165
Pension Related Amounts	979,188	534,301	1,513,489	1,051,910
Other Postemployment Related Amounts	12,490	6,819	19,309	19,135
Total Deferred Inflows of Resources	3,225,688	541,120	3,766,808	3,194,210
NET POSITION				
Net Investment in Capital Assets	5,494,401	9,313,034	14,807,435	14,143,998
Restricted for Capital Projects	1,194,787	967,922	2,162,709	1,001,970
Restricted for Debt Service	79,975	1,075,838	1,155,813	2,056,367
Restricted for Pension	414,887	226,386	641,273	479,895
Unrestricted	1,370,563	1,122,090	2,492,653	2,466,571
Total Net Position	\$ 8,554,613	\$ 12,705,270	\$ 21,259,883	\$ 20,148,801

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 428,410	\$ 45,880	\$ -	\$ -
Public Safety	763,419	25,106	11,851	5,621
Public Works	656,089	11,700	191,907	11,740
Culture and Recreation	495,717	69,457	100,669	-
Conservation and Development	121,769	8,684	-	-
Interest and Fiscal Charges	200,251	-	-	-
Total Governmental Activities	<u>2,665,655</u>	<u>160,827</u>	<u>304,427</u>	<u>17,361</u>
BUSINESS-TYPE ACTIVITIES				
Light Utility	2,745,607	2,885,372	-	5,733
Water Utility	503,162	612,552	-	-
Wastewater Utility	940,068	1,266,718	-	-
Stormwater Utility	139,388	189,130	4,430	-
Total Business-Type Activities	<u>4,328,225</u>	<u>4,953,772</u>	<u>4,430</u>	<u>5,733</u>
Total	<u>\$ 6,993,880</u>	<u>\$ 5,114,599</u>	<u>\$ 308,857</u>	<u>\$ 23,094</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Governmental Activities	Business-Type Activities	Totals	
			2022	2021
GOVERNMENTAL ACTIVITIES				
General Government	\$ (382,530)	\$ -	\$ (382,530)	\$ (471,931)
Public Safety	(720,841)	-	(720,841)	(513,948)
Public Works	(440,742)	-	(440,742)	(503,551)
Culture and Recreation	(325,591)	-	(325,591)	(327,595)
Conservation and Development	(113,085)	-	(113,085)	(185,855)
Interest and Fiscal Charges	(200,251)	-	(200,251)	(167,979)
Total Governmental Activities	<u>(2,183,040)</u>	-	<u>(2,183,040)</u>	<u>(2,170,859)</u>
BUSINESS-TYPE ACTIVITIES				
Light Utility	-	145,498	145,498	(178,458)
Water Utility	-	109,390	109,390	219,447
Wastewater Utility	-	326,650	326,650	115,010
Stormwater Utility	-	54,172	54,172	70,276
Total Business-Type Activities	<u>-</u>	<u>635,710</u>	<u>635,710</u>	<u>226,275</u>
Total	(2,183,040)	635,710	(1,547,330)	(1,944,584)
GENERAL REVENUES AND TRANSFERS				
Taxes:				
Property Taxes	1,622,073	-	1,622,073	1,596,813
Tax Increments	488,015	-	488,015	468,048
Other Taxes	127,108	-	127,108	105,834
Federal and State Grants and Other				
Contributions Not Restricted to				
Specific Functions	265,854	-	265,854	271,785
Interest and Investment Earnings	55,517	43,214	98,731	8,953
Loss/(Gain) on Sale of Asset	4,219	-	4,219	2,521
Miscellaneous	52,412	-	52,412	65,933
Transfers	255,665	(255,665)	-	-
Total General Revenues and Transfers	<u>2,870,863</u>	<u>(212,451)</u>	<u>2,658,412</u>	<u>2,519,887</u>
CHANGE IN NET POSITION	687,823	423,259	1,111,082	575,303
Net Position - Beginning of Year	<u>7,866,790</u>	<u>12,282,011</u>	<u>20,148,801</u>	<u>19,573,498</u>
NET POSITION - END OF YEAR	<u>\$ 8,554,613</u>	<u>\$ 12,705,270</u>	<u>\$ 21,259,883</u>	<u>\$ 20,148,801</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2021)

ASSETS	General	Library	Debt Service	General Capital Projects
Cash and Investments	\$ 1,185,847	\$ 357,528	\$ 417,240	\$ 743,490
Receivables:				
Property Taxes	405,797	108,700	363,740	-
Delinquent Taxes	1,127	-	-	-
Accounts	45,802	-	-	-
Special Assessments	-	-	8,473	-
Loans	-	-	-	-
Due from Other Funds	267,305	-	-	-
Prepaid Items	15,103	2,607	-	-
	<u>\$ 1,920,981</u>	<u>\$ 468,835</u>	<u>\$ 789,453</u>	<u>\$ 743,490</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 49,725	\$ 1,936	\$ -	\$ 393,729
Accrued and Other Current Liabilities	30,745	2,419	-	-
Due to Other Funds	-	-	2,512	-
Unearned Revenue	-	-	-	225,142
Special Deposits	-	-	-	-
Total Liabilities	<u>80,470</u>	<u>4,355</u>	<u>2,512</u>	<u>618,871</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	728,950	194,230	646,062	-
Loans Receivable	-	-	-	-
Special Assessments	-	-	8,473	-
Total Deferred Inflows of Resources	<u>728,950</u>	<u>194,230</u>	<u>654,535</u>	<u>-</u>
FUND BALANCES				
Nonspendable	15,103	2,607	-	-
Restricted	-	-	132,406	-
Committed	10,474	-	-	-
Assigned	-	267,643	-	124,619
Unassigned	1,085,984	-	-	-
Total Fund Balances	<u>1,111,561</u>	<u>270,250</u>	<u>132,406</u>	<u>124,619</u>
	<u>\$ 1,920,981</u>	<u>\$ 468,835</u>	<u>\$ 789,453</u>	<u>\$ 743,490</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,920,981</u>	<u>\$ 468,835</u>	<u>\$ 789,453</u>	<u>\$ 743,490</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2021)**

	Other Governmental Funds	<u>Totals</u>	
		<u>2022</u>	<u>2021</u>
ASSETS			
Cash and Investments	\$ 1,652,609	\$ 4,356,714	\$ 3,772,987
Receivables:			
Property Taxes	372,034	1,250,271	1,173,499
Delinquent Taxes	-	1,127	553
Accounts	4,841	50,643	1,142
Special Assessments	-	8,473	12,637
Loans	21,668	21,668	30,352
Due from Other Funds	-	267,305	224,535
Prepaid Items	6	17,716	16,153
	<u>6</u>	<u>17,716</u>	<u>16,153</u>
Total Assets	<u>\$ 2,051,158</u>	<u>\$ 5,973,917</u>	<u>\$ 5,231,858</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 9,808	\$ 455,198	\$ 59,873
Accrued and Other Current Liabilities	6	33,170	24,252
Due to Other Funds	-	2,512	3,767
Unearned Revenue	-	225,142	112,571
Special Deposits	-	-	4,759
Total Liabilities	<u>9,814</u>	<u>716,022</u>	<u>205,222</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	664,768	2,234,010	2,123,165
Loans Receivable	21,668	21,668	30,352
Special Assessments	-	8,473	12,637
Total Deferred Inflows of Resources	<u>686,436</u>	<u>2,264,151</u>	<u>2,166,154</u>
FUND BALANCES			
Nonspendable	6	17,716	16,153
Restricted	1,194,787	1,327,193	1,097,023
Committed	112,636	123,110	111,752
Assigned	56,904	449,166	659,512
Unassigned	(9,425)	1,076,559	976,042
Total Fund Balances	<u>1,354,908</u>	<u>2,993,744</u>	<u>2,860,482</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,051,158</u>	<u>\$ 5,973,917</u>	<u>\$ 5,231,858</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2021)**

RECONCILIATION TO THE STATEMENT OF NET POSITION	2022	2021
Total Fund Balances as Shown on Previous Page	\$ 2,993,744	\$ 2,860,482
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.	10,852,637	10,243,805
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special Assessments	8,473	12,637
Long-Term Loan Receivable	21,668	30,352
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Loss on Advance Refunding	28,133	37,257
Deferred Outflows Related to Pensions	813,348	511,176
Deferred Inflows Related to Pensions	(979,188)	(666,934)
Deferred Outflows Related to Other Postemployment Benefits	52,239	45,499
Deferred Inflows Related to Other Postemployment Benefits	(12,490)	(12,132)
Long-term assets are not considered available; therefore, are not reported in the funds.		
Net Pension Asset	414,887	304,264
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and Notes Payable	(5,324,150)	(5,175,016)
Debt Premium	(62,219)	(55,470)
Compensated Absences	(92,617)	(129,528)
Other Postemployment Benefit	(107,421)	(84,058)
Accrued Interest on Long-Term Obligations	(52,431)	(55,544)
Net Position of Governmental Activities as Reported on the Statement of Net Position (See Page 13)	\$ 8,554,613	\$ 7,866,790

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, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2021)

	General	Library	Debt Service	General Capital Projects
REVENUES				
Taxes	\$ 732,411	\$ 194,230	\$ 570,367	\$ -
Special Assessments	-	-	11,740	-
Intergovernmental	429,076	100,669	-	-
Licenses and Permits	46,993	-	-	-
Fines and Forfeits	18,090	-	-	-
Public Charges for Services	81,599	711	-	-
Miscellaneous	56,947	23,682	1,337	20,980
Total Revenues	<u>1,365,116</u>	<u>319,292</u>	<u>583,444</u>	<u>20,980</u>
EXPENDITURES				
Current:				
General Government	428,512	-	-	2,233
Public Safety	715,175	-	-	19,112
Public Works	306,692	-	-	808,572
Culture and Recreation	148,268	271,264	-	74,024
Conservation and Development	31,965	-	-	-
Debt Service:				
Principal	-	-	472,850	-
Interest and Fiscal Charges	-	-	112,742	37,622
Capital Outlay	-	2,260	-	49,109
Total Expenditures	<u>1,630,612</u>	<u>273,524</u>	<u>585,592</u>	<u>990,672</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(265,496)	45,768	(2,148)	(969,692)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	-	805,000
Premium on Long-Term Debt	-	-	-	19,076
Proceeds from Sale of Capital Assets	1,188	-	-	4,331
Transfers In	255,665	-	8,209	34,775
Transfers Out	-	-	-	(8,209)
Total Other Financing Sources (Uses)	<u>256,853</u>	<u>-</u>	<u>8,209</u>	<u>854,973</u>
NET CHANGE IN FUND BALANCES	(8,643)	45,768	6,061	(114,719)
Fund Balances - Beginning of Year	<u>1,120,204</u>	<u>224,482</u>	<u>126,345</u>	<u>239,338</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,111,561</u>	<u>\$ 270,250</u>	<u>\$ 132,406</u>	<u>\$ 124,619</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, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2021)

	Other Governmental Funds	Totals	
		2022	2021
REVENUES			
Taxes	\$ 740,257	\$ 2,237,265	\$ 2,170,771
Special Assessments	-	11,740	16,898
Intergovernmental	16,951	546,696	542,567
Licenses and Permits	-	46,993	69,002
Fines and Forfeits	-	18,090	18,433
Public Charges for Services	5,209	87,519	74,705
Miscellaneous	12,662	115,608	80,357
Total Revenues	<u>775,079</u>	<u>3,063,911</u>	<u>2,972,733</u>
EXPENDITURES			
Current:			
General Government	6,552	437,297	371,713
Public Safety	36,204	770,491	839,621
Public Works	168,867	1,284,131	521,572
Culture and Recreation	37,393	530,949	653,561
Conservation and Development	87,059	119,024	191,565
Debt Service:			
Principal	210,724	683,574	661,834
Interest and Fiscal Charges	48,448	198,812	173,458
Capital Outlay	2,745	54,114	41,185
Total Expenditures	<u>597,992</u>	<u>4,078,392</u>	<u>3,454,509</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	177,087	(1,014,481)	(481,776)
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	27,708	832,708	426,030
Premium on Long-Term Debt	-	19,076	-
Proceeds from Sale of Capital Assets	-	5,519	2,521
Transfers In	-	298,649	454,828
Transfers Out	-	(8,209)	(235,000)
Total Other Financing Sources (Uses)	<u>27,708</u>	<u>1,147,743</u>	<u>648,379</u>
NET CHANGE IN FUND BALANCES	204,795	133,262	166,603
Fund Balances - Beginning of Year	<u>1,150,113</u>	<u>2,860,482</u>	<u>2,693,879</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,354,908</u>	<u>\$ 2,993,744</u>	<u>\$ 2,860,482</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, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2021)

RECONCILIATION TO THE STATEMENT OF ACTIVITIES	2022	2021
Net Change in Fund Balances as Shown on Previous Page	\$ 133,262	\$ 166,603
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	984,338	432,481
Depreciation Expense Reported in the Statement of Activities	(374,186)	(333,811)
Loss/(Gain) on Disposals	(1,320)	-
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.		
	(12,848)	(23,640)
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	(832,708)	(426,030)
Principal Repaid	683,574	661,833
Premium Issued	(19,076)	-
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	3,113	8,434
Amortization of Premiums and Loss on Advance Refunding	3,203	3,203
Compensated Absences	36,911	(3,104)
Net Pension Asset	110,623	153,643
Deferred Outflows of Resources Related to Pensions	302,172	151,366
Deferred Inflows of Resources Related to Pensions	(312,254)	(214,650)
Net OPEB Liability	(23,363)	(33,953)
Deferred Outflows of Resources Related to Other Postemployment Benefits	6,740	23,724
Deferred Inflows of Resources Related to Other Postemployment Benefits	(358)	(1,467)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (See Pages 14 - 15)	\$ 687,823	\$ 564,632

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, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Budget		Actual	Variance	2021 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes:					
General Property	\$ 692,173	\$ 692,173	\$ 692,173	\$ -	\$ 669,165
Mobile Home Parking Fees	9,500	9,500	9,250	(250)	9,343
Payment in Lieu of Taxes	28,500	28,500	30,919	2,419	28,852
Interest on Taxes	50	50	69	19	76
Total Taxes	730,223	730,223	732,411	2,188	707,436
Intergovernmental:					
State:					
State Shared Taxes	234,314	234,314	234,351	37	233,718
Fire Insurance Dues	8,307	8,307	9,017	710	8,768
Tax Exempt Computer Aid	17,556	17,556	17,556	-	18,247
Law Enforcement	500	500	2,656	2,156	9,566
Highway Safety Grant	-	-	5,621	5,621	4,540
Highway Aids	156,249	156,249	155,831	(418)	166,165
Payment for Municipal Services	400	400	666	266	419
Health Grants	-	-	-	-	-
Other	178	178	1,378	1,200	616
County:					
Highways and Bridges	2,000	2,000	2,000	-	2,000
Total Intergovernmental	419,504	419,504	429,076	9,572	444,039
Licenses and Permits:					
Licenses:					
Liquor and Malt Beverage Operators, Cigarette, and Other Licenses	9,200	9,200	8,633	(567)	9,867
Cable Television Fees	2,940	2,940	3,919	979	3,899
Permits:	21,750	21,750	22,915	1,165	22,924
Building	10,000	10,000	8,801	(1,199)	28,902
Other Permits and Fees	1,450	1,450	2,725	1,275	3,410
Total Licenses and Permits	45,340	45,340	46,993	1,653	69,002
Fines and Forfeits					
Court Fines and Penalties	17,000	17,000	18,090	1,090	18,433
Public Charges for Services:					
Clerk's Fees	5,500	5,500	7,413	1,913	6,019
Law Enforcement Fees	3,000	3,000	7,016	4,016	8,742
Parks	7,800	7,800	3,228	(4,572)	2,485
Recreation Programs	8,800	8,800	9,236	436	9,218
Swimming	43,750	43,750	53,138	9,388	42,299
Total Public Charges for Services	68,850	68,850	81,599	12,749	68,763

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, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Budget		Actual	Variance	2021
	Original	Final		Final Budget - Positive (Negative)	
REVENUES (CONTINUED)					
Miscellaneous:					
Interest on Investments	\$ 3,000	\$ 3,000	\$ 35,101	\$ 32,101	\$ 3,042
Rent	3,000	3,000	3,000	-	3,000
Insurance Recoveries and Dividends	-	-	-	-	8,540
Donations	1,000	1,000	11,069	10,069	9,135
Other	-	-	7,777	7,777	3,383
Total Miscellaneous	<u>7,000</u>	<u>7,000</u>	<u>56,947</u>	<u>49,947</u>	<u>27,100</u>
Total Revenues	1,287,917	1,287,917	1,365,116	77,199	1,334,773
EXPENDITURES					
General Government:					
Legislative	24,824	24,824	19,474	5,350	8,651
Committee/Commission	3,370	3,370	423	2,947	2,462
Elections	8,879	8,879	9,749	(870)	5,552
Legal	17,000	17,000	31,259	(14,259)	16,006
Village Administrator	62,549	62,549	64,875	(2,326)	58,245
Clerk	92,804	92,804	97,232	(4,428)	93,279
Administrative Support	12,003	12,003	12,056	(53)	14,252
General Office	45,525	45,525	41,213	4,312	32,684
Accounting and Auditing	9,000	9,000	20,472	(11,472)	10,275
Treasury	77,688	77,688	81,396	(3,708)	77,018
Assessment of Property	17,750	17,750	9,703	8,047	9,760
Insurance and Bonds	39,100	39,100	40,660	(1,560)	35,829
Other General Government	800	800	-	800	-
Total General Government	<u>411,292</u>	<u>411,292</u>	<u>428,512</u>	<u>(17,220)</u>	<u>364,013</u>
Public Safety:					
Police Department	531,529	531,529	591,986	(60,457)	546,670
Fire Department	68,337	68,337	68,585	(248)	68,480
Ambulance	44,297	44,297	44,297	-	40,345
Inspection	9,000	9,000	8,832	168	25,432
Emergency Government	300	300	314	(14)	111
Other Public Safety	2,250	2,250	1,161	1,089	1,309
Total Public Safety	<u>655,713</u>	<u>655,713</u>	<u>715,175</u>	<u>(59,462)</u>	<u>682,347</u>
Public Works:					
Street Administration	40,170	40,170	39,100	1,070	40,595
Highway and Street Maintenance	195,571	195,571	229,811	(34,240)	194,806
Street Lighting	38,000	38,000	37,131	869	35,246
Sidewalks	-	-	-	-	-
Sanitation	2,276	2,276	650	1,626	817
Total Public Works	<u>276,017</u>	<u>276,017</u>	<u>306,692</u>	<u>(30,675)</u>	<u>271,464</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, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Budget		Actual	Variance Final Budget - Positive (Negative)	2021 Actual
	Original	Final			
EXPENDITURES (CONTINUED)					
Culture and Recreation:					
Parks - General	\$ 41,879	\$ 41,879	\$ 43,337	\$ (1,458)	\$ 51,331
Recreation Programs	30,356	30,356	12,633	17,723	13,452
Swimming Pool	96,376	96,376	92,298	4,078	81,430
Total Culture and Recreation	<u>168,611</u>	<u>168,611</u>	<u>148,268</u>	<u>20,343</u>	<u>146,213</u>
Conservation and Development:					
Forestry	32,984	32,984	32,048	936	30,694
Economic Development	6,000	6,000	(83)	6,083	4,064
Total Conservation and Development	<u>38,984</u>	<u>38,984</u>	<u>31,965</u>	<u>7,019</u>	<u>34,758</u>
Total Expenditures	<u>1,550,617</u>	<u>1,550,617</u>	<u>1,630,612</u>	<u>(79,995)</u>	<u>1,498,795</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(262,700)	(262,700)	(265,496)	(2,796)	(164,022)
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Capital Assets	3,200	3,200	1,188	(2,012)	2,521
Transfers In	215,000	215,000	255,665	40,665	219,828
Transfers Out	-	-	-	-	(35,000)
Total Other Financing Sources (Uses)	<u>218,200</u>	<u>218,200</u>	<u>256,853</u>	<u>38,653</u>	<u>187,349</u>
NET CHANGE TO FUND BALANCE	(44,500)	(44,500)	(8,643)	35,857	23,327
Fund Balance - Beginning of Year	<u>1,120,204</u>	<u>1,120,204</u>	<u>1,120,204</u>	<u>-</u>	<u>1,096,877</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,075,704</u></u>	<u><u>\$ 1,075,704</u></u>	<u><u>\$ 1,111,561</u></u>	<u><u>\$ 35,857</u></u>	<u><u>\$ 1,120,204</u></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, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Budget		Actual	Variance	2021 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 194,230	\$ 194,230	\$ 194,230	\$ -	\$ 194,230
Intergovernmental	95,845	95,845	100,669	4,824	84,988
Public Charges for Services	500	500	711	211	340
Miscellaneous	450	450	23,682	23,232	11,248
Total Revenues	<u>291,025</u>	<u>291,025</u>	<u>319,292</u>	<u>28,267</u>	<u>290,806</u>
EXPENDITURES					
Current:					
Culture and Recreation	288,825	288,825	271,264	17,561	259,119
Capital Outlay	2,200	2,200	2,260	(60)	34,626
Total Expenditures	<u>291,025</u>	<u>291,025</u>	<u>273,524</u>	<u>17,501</u>	<u>293,745</u>
NET CHANGE IN FUND BALANCE	-	-	45,768	45,768	(2,939)
Fund Balance - Beginning of Year	<u>224,482</u>	<u>224,482</u>	<u>224,482</u>	-	<u>227,421</u>
FUND BALANCE - END OF YEAR	<u>\$ 224,482</u>	<u>\$ 224,482</u>	<u>\$ 270,250</u>	<u>\$ 45,768</u>	<u>\$ 224,482</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2021)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2022	2021
ASSETS					
Current Assets:					
Cash and Investments	\$ 495,944	\$ 719,684	\$ 304,301	\$ 1,519,929	\$ 1,285,135
Receivables:					
Accounts	318,764	115,629	17,041	451,434	396,165
Due from Other Funds	2,512	-	-	2,512	3,767
Other Assets and Prepaid Items	288,412	827	544	289,783	209,028
Total Current Assets	1,105,632	836,140	321,886	2,263,658	1,894,095
Noncurrent Assets:					
Restricted Assets:					
Cash and Investments	1,154,790	1,317,491	207,323	2,679,604	4,987,161
Other Assets:					
Net Pension Asset	163,023	48,743	14,620	226,386	175,631
Capital Assets:					
Nondepreciable	3,909,185	385,039	227,677	4,521,901	1,241,097
Depreciable	6,253,253	6,452,324	1,558,982	14,264,559	14,877,453
Total Capital Assets	10,162,438	6,837,363	1,786,659	18,786,460	16,118,550
Total Assets	12,585,883	9,039,737	2,330,488	23,956,108	23,175,437
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Amounts	318,494	94,028	28,218	440,740	294,684
Other Postemployment Related Amounts	20,539	6,141	1,842	28,522	26,265
Total Deferred Outflows of Resources	339,033	100,169	30,060	469,262	320,949

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2021)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2022	2021
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 706,967	\$ 43,761	\$ 284	\$ 751,012	\$ 413,452
Accrued and Other Current Liabilities	7,598	-	-	7,598	19,091
Due to Other Funds	267,305	-	-	267,305	224,535
Accrued Interest Payable	1,655	4,684	7,738	14,077	19,121
Current Portion of Long-Term Debt	88,863	60,313	62,188	211,364	175,802
Payable from Restricted Assets:					
Current Portion of Long-Term Debt	269,270	405,068	24,970	699,308	650,589
Accrued Interest Payable	18,416	8,657	2,817	29,890	21,309
Total Current Liabilities	<u>1,360,074</u>	<u>522,483</u>	<u>97,997</u>	<u>1,980,554</u>	<u>1,523,899</u>
Long-Term Obligations, Less					
Current Portion:					
General Obligation Debt	226,704	694,687	862,812	1,784,203	1,109,687
Revenue Bonds	4,940,000	2,162,741	52,587	7,155,328	7,896,182
WPPI Energy Notes Payable	18,776	-	-	18,776	63,839
Debt Premium	64,119	6,513	8,826	79,458	67,708
Compensated Absences	96,052	4,619	1,340	102,011	112,555
Other Postemployment Benefits	42,234	12,628	3,788	58,650	48,526
Total Long-Term Liabilities	<u>5,387,885</u>	<u>2,881,188</u>	<u>929,353</u>	<u>9,198,426</u>	<u>9,298,497</u>
Total Liabilities	6,747,959	3,403,671	1,027,350	11,178,980	10,822,396
DEFERRED INFLOWS OF RESOURCES					
Pension Related Amounts	384,756	115,039	34,506	534,301	384,976
Other Postemployment Related Amounts	4,911	1,468	440	6,819	7,003
Total Deferred Inflows of Resources	<u>389,667</u>	<u>116,507</u>	<u>34,946</u>	<u>541,120</u>	<u>391,979</u>
NET POSITION					
Net Investment in Capital Assets	4,861,343	3,469,092	982,599	9,313,034	9,093,422
Restricted for Capital Projects	11,337	956,585	-	967,922	913,071
Restricted for Debt Service	723,589	352,249	-	1,075,838	1,103,787
Restricted for Pension	163,023	48,743	14,620	226,386	175,631
Unrestricted	27,998	793,059	301,033	1,122,090	996,100
Total Net Position	<u>\$ 5,787,290</u>	<u>\$ 5,619,728</u>	<u>\$ 1,298,252</u>	<u>\$ 12,705,270</u>	<u>\$ 12,282,011</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2022	2021
OPERATING REVENUES					
Charges for Services	\$ 3,457,383	\$ 1,256,502	\$ 189,130	\$ 4,903,015	\$ 4,517,938
Other	40,541	10,216	-	50,757	54,110
Total Operating Revenues	<u>3,497,924</u>	<u>1,266,718</u>	<u>189,130</u>	<u>4,953,772</u>	<u>4,572,048</u>
OPERATING EXPENSES					
Operation and Maintenance	2,779,643	469,311	61,428	3,310,382	3,325,980
Depreciation	322,901	380,982	35,646	739,529	743,935
Taxes	29,121	-	-	29,121	29,522
Total Operating Expenses	<u>3,131,665</u>	<u>850,293</u>	<u>97,074</u>	<u>4,079,032</u>	<u>4,099,437</u>
OPERATING INCOME	366,259	416,425	92,056	874,740	472,611
NONOPERATING REVENUES (EXPENSES)					
Interest Income	22,717	18,663	1,834	43,214	4,224
Interest and Fiscal Charges	(121,260)	(89,775)	(42,314)	(253,349)	(262,884)
Amortization of Debt Discount/Premium	4,156	-	-	4,156	(1,497)
Other Nonoperating Revenues (Expenses)	-	-	4,430	4,430	16,629
Total Nonoperating Revenues (Expenses)	<u>(94,387)</u>	<u>(71,112)</u>	<u>(36,050)</u>	<u>(201,549)</u>	<u>(243,528)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	271,872	345,313	56,006	673,191	229,083
Capital Contributions	5,733	-	-	5,733	1,416
Transfers Out	<u>(253,078)</u>	<u>(2,587)</u>	<u>-</u>	<u>(255,665)</u>	<u>(219,828)</u>
CHANGE IN NET POSITION	24,527	342,726	56,006	423,259	10,671
Net Position - Beginning of Year	<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>
NET POSITION - END OF YEAR	<u><u>\$ 5,787,290</u></u>	<u><u>\$ 5,619,728</u></u>	<u><u>\$ 1,298,252</u></u>	<u><u>\$ 12,705,270</u></u>	<u><u>\$ 12,282,011</u></u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021)

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 3,454,727	\$ 1,255,164	\$ 188,612	\$ 4,898,503	\$ 4,595,000
Cash Paid for Services Provided	-	(31,212)	(2,124)	(33,336)	(34,337)
Cash Paid for Employee Wages and Benefits	(395,442)	(186,244)	(53,915)	(635,601)	(606,845)
Cash Paid to Suppliers	(2,343,759)	(269,979)	(4,875)	(2,618,613)	(2,707,024)
Net Cash Provided by Operating Activities	715,526	767,729	127,698	1,610,953	1,246,794
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental Revenues	-	-	4,430	4,430	4,589
Transfer Out	(210,308)	(2,587)	-	(212,895)	(194,880)
Net Cash Provided (Used) by Noncapital Financing Activities	(210,308)	(2,587)	4,430	(208,465)	(190,291)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(2,739,604)	(306,757)	(227,681)	(3,274,042)	(1,341,948)
Impact Fees Received	-	-	-	-	12,040
Proceeds for Long-Term Debt	35,000	325,000	435,000	795,000	3,620,000
Premium for Issuance of Long-Term Debt	681	6,513	8,826	16,020	45,563
Principal Paid on Long-Term Debt	(326,676)	(441,363)	(54,126)	(822,165)	(868,070)
Interest Paid on Long-Term Debt	(101,189)	(89,775)	(42,314)	(233,278)	(243,202)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,131,788)	(506,382)	119,705	(3,518,465)	1,224,383
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	22,717	18,663	1,834	43,214	4,224
CHANGE IN CASH AND CASH EQUIVALENTS	(2,603,853)	277,423	253,667	(2,072,763)	2,285,110
Cash and Cash Equivalents - Beginning of Year	4,254,587	1,759,752	257,957	6,272,296	3,987,186
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,650,734</u>	<u>\$ 2,037,175</u>	<u>\$ 511,624</u>	<u>\$ 4,199,533</u>	<u>\$ 6,272,296</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021)**

	Light and Water Utility	Wastewater Utility	Nonmajor Stormwater Utility	Totals	
				2022	2021
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income	\$ 366,259	\$ 416,425	\$ 92,056	\$ 874,740	\$ 472,611
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	322,901	380,982	35,646	739,529	743,935
Depreciation Charged to Sewer Utility	6,023	-	-	6,023	10,716
Change in Net Pension Liability (Asset)	(40,829)	(7,863)	(2,063)	(50,755)	(87,404)
Change in Deferred Outflow of Resources - Pension Related Amounts	(113,063)	(25,659)	(7,334)	(146,056)	(84,959)
Change in Deferred Inflow of Resources - Pension Related Amounts	116,912	25,431	6,982	149,325	120,047
Change in Net Other Postemployment Benefits Liability (Asset)	8,478	1,332	314	10,124	19,175
Change in Deferred Outflow of Resources - Other Postemployment Related Amounts	(2,268)	(27)	38	(2,257)	(13,509)
Change in Deferred Inflow of Resources - Other Postemployment Related Amounts	39	(162)	(61)	(184)	756
Change in Operating Assets and Liabilities:					
Accounts Receivables	(43,197)	(11,554)	(518)	(55,269)	22,952
Due from Other Funds	1,255	-	-	1,255	1,255
Other Assets and Prepaid Items	(81,378)	739	(116)	(80,755)	97,079
Accounts Payable	204,490	(858)	172	203,804	(52,136)
Accrued and Other Current Liabilities	(27,854)	(2,824)	2,651	(28,027)	(10,936)
Compensated Absences	(2,242)	(8,233)	(69)	(10,544)	7,212
Net Cash Provided by Operating Activities	<u>\$ 715,526</u>	<u>\$ 767,729</u>	<u>\$ 127,698</u>	<u>\$ 1,610,953</u>	<u>\$ 1,246,794</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and Cash Equivalents in Current Assets	\$ 495,944	\$ 719,684	\$ 304,301	\$ 1,519,929	\$ 1,285,135
Cash and Cash Equivalents in Restricted Assets	1,154,790	1,317,491	207,323	2,679,604	4,987,161
Total Cash and Investments	<u>\$ 1,650,734</u>	<u>\$ 2,037,175</u>	<u>\$ 511,624</u>	<u>\$ 4,199,533</u>	<u>\$ 6,272,296</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
YEAR ENDED FIDUCIARY FUND
DECEMBER 31, 2022**

	Custodial Fund
ASSETS	
Cash and Investments	\$ 908,349
Taxes Receivable	2,953,807
Total Assets	\$ 3,862,156
DEFERRED INFLOW OF RESOURCES	
Property Tax Levied for Subsequent Years	\$ 3,862,156
Total Deferred Inflow of Resources	\$ 3,862,156
NET POSITION - END OF YEAR	\$ -

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2022**

	<u>Custodial Fund</u>
ADDITIONS	
Tax Collections	\$ 3,622,291
DEDUCTIONS	
Payments to Other Governments	<u>3,622,291</u>
CHANGE IN FIDUCIARY NET POSITION	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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.

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, 2022, is available directly from the District's office. Payments for the year to the District totaled \$68,585 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, 2022**

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, 2022**

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, 2022**

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, 2022**

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 2022 tax roll are recognized as revenue in 2023).

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 weighted 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, 2022**

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:

Assets	Governmental Activities <u>Years</u>	Business-type Activities <u>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, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2021, 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, 2022.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022:

Funds	Excess Expenditures
General Fund	\$ 79,995
Room Tax	16,299
Chalet Museum	26,330
Sanitary Sewer Utility	90,529
Light and Water Utility	296,195
Waste Management	7,269

C. Deficit Fund Equity

The following fund had deficit fund balance or net position as of December 31, 2022:

Fund	Deficit Fund Balance
Waste Management	\$ 9,425

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 2022 and 2023 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 2022 budget was 1.72%. The actual limit for the Village for the 2023 budget was 0.63%. 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, 2022**

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 \$9,464,596 on December 31, 2022 as summarized below:

Petty Cash and Cash on Hand	\$ 625
Deposits With Financial Institutions	9,463,971
Total	\$ 9,464,596

Reconciliation to the Basic Financial Statements:

Government-Wide Statement of Net Position:

Cash and Investments	\$ 6,083,966
Restricted Cash and Investments	2,472,281

Fiduciary Fund Statement of Net Position:

Custodial Fund	908,349
Total	\$ 9,464,596

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, 2022**

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, 2022, 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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets

Restricted assets on December 31, 2022 totaled \$2,472,281 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Enterprise Funds:		
Light and Water Utility:		
Capital Projects	\$ 401,448	Used to segregate resources for future capital projects in accordance with bond requirements
Debt Retirement	279,709	Used to segregate resources accumulated for debt service payments
Debt Reserve	462,296	Used to segregate resources set aside to comply with bond covenants
Impact Fees	11,337	To account for impact fees collected and held by the Village to finance system improvements
Total Light and Water Utility	<u>1,154,790</u>	
Wastewater Utility:		
Debt Retirement	297,385	Used to segregate resources accumulated for debt service payments
Debt Reserve	63,521	Used to segregate resources set aside to comply with bond covenants
Replacement Account	936,221	Used to segregate resources accumulated for plant repairs and replacement
Sewer Connection Account	20,364	Used to account for fees collected for new sewer services, set aside for costs of upgrading system
Total Wastewater Utility	<u>1,317,491</u>	
Light and Water Utility:		
Capital Projects	<u>207,323</u>	Used to segregate resources for future capital
Total Enterprise Funds	<u>207,323</u>	
Total	<u>\$ 2,679,604</u>	

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2022 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	23,247	39,550	-	62,797
Total Capital Assets, Nondepreciable	2,011,742	39,550	-	2,051,292
Capital Assets, Depreciable:				
Land Improvements	298,706	-	-	298,706
Buildings and Improvements	2,227,564	-	-	2,227,564
Machinery and Equipment	1,775,238	158,021	108,153	1,825,106
Infrastructure	10,427,757	786,847	-	11,214,604
Subtotals	14,729,265	944,868	108,153	15,565,980
Less Accumulated Depreciation for:				
Land Improvements	56,449	10,359	-	66,808
Buildings and Improvements	872,448	67,416	-	939,864
Machinery and Equipment	1,151,720	110,017	106,833	1,154,904
Infrastructure	4,416,665	186,394	-	4,603,059
Subtotals	6,497,282	374,186	106,833	6,764,635
Total Capital Assets, Depreciable, Net	8,231,983	570,682	1,320	8,801,345
Governmental Activities Capital Assets, Net	<u>\$ 10,243,725</u>	<u>\$ 610,232</u>	<u>\$ 1,320</u>	10,852,637
Less: Capital Related Debt				(5,324,150)
Less: Debt Premium				(62,219)
Add: Deferred Charge on Refunding				<u>28,133</u>
Net Investment in Capital Assets				<u>\$ 5,494,401</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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	1,184,915	3,280,804	-	4,465,719
Total Capital Assets, Nondepreciable	1,241,097	3,280,804	-	4,521,901
Capital Assets, Depreciable:				
Buildings and Improvements	5,756,998	-	-	5,756,998
Machinery and Equipment	5,456,078	3,489	-	5,459,567
Infrastructure	13,692,880	54,079	40	13,746,919
Subtotals	24,905,956	57,568	40	24,963,484
Less Accumulated Depreciation for:				
Buildings and Improvements	2,111,553	183,365	-	2,294,918
Machinery and Equipment	3,276,632	273,887	-	3,550,519
Infrastructure	4,640,318	282,277	69,107	4,853,488
Subtotals	10,028,503	739,529	69,107	10,698,925
Total Capital Assets, Depreciable, Net	14,877,453	(681,961)	(69,067)	14,266,559
Business-Type Activities Capital Assets, Net	\$ 16,118,550	\$ 2,598,843	\$ 39,702	18,786,460
Less: Capital Related Borrowing				(9,998,469)
Less: Debt Premium				(83,728)
Add: Unspent Bond Proceeds				608,771
Net Investment In Capital Assets				\$ 9,313,034

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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	68,499
Public Works	248,427
Culture and Recreation	<u>35,349</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 374,186</u></u>
Business-Type Activities:	
Light Utility	\$ 230,491
Water Utility	92,410
Sewer Utility	380,982
Stormwater Management	<u>35,646</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 739,529</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, 2022 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Operating Activity Between Funds:		
Governmental Funds:		
General	\$ 267,305	\$ -
Debt Service	-	2,512
Enterprise Fund:		
Light and Water Utility	<u>2,512</u>	<u>267,305</u>
Totals	<u><u>\$ 269,817</u></u>	<u><u>\$ 269,817</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>
2023	\$ 1,255
2024	<u>1,257</u>
Total	<u><u>\$ 2,512</u></u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Interfund transfers for the year ended December 31, 2022 were as follows:

Transferred To	Transferred From	Amount
Governmental Funds:		
General Fund	Light and Water Utility	\$ 253,078
General Fund	Wastewater Utility	2,587
Debt Service	General Capital Projects	8,209
General Capital Projects Fund	Light and Water Utility	34,775
Total Interfund Transfers		\$ 298,649
Reconciliation of Transfers In (Out):		
Governmental Funds Transfers In		\$ 298,649
Governmental Funds Transfers Out		(8,209)
Construction in progress transfer		(34,775)
Governmental Activities Transfers		
In (Out) from Business-Type Activities		\$ 255,665

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 3,122,883	\$ 805,000	\$ 383,385	\$ 3,544,498	\$ 428,700
Notes from Direct Borrowings and Placements	1,234,359	27,708	164,465	1,097,602	171,090
State Trust Fund Loans from Direct Borrowings and Placements	192,774	-	10,724	182,050	11,126
Total General Obligation Debt	4,550,016	832,708	558,574	4,824,150	610,916
Revenue Bonds	625,000	-	125,000	500,000	125,000
Debt Premium	55,470	19,076	12,327	62,219	13,599
Compensated Absences	129,528	1,623	38,534	92,617	-
Governmental Activities Long-Term Obligations	<u>\$ 5,360,014</u>	<u>\$ 853,407</u>	<u>\$ 734,435</u>	<u>\$ 5,478,986</u>	<u>\$ 749,515</u>
Business-Type Activities:					
General Obligation Debt:					
Bonds	\$ 1,262,117	\$ 795,000	\$ 106,613	\$ 1,950,504	\$ 166,301
Revenue Bonds	5,455,000	-	250,000	5,205,000	265,000
Revenue Bonds from Direct Borrowings and Placements	3,065,855	-	420,489	2,645,366	430,038
WPPI Energy Notes Payable from Direct Borrowings and Placements	108,902	-	45,063	63,839	45,063
Debt Premium	71,933	16,020	4,225	83,728	4,270
Compensated Absences	112,555	-	10,544	102,011	-
Business-Type Activities Long-Term Obligations	<u>\$ 10,076,362</u>	<u>\$ 811,020</u>	<u>\$ 836,934</u>	<u>\$ 10,050,448</u>	<u>\$ 910,672</u>

Total interest paid during the year on long-term debt totaled \$381,713.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 December 31, 2022
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	182,050
General Obligation Note	05/25/16	08/15/26	2.80%	430,000	187,437
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	31,629
General Obligation Promissory Note	10/18/19	10/01/29	2.37%	175,472	126,997
General Obligation Promissory Note	09/24/20	09/24/30	1.877 - 2.229%	431,970	456,448
Bank of New Glarus Note	04/22/21	04/22/31	1.88%	295,000	267,383
Bank of New Glarus Note	03/24/22	03/24/32	1.88%	27,708	27,708
Total Outstanding General Obligation Debt from Direct Borrowing and Direct Placement					<u>\$ 1,279,652</u>

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2022
General Obligation Refunding Bond	07/06/10	06/01/26	2.70 - 4.25%	\$ 935,000	\$ 310,002
General Obligation Corporate Purpose Bond	04/09/14	02/01/32	2.00 - 3.95%	1,000,000	600,000
General Obligation Corporate Purpose Bond	05/18/15	02/01/35	3.00 - 3.38%	3,315,000	1,690,000
General Obligation Corporate Purpose Bond	05/07/19	05/01/27	3.00 - 4.00%	1,550,000	1,295,000
General Obligation Corporate Purpose Bond	05/25/22	05/01/37	3.00 - 4.00%	1,600,000	1,600,000
Total Outstanding General Obligation Debt					<u>\$ 5,495,002</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$6,774,652 on December 31, 2022 are detailed below:

Year Ended December 31,	Governmental Activities					
	Bonded Debt		Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 428,670	\$ 122,387	\$ 182,216	\$ 31,391	\$ 610,886	\$ 153,778
2024	428,937	96,056	168,251	26,968	597,188	123,024
2025	428,937	81,766	165,311	22,794	594,248	104,560
2026	439,174	67,166	169,375	18,786	608,549	85,952
2027	227,953	55,874	123,379	14,676	351,332	70,550
2028-2032	1,126,688	168,514	421,063	32,872	1,547,751	201,386
2033-2037	464,139	29,186	50,057	3,800	514,196	32,986
2038	-	-	-	-	-	-
Total	<u>\$ 3,544,498</u>	<u>\$ 620,949</u>	<u>\$ 1,279,652</u>	<u>\$ 151,287</u>	<u>\$ 4,824,150</u>	<u>\$ 772,236</u>

Year Ended December 31,	Business-Type Activities			
	Bonded Debt		Totals	
	Principal	Interest	Principal	Interest
2023	\$ 166,301	\$ 72,595	\$ 777,187	\$ 226,373
2024	166,064	55,125	763,252	178,149
2025	161,064	49,696	755,312	154,256
2026	170,827	44,171	779,376	130,123
2027	187,047	38,119	538,379	108,669
2028-2032	798,313	105,869	2,346,064	307,255
2033-2037	300,886	21,184	815,082	54,170
2038	-	-	-	-
Total	<u>\$ 1,950,502</u>	<u>\$ 386,758</u>	<u>\$ 6,774,652</u>	<u>\$ 1,158,994</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 \$1,279,652 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 \$182,050 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, 2022 was \$6,192,212 as follows:

Equalized Valuation of the Village		\$ 256,689,200	
Statutory Limitation Percentage		(x) 5%	
General Obligation Debt Limitation, Per			
Section 67.03 of the Wisconsin Statutes		12,834,460	
Total Outstanding General Obligation Debt Applicable			
to Debt Limitation	\$ 6,774,654		
Less: Amounts Available for Financing General			
Obligation Debt - Debt Service Fund	<u>132,406</u>		
Net Outstanding General Obligation Debt			
Applicable to Debt Limitation		<u>6,642,248</u>	
Legal Margin for New Debt		<u><u>\$ 6,192,212</u></u>	

The Village intends that its general obligation debt will not exceed 75% of the above limitation or \$9,625,845. As of December 31, 2022, general obligation debt is \$2,983,597 below the Village limitation.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds

Revenue bonds outstanding on December 31, 2022 totaled \$8,350,366 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2022
Clean Water Revenue Bond	07/23/08	05/01/28	2.20%	\$ 7,382,420	\$ 2,567,808
Revenue Obligation Trust Fund Loan	06/09/15	03/15/25	0.035	232,053	77,558
Total Outstanding Revenue Bonds From Direct Borrowing and Direct Placements					<u>\$ 2,645,366</u>

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2022
Community Development Revenue Refunding Bonds	07/06/10	12/01/26	2.70 - 4.30%	\$ 1,520,000	\$ 500,000
Water and Electric Revenue Bonds	04/21/15	05/01/30	2.50 - 3.00%	565,000	390,000
Water and Electric System Revenue Refunding Bonds	12/19/19	05/01/39	2.38 - 3.00%	1,540,000	1,355,000
Water and Electric System Revenue Bonds	11/18/21	05/01/41	1.00 - 3.00%	3,620,000	3,460,000
Total Outstanding Revenue Bonds					<u>\$ 5,705,000</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$8,350,366 on December 31, 2022 are detailed below:

Year Ended December 31,	Bonded Debt		Business-Type Activities Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 265,000	\$ 110,496	\$ 430,038	\$ 54,656	\$ 695,038
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	285,000	90,429	441,838	14,767	726,838	105,196
2028-2032	1,395,000	365,702	451,541	4,958	1,846,541	370,660
2033-2037	1,380,000	224,261	-	-	1,380,000	224,261
2038	1,040,000	54,784	-	-	1,040,000	54,784
Total	<u>\$ 5,205,000</u>	<u>\$ 1,148,084</u>	<u>\$ 2,645,366</u>	<u>\$ 178,235</u>	<u>\$ 7,850,366</u>	<u>\$ 1,326,320</u>

Year Ended December 31,	Governmental Activities Bonded Debt		Totals	
	Principal	Interest	Principal	Interest
	2023	\$ 125,000	\$ 21,063	\$ 820,038
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	-	-	726,838	105,196
2028-2032	-	-	1,846,541	370,660
2033-2037	-	-	1,380,000	224,261
2038	-	-	1,040,000	54,784
Total	<u>\$ 500,000</u>	<u>\$ 53,064</u>	<u>\$ 8,350,366</u>	<u>\$ 1,379,384</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 \$2,645,366 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 \$9,729,749. Principal and interest paid for the current year and total customer net revenues were as follows:

	Water and Electric	Wastewater	Stormwater
Customer Net Revenues	\$ 689,160	\$ 797,407	\$ 127,702
Principal and Interest Payments	453,320	515,905	73,892
Remaining Payments	6,353,085	2,740,547	83,053

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 \$63,839 on December 31, 2022 are detailed below:

	Business-Type Activities
<u>Year Ended December 31,</u>	<u>Principal</u>
2023	\$ 45,063
2024	18,776
Total	\$ 63,839

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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 [https:// etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements](https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements).

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

Benefits provided. Employees who retire at or after age 65 (54 for protective 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.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (Continued)

1. Plan Description (Continued)

Benefits provided (Continued). 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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2012	(7.0)%	(7.0)%
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(0.5)
2017	2.0	4.0
2018	2.4	17.0
2019	-	(10.0)
2020	1.7	21.0
2021	5.1	13.0

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (Continued)

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, 2022, the WRS recognized \$93,276 in contributions from the Village.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75	11.75
Protective without Social Security	6.75	16.35

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

At December 31, 2022, the Village reported an asset of \$641,273 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the Village's proportion was .00795607%, which was an increase of .00026930% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized pension expense of (\$55,073).

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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)

At December 31, 2022, 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	\$ 1,035,944	\$ 74,702
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	1,434,583
Changes in Assumptions	119,639	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	5,229	4,204
Employer Contributions Subsequent to the Measurement Date	93,276	-
Total	<u>\$ 1,254,088</u>	<u>\$ 1,513,489</u>

\$93,276 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2023	\$ (29,557)
2024	(172,943)
2025	(76,185)
2026	(73,992)
2027	-
Total	<u>\$ (352,677)</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (Continued)

5. Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

* *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.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (Continued)

5. Actuarial Assumptions (Continued)

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

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	52.0%	6.8%	4.2%
Fixed Income	25.0	4.3	1.8
Inflation Sensitive	19.0	2.7	0.2
Real Estate	7.0	5.6	3.0
Private Equity/Debt	12.0	9.7	7.0
Total Core Fund	115.0%	6.6	4.0
Variable Fund Asset Class:			
U.S. Equities	70.0%	6.3%	3.7%
International Equities	30.0	7.2	4.6
Total Variable Fund	100.0%	6.8	4.2

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

New England Pension Consultants Long Term U.S. CPI (Inflation) Forecast: 2.5%

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 6.8% 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 6.8% and a municipal bond rate of 1.84% (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, 2021. 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 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 6.8%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ 455,029	\$ (641,273)	\$ (1,430,408)

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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

6. Payables to the Pension Plan

At December 31, 2022, the Village reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

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, 2022, the Village contributed \$14,855 to the plan, and the Village recognized pension expense of \$14,855.

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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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, 2022**

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, 2022 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, 2022 are as listed below:

Life Insurance Employee Contribution Rates Year Ended December 31, 2020		
Attained Age	Basic	Supplemental
Under 30	\$ 0.05	\$ 0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

During the reporting period, the LRLIF recognized \$568 in contributions from the employer.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022, the Village reported a liability of \$166,071 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. 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, 2021, the Village's proportion was 0.02809800%, which was an increase of 0.00399500% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized OPEB expense of \$25,238.

At December 31, 2022, 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	\$ -	\$ 8,448
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	2,160	-
Changes in Assumptions	50,175	8,049
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	28,426	2,812
Employer Contributions Subsequent to the Measurement Date	-	-
Total	<u>\$ 80,761</u>	<u>\$ 19,309</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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>
2023	\$ 12,735
2024	12,484
2025	11,992
2026	13,457
2027	8,494
Thereafter	2,290
Total	<u>\$ 61,452</u>

Actuarial assumptions. The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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.

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
US Intermediate Credit Bonds	Bloomberg US Interim Credit	45.00%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5.00	1.82
US Mortgages	Bloomberg US MBS	50.00	1.94
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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 2.17%, 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 (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
Village's Proportionate Share of the Net OPEB Liability (Asset)	\$ 225,297	\$ 166,071	\$ 121,504

Payable to the OPEB Plan

At December 31, 2022, the Village reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2022

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022, nonspendable fund balance was as follows:

General Fund:	
Nonspendable:	
Prepaid Items	\$ 15,103
Special Revenue Funds:	
Nonspendable:	
Library	2,607
Capital Projects Funds:	
Nonspendable:	
Tax Incremental District No. 4	<u>6</u>
Total Nonspendable Fund Balance	<u><u>\$ 17,716</u></u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2022, restricted fund balance was as follows:

Debt Service Fund:	
Restricted for:	
Retirement of Long-Term Debt	\$ 132,406
Capital Projects Fund:	
Restricted for:	
Tax Incremental District No. 3	823,739
Tax Incremental District No. 4	<u>371,048</u>
Total Restricted Fund Balance	<u><u>\$ 1,327,193</u></u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022, General Fund balance was committed as follows:

General Fund:	
Committed for:	
Capital Outlays	\$ 10,474
Special Revenue Funds:	
Committed for:	
Room Tax	17,419
Revolving Loan Fund	95,217
Subtotal	<u>112,636</u>
 Total Committed Fund Balance	 <u><u>\$ 123,110</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, 2022, fund balance was assigned as follows:

Special Revenue Funds:	
Assigned for:	
Library	\$ 267,643
Chalet Museum	11,246
Employee Payout	25,281
Subtotal	<u>304,170</u>
Capital Projects Funds:	
Assigned for:	
Capital Projects	124,619
Sidewalk Maintenance	20,377
Subtotal	<u>144,996</u>
 Total Assigned Fund Balance	 <u><u>\$ 449,166</u></u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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	\$ 155,062
Working Capital Reserve	232,593
Total	<u>\$ 387,655</u>

The Village's unassigned general fund balance of \$1,085,984 is above the minimum fund balance amount.

Net Position

The Village reports restricted net position at December 31, 2022 as follows:

Governmental Activities:

Restricted for:

Tax Incremental District Projects	\$ 1,194,787
Debt Service	79,975
Pension	<u>414,887</u>
Total Governmental Activities	
Restricted Net Position	1,689,649

Business-Type Activities:

Restricted for:

Debt Service	1,075,838
Capital Projects	967,922
Pension	<u>226,386</u>
Total Business-Type Activities	
Restricted Net Position	<u>2,270,146</u>
Total Restricted Net Position	<u>\$ 3,959,795</u>

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

Business-Type Activities:

Restricted Cash and Investments	\$ 2,679,604
Net Pension Asset	226,386
Less: Debt portion related to unspent proceeds	(608,771)
Less: Accrued interest	<u>(27,073)</u>
Total Restricted Net Position	<u>\$ 2,270,146</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022, the Village can recover \$202,740 from future excess tax increment revenues of the following:

	Recoverable Costs
TID No. 3	\$ (13,736)
TID No. 4	(189,004)

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, 2022**

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 17.98% and 12.20% of operating revenues in 2022, respectively. The electric utility has one significant customer who is responsible for 16.74% of operating revenues in 2022.

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 Ended	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
12/31/21	0.00795607	(641,273)	1,149,509	55.79	106.02

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

Fiscal Year Ended	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	-	1,149,509	8.11
12/31/22	93,276	93,276	-	1,142,844	8.16

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 Ended	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
12/31/21	0.02809800	166,070	1,113,000	14.92	29.57

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

District Fiscal Year Ended	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	-	913,088	0.04
12/31/20	498	498	-	1,061,000	0.05
12/31/21	480	480	-	1,113,000	0.04
12/31/22	482	482	-	965,000	0.05

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 1 WISCONSIN RETIREMENT SYSTEM

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

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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

Benefit Terms: There were no recent changes in benefit terms.

Assumptions: In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

**VILLAGE OF NEW GLARUS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 2 WISCONSIN LOCAL RETIREE LIFE INSURANCE (CONTINUED)

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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, 2022**

	Special Revenue				
	Chalet Museum	Room Tax	Revolving Loan	Employee Payout	Waste Management
ASSETS					
Cash and Investments	\$ 15,390	\$ 12,578	\$ 95,217	\$ 25,281	\$ 55,789
Receivables:					
Property Taxes	4,876	-	-	-	70,799
Accounts	-	4,841	-	-	-
Loans	-	-	21,668	-	-
Due from Other Funds	-	-	-	-	-
Advance to Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Prepaid Items	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 20,266</u>	<u>\$ 17,419</u>	<u>\$ 116,885</u>	<u>\$ 25,281</u>	<u>\$ 126,588</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 301	\$ -	\$ -	\$ -	\$ 9,507
Accrued and Other Current Liabilities	6	-	-	-	-
Total Liabilities	<u>307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,507</u>
Deferred Inflows of Resources:					
Property Taxes Levied for Subsequent Year	8,713	-	-	-	126,506
Loans Receivable	-	-	21,668	-	-
Total Deferred Inflows of Resources	<u>8,713</u>	<u>-</u>	<u>21,668</u>	<u>-</u>	<u>126,506</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	17,419	95,217	-	-
Assigned	11,246	-	-	25,281	-
Unassigned	-	-	-	-	(9,425)
Total Fund Balances	<u>11,246</u>	<u>17,419</u>	<u>95,217</u>	<u>25,281</u>	<u>(9,425)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,266</u>	<u>\$ 17,419</u>	<u>\$ 116,885</u>	<u>\$ 25,281</u>	<u>\$ 126,588</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2022**

	Capital Projects			Total
	Sidewalk Maintenance	Tax Incremental District No. 3	Tax Incremental District No. 4	
ASSETS				
Cash and Investments	\$ 20,377	\$ 965,949	\$ 462,028	\$ 1,652,609
Receivables:				
Property Taxes	-	180,733	115,626	372,034
Other	-	-	-	4,841
Loans	-	-	-	21,668
Due from Other Funds	-	-	-	-
Advance to Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
Prepaid Items	-	-	6	6
	<u>20,377</u>	<u>1,146,682</u>	<u>577,660</u>	<u>2,051,158</u>
Total Assets	<u>\$ 20,377</u>	<u>\$ 1,146,682</u>	<u>\$ 577,660</u>	<u>\$ 2,051,158</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	-	-	-	9,808
Accrued and Other Current Liabilities	-	-	-	6
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,814</u>
Deferred Inflows of Resources:				
Property Taxes Levied for Subsequent Year	-	322,943	206,606	664,768
Loans Receivable	-	-	-	21,668
Total Deferred Inflows of Resources	<u>-</u>	<u>322,943</u>	<u>206,606</u>	<u>686,436</u>
Fund Balances:				
Nonspendable	-	-	6	6
Restricted	-	823,739	371,048	1,194,787
Committed	-	-	-	112,636
Assigned	20,377	-	-	56,904
Unassigned	-	-	-	(9,425)
Total Fund Balances	<u>20,377</u>	<u>823,739</u>	<u>371,054</u>	<u>1,354,908</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,377</u>	<u>\$ 1,146,682</u>	<u>\$ 577,660</u>	<u>\$ 2,051,158</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue				
	Chalet Museum	Room Tax	Revolving Loan	Employee Payout	Waste Management
REVENUES					
Taxes	\$ 8,505	\$ 86,939	\$ -	\$ -	\$ 156,798
Intergovernmental	5,569	-	-	-	3,351
Public Charges for Services	3,144	-	-	-	2,065
Miscellaneous	22	-	10,431	-	-
Total Revenues	<u>17,240</u>	<u>86,939</u>	<u>10,431</u>	<u>-</u>	<u>162,214</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	36,204	-
Public Works	-	-	-	-	168,867
Culture and Recreation	37,393	-	-	-	-
Conservation and Development	-	81,299	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>37,393</u>	<u>81,299</u>	<u>-</u>	<u>36,204</u>	<u>168,867</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,153)	5,640	10,431	(36,204)	(6,653)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	<u>27,708</u>	-	-	-	-
Total Other Financing Sources (Uses)	<u>27,708</u>	-	-	-	-
NET CHANGE IN FUND BALANCES	7,555	5,640	10,431	(36,204)	(6,653)
Fund Balances - Beginning of Year	<u>3,691</u>	<u>11,779</u>	<u>84,786</u>	<u>61,485</u>	<u>(2,772)</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,246</u>	<u>\$ 17,419</u>	<u>\$ 95,217</u>	<u>\$ 25,281</u>	<u>\$ (9,425)</u>

**VILLAGE OF NEW GLARUS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Capital Projects			Total
	Sidewalk Maintenance	Tax Incremental District No. 3	Tax Incremental District No. 4	
REVENUES				
Taxes	\$ -	\$ 339,088	\$ 148,927	\$ 740,257
Intergovernmental	-	7,310	721	16,951
Public Charges for Services	-	-	-	5,209
Miscellaneous	-	2,209	-	12,662
Total Revenues	-	348,607	149,648	775,079
EXPENDITURES				
Current:				
General Government	-	149	6,403	6,552
Public Safety	-	-	-	36,204
Public Works	-	-	-	168,867
Culture and Recreation	-	-	-	37,393
Conservation and Development	-	2,760	3,000	87,059
Debt Service:				
Principal	-	200,000	10,724	210,724
Interest and Fiscal Charges	-	41,219	7,229	48,448
Capital Outlay	-	855	1,890	2,745
Total Expenditures	-	244,983	29,246	597,992
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	103,624	120,402	177,087
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	-	27,708
Total Other Financing Sources (Uses)	-	-	-	27,708
NET CHANGE IN FUND BALANCES	-	103,624	120,402	204,795
Fund Balances - Beginning of Year	20,377	720,115	250,652	1,150,113
FUND BALANCES - END OF YEAR	<u>\$ 20,377</u>	<u>\$ 823,739</u>	<u>\$ 371,054</u>	<u>\$ 1,354,908</u>

VILLAGE OF NEW GLARUS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
LIGHT AND WATER UTILITY
YEAR ENDED DECEMBER 31, 2022

	<u>Light Utility</u>	<u>Water Utility</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$ 2,856,268	\$ 601,115	\$ 3,457,383
Other	29,104	11,437	40,541
Total Operating Revenues	<u>2,885,372</u>	<u>612,552</u>	<u>3,497,924</u>
OPERATING EXPENSES			
Operation and Maintenance	2,423,162	356,481	2,779,643
Depreciation	230,491	92,410	322,901
Taxes	19,757	9,364	29,121
Total Operating Expenses	<u>2,673,410</u>	<u>458,255</u>	<u>3,131,665</u>
OPERATING INCOME	<u>\$ 211,962</u>	<u>\$ 154,297</u>	366,259
NONOPERATING REVENUES (EXPENSES)			
Interest Income			22,717
Interest and Fiscal Charges			(121,260)
Amortization of Debt Discount/Premium			4,156
Total Nonoperating Revenues (Expenses)			<u>(94,387)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS			271,872
Capital Contributions			5,733
Transfers Out			<u>(253,078)</u>
CHANGE IN NET POSITION			24,527
Net Position - Beginning of Year			<u>5,762,763</u>
NET POSITION - END OF YEAR			<u>\$ 5,787,290</u>

VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF LIGHT UTILITY
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022	2021
OPERATING REVENUES		
Charges for Services:		
Sales of Electricity:		
Residential	\$ 1,115,940	\$ 973,806
Rural	44,231	37,622
Small Commercial and Industrial	500,253	436,037
Large Commercial and Industrial	1,148,674	982,507
Public Street and Highway Lighting	39,446	37,580
Interdepartmental	7,724	5,922
Total Charges for Services	2,856,268	2,473,474
Other Operating Revenues:		
Forfeited Discounts	16,815	7,341
Miscellaneous Service Revenues	1,144	850
Rent from Electric Property	10,845	10,845
Other	300	2,561
Total Other Operating Revenues	29,104	21,597
 Total Operating Revenues	 2,885,372	 2,495,071
OPERATING EXPENSES		
Operation and Maintenance:		
Other Power Supply Expenses:		
Purchased Power	2,079,218	1,883,905
Distribution Expenses:		
Operation Supervision	18,699	17,804
Line and Station Labor	290	659
Line and Station Supplies	12,703	78,795
Meter	4,803	4,534
Customer Installations	341	1,098
Miscellaneous Distribution	(11,481)	45,461
Maintenance of Structures and Equipment	-	38
Maintenance of Lines	65,099	59,900
Maintenance of Line Transformers	683	884
Maintenance of Street Lighting and Signal Systems	7,074	4,299
Maintenance of Meters	1,731	1,276
Total Distribution Expenses	99,942	214,748
Customer Accounts Expenses:		
Meter Reading Labor	1,567	1,466
Accounting and Collecting Labor	26,212	24,801
Supplies and Expenses	2,842	2,704
Uncollectible Accounts	(700)	(775)
Total Customer Accounts Expenses	29,921	28,196

VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF LIGHT UTILITY
OPERATING REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022	2021
OPERATING EXPENSES (CONTINUED)		
Administrative and General Expenses:		
Administrative and General Salaries	\$ 33,715	\$ 31,605
Office Supplies	4,046	3,751
Outside Services Employed	40,117	15,854
Property Insurance	5,874	4,973
Injuries and Damages	16,194	17,758
Employee Pensions and Benefits	59,486	65,793
Regulatory Commission	5,998	13,234
Miscellaneous General Expenses	15,292	15,700
Transportation Expenses	23,714	16,843
Maintenance of General Plant	8,419	7,937
Appropriations of Income To Village	1,226	778
Total Administrative and General Expenses	214,081	194,226
Total Operation and Maintenance	2,423,162	2,321,075
Depreciation	230,491	216,753
Taxes	19,757	20,800
 Total Operating Expenses	 2,673,410	 2,558,628
 OPERATING INCOME	 \$ 211,962	 \$ (63,557)
 RECONCILIATION OF OPERATING INCOME TO PSC OPERATING INCOME		
Operating Income (as Reported Above)	\$ 211,962	\$ (63,557)
Add: Depreciation on Contributed Plant	13,131	13,002
Add: Appropriations on Income to Village	1,226	778
Less: GASB 68 Conversion	(25,130)	(25,838)
Less: GASB 75 Conversion	4,246	3,425
Less: Property Tax Equivalent	(149,862)	(118,660)
PSC Operating Income	\$ 55,573	\$ (190,850)
 Rate of Return	 1.99%	 -7.77%

VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF WATER UTILITY
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022	2021
OPERATING REVENUES		
Charges for Services:		
Unmetered	\$ 2,598	\$ 1,826
Residential	264,997	263,740
Multi-Family	-	-
Commercial	73,659	70,234
Industrial	87,087	85,636
Public Authority	15,647	14,330
Private Fire Protection	5,436	5,436
Public Fire Protection	151,691	148,736
Total Charges for Services	601,115	589,938
Other Revenues:		
Forfeited Discounts	2,736	1,301
Other	8,701	8,893
Total Other Revenues	11,437	10,194
 Total Operating Revenues	 612,552	 600,132
OPERATING EXPENSES		
Operation and Maintenance:		
Source of Supply Expenses:		
Operation Labor	-	-
Operation Supplies	493	929
Maintenance of Water Source Plant	2,268	7,599
Total Source of Supply Expenses	2,761	8,528
Pumping Expenses:		
Operation Labor	16,056	14,555
Fuel or Power Purchased for Pumping	20,061	17,489
Operation Supplies	734	813
Maintenance of Pumping Plant	648	1,923
Total Pumping Expenses	37,499	34,780
Water Treatment Expenses:		
Operation Labor	10,536	9,783
Chemicals	14,904	11,625
Operation Supplies and Expenses	3,461	4,437
Maintenance of Water Treatment Plant	1,690	1,702
Total Water Treatment Expenses	30,591	27,547
Transmission and Distribution Expenses:		
Operation Labor	12,550	13,915
Operation Supplies and Expenses	2,146	225
Maintenance of Distribution Reservoirs and Standpipes	85,924	45
Maintenance of Mains	8,563	2,619
Maintenance of Services	20,058	14,779
Maintenance of Meters	968	573
Maintenance of Hydrants	2,118	11,092
Maintenance of Other Plant	405	82
Total Transmission and Distribution Expenses	132,732	43,330

VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF WATER UTILITY
OPERATING REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022	2021
OPERATING EXPENSES (CONTINUED)		
Customer Accounts Expenses:		
Meter Reading Labor	\$ 933	\$ 804
Accounting and Collecting Labor	6,976	6,426
Supplies	2,680	2,749
Uncollectible Accounts	1	-
Total Customer Accounts Expenses	10,590	9,979
Administrative and General Expenses:		
Administrative and General Salaries	14,002	12,791
Office Supplies and Expenses	1,801	1,680
Outside Services Employed	34,348	10,061
Property Insurance	2,760	2,470
Injuries and Damages	4,721	5,149
Employee Pensions and Benefits	65,047	58,736
Regulatory Commission	276	125
Miscellaneous General	7,518	8,899
Transportation	9,813	8,069
Maintenance of General Plant	1,809	1,352
Appropriations of Income to Village	213	209
Total Administrative and General Expenses	142,308	109,541
Total Operation And Maintenance	356,481	233,705
Depreciation	92,410	106,284
Taxes	9,364	8,722
Total Operating Expenses	458,255	348,711
OPERATING INCOME	\$ 154,297	\$ 251,421
RECONCILIATION OF OPERATING INCOME TO PSC OPERATING INCOME		
Operating Income (as Reported Above)	\$ 154,297	\$ 251,421
Add: Depreciation on Contributed Plant	6,023	6,031
Add: Appropriations on Income to Village	213	209
Less: GASB 68 Conversion	(11,853)	(11,251)
Less: GASB 75 Conversion	2,003	1,492
Less: Property Tax Equivalent	(103,216)	(98,704)
PSC Operating Income	\$ 47,467	\$ 149,198
Rate Of Return	1.39%	4.29%

**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, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 31, 2023.

Report on 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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

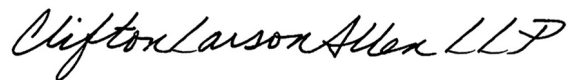
As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and 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
May 31, 2023

**VILLAGE OF NEW GLARUS, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

Section I – Internal Control Over Financial Reporting

2022-001

**Control Deficiencies
Segregation of Duties
Repeat of Finding 2021-001**

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, 2022**

Section I – Internal Control Over Financial Reporting (Continued)

2022-002

**Control Deficiencies
Preparation of Annual Financial Report
Repeat of Finding 2021-002**

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, 2022**

Section I – Internal Control Over Financial Reporting (Continued)

Recommendation

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

Management Response

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

Contact for Corrective Action Plan

Kelsey Jenson, Clerk-Treasurer

Section II – Compliance and Other Matters

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2022.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.