

**VILLAGE OF UNION GROVE, WISCONSIN**

**Annual Financial Report**

**December 31, 2020**

# VILLAGE OF UNION GROVE, WISCONSIN

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December 31, 2020

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## Independent Auditors' Report

To the Village Board  
Village of Union Grove  
Union Grove, Wisconsin

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 Union Grove, Wisconsin (Village), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

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

To the Village Board  
Village of Union Grove

### ***Changes in Accounting Principle***

As discussed in Note 1, in 2020 the Village adopted new accounting guidance GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, schedules of employer's proportionate share of the total OPEB liability and employer contributions – other post-employment benefits other than pensions, and the schedule of budgetary comparison – general fund on pages 50 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

The combining financial statements, water utility operating revenues and expenses, wastewater utility operating revenues and expenses, and stormwater utility operating revenues and expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements, schedule of water utility operating revenues and expenses, schedule of wastewater utility operating revenues and expenses, and schedule of stormwater utility operating revenues and expenses are fairly stated in all material respects in relation to the financial statements as a whole.

*KerberRose SC*

**KerberRose SC**  
**Shawano, Wisconsin**  
**Certified Public Accountants**

July 19, 2021

## **BASIC FINANCIAL STATEMENTS**

VILLAGE OF UNION GROVE, WISCONSIN

Statement of Net Position

As of December 31, 2020

	Governmental Activities	Business - Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 5,539,181	\$ 3,905,185	\$ 9,444,366
Accounts Receivable	127,267	468,983	596,250
Other Accounts Receivable	-	121,827	121,827
Taxes Receivable	2,519,790	-	2,519,790
Loans Receivable	652,758	-	652,758
Prepays	24,142	-	24,142
Inventories	-	26,221	26,221
<b>Total Current Assets</b>	<u>8,863,138</u>	<u>4,522,216</u>	<u>13,385,354</u>
<b>Noncurrent Assets</b>			
Restricted Cash and Investments	-	1,447,245	1,447,245
Net Pension Asset	91,636	82,183	173,819
Land Held for Future Use	-	12,713	12,713
Preliminary Survey and Investigation	-	69,000	69,000
Capital Assets - Nondepreciable	640,435	225,638	866,073
Capital Assets - Depreciable, Net	5,705,743	15,292,392	20,998,135
<b>Total Noncurrent Assets</b>	<u>6,437,814</u>	<u>17,129,171</u>	<u>23,566,985</u>
<b>TOTAL ASSETS</b>	<u>15,300,952</u>	<u>21,651,387</u>	<u>36,952,339</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to Pension	216,428	194,100	410,528
Related to Other Post-Employment Benefits	23,073	19,227	42,300
<b>Total Deferred Outflows of Resources</b>	<u>239,501</u>	<u>213,327</u>	<u>452,828</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	188,120	93,334	281,454
Accrued and Other Current Liabilities	110,606	-	110,606
Accrued Interest Payable	39,822	21,812	61,634
Current Portion of Long-Term Obligations	790,656	844,333	1,634,989
Unearned Revenue	-	788,619	788,619
<b>Total Current Liabilities</b>	<u>1,129,204</u>	<u>1,748,098</u>	<u>2,877,302</u>
<b>Noncurrent Liabilities</b>			
Noncurrent Portion of Long-Term Obligations	11,554,941	4,776,158	16,331,099
<b>TOTAL LIABILITIES</b>	<u>12,684,145</u>	<u>6,524,256</u>	<u>19,208,401</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes Levied for Subsequent Period	2,534,516	-	2,534,516
Related to Pension	274,386	246,080	520,466
Related to Other Post-Employment Benefits	8,412	7,009	15,421
<b>Total Deferred Inflows of Resources</b>	<u>2,817,314</u>	<u>253,089</u>	<u>3,070,403</u>
<b>NET POSITION</b>			
Net Investment (Deficit) in Capital Assets	1,337,021	10,519,686	11,856,707
Restricted	182,445	1,477,448	1,659,893
Unrestricted	(1,480,472)	3,090,235	1,609,763
<b>TOTAL NET POSITION</b>	<u>\$ 38,994</u>	<u>\$ 15,087,369</u>	<u>\$ 15,126,363</u>

See Accompanying Notes

**VILLAGE OF UNION GROVE, WISCONSIN**

Statement of Activities

For the Year Ended December 31, 2020

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 691,430	\$ 208,125	\$ -	\$ -
Public Safety	1,008,114	28,759	21,138	-
Public Works	2,661,936	850	267,353	-
Health and Human Services	47,298	-	-	-
Culture, Recreation and Education	216,737	49,841	144,640	-
Conservation and Development	1,548,648	-	-	-
Interest and Fiscal Charges	375,887	-	-	-
<b>Total Governmental Activities</b>	<u>6,550,050</u>	<u>287,575</u>	<u>433,131</u>	<u>-</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water Utility	903,495	1,064,157	-	764,819
Wastewater Utility	1,280,113	1,440,670	-	547,783
Stormwater Utility	279,794	260,579	-	104,820
<b>Total Business-Type Activities</b>	<u>2,463,402</u>	<u>2,765,406</u>	<u>-</u>	<u>1,417,422</u>
<b>TOTAL VILLAGE OF UNION GROVE</b>	<u>\$ 9,013,452</u>	<u>\$ 3,052,981</u>	<u>\$ 433,131</u>	<u>\$ 1,417,422</u>

**GENERAL REVENUES:**

Taxes:

- Property Taxes, Levied for General Purposes
- Property Taxes, Levied for Public Ways and Facilities
- Property Taxes, Levied for Debt Service
- Property Taxes, Levied for Tax Incremental Districts
- Other Taxes

State and Federal Aids not Restricted to Specific Functions

Interest and Investment Earnings

Miscellaneous

**Total General Revenues**

**TRANSFERS**

**CHANGE IN NET POSITION**

**NET POSITION - BEGINNING OF YEAR, RESTATED**

**NET POSITION - END OF YEAR**



**Net (Expense) Revenue  
and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (483,305)	\$ -	\$ (483,305)
(958,217)	-	(958,217)
(2,393,733)	-	(2,393,733)
(47,298)	-	(47,298)
(22,256)	-	(22,256)
(1,548,648)	-	(1,548,648)
(375,887)	-	(375,887)
<u>(5,829,344)</u>	<u>-</u>	<u>(5,829,344)</u>
-	925,481	925,481
-	708,340	708,340
-	85,605	85,605
<u>-</u>	<u>1,719,426</u>	<u>1,719,426</u>
<u>(5,829,344)</u>	<u>1,719,426</u>	<u>(4,109,918)</u>
1,305,904	-	1,305,904
54,884	-	54,884
497,372	-	497,372
576,720	-	576,720
13,209	-	13,209
611,460	-	611,460
19,063	16,090	35,153
182,756	5,001	187,757
<u>3,261,368</u>	<u>21,091</u>	<u>3,282,459</u>
<u>178,325</u>	<u>(178,325)</u>	<u>-</u>
(2,389,651)	1,562,192	(827,459)
<u>2,428,645</u>	<u>13,525,177</u>	<u>15,953,822</u>
<u>\$ 38,994</u>	<u>\$ 15,087,369</u>	<u>\$ 15,126,363</u>

VILLAGE OF UNION GROVE, WISCONSIN

Balance Sheet

Governmental Funds

As of December 31, 2020

	<u>General</u>	<u>General Debt Service Fund</u>	<u>TID No. 3</u>	<u>TID No. 4</u>
<b>ASSETS</b>				
Cash and Investments	\$ 405,423	\$ 148,767	\$ 8,459	\$ 887,243
Accounts Receivable	97,590	-	-	28,422
Property Taxes Levied for Subsequent Year	1,370,209	475,422	-	280,518
Loans Receivable	529,050	-	-	-
Due from Other Funds	493,555	-	-	-
Prepaid Items	24,142	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,919,969</u>	<u>\$ 624,189</u>	<u>\$ 8,459</u>	<u>\$ 1,196,183</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 125,923	\$ -	\$ 8,459	\$ 2,133
Accrued Liabilities	104,772	-	-	-
Due to Other Funds	-	-	-	197,080
<b>Total Liabilities</b>	<u>230,695</u>	<u>-</u>	<u>8,459</u>	<u>199,213</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes Levied for Subsequent Period	1,369,935	475,422	-	280,518
Loans Receivable	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>1,369,935</u>	<u>475,422</u>	<u>-</u>	<u>280,518</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	553,192	-	-	-
Restricted	-	148,767	-	913,532
Assigned	-	-	-	-
Unassigned (Deficits)	766,147	-	-	(197,080)
<b>Total Fund Balances (Deficit)</b>	<u>1,319,339</u>	<u>148,767</u>	<u>-</u>	<u>716,452</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>				
	<u>\$ 2,919,969</u>	<u>\$ 624,189</u>	<u>\$ 8,459</u>	<u>\$ 1,196,183</u>

<b>TID No. 5</b>	<b>TID No. 6</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 7,339	\$ 116,310	3,338,843	\$ 626,797	\$ 5,539,181
-	-	1,255	-	127,267
239,733	50,999	102,909	-	2,519,790
-	-	-	123,708	652,758
-	-	-	-	493,555
-	-	-	-	24,142
<u>\$ 247,072</u>	<u>\$ 167,309</u>	<u>3,443,007</u>	<u>\$ 750,505</u>	<u>\$ 9,356,693</u>
\$ 2,133	\$ 2,166	33,050	\$ 14,256	\$ 188,120
-	-	-	5,834	110,606
284,190	12,285	-	-	493,555
<u>286,323</u>	<u>14,451</u>	<u>33,050</u>	<u>20,090</u>	<u>792,281</u>
239,733	50,999	117,909	-	2,534,516
-	-	-	114,336	114,336
<u>239,733</u>	<u>50,999</u>	<u>117,909</u>	<u>114,336</u>	<u>2,648,852</u>
-	-	-	-	553,192
7,339	114,144	3,292,048	390,541	4,866,371
-	-	-	225,538	225,538
(286,323)	(12,285)	-	-	270,459
<u>(278,984)</u>	<u>101,859</u>	<u>3,292,048</u>	<u>616,079</u>	<u>5,915,560</u>
<u>\$ 247,072</u>	<u>\$ 167,309</u>	<u>3,443,007</u>	<u>\$ 750,505</u>	<u>\$ 9,356,693</u>

**VILLAGE OF UNION GROVE, WISCONSIN**  
 Reconciliation of the Balance Sheet  
 Governmental Funds to the Statement of Net Position  
 As of December 31, 2020

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**Total Fund Balances - Governmental Fund:** \$ 5,915,560

***Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balance because:***

Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental Capital Assets	18,097,582	
Governmental Accumulated Depreciation	<u>(11,751,404)</u>	6,346,178

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

Loans Receivable		114,336
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The Village's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements.

Net Pension Asset	91,636	
Deferred Outflows Related to Pension	216,428	
Deferred Inflows Related to Pension	<u>(274,386)</u>	33,678

The Village's proportionate share of the other post-employment benefits insurance plan is not an available financial resource; therefore, it is not reported

Net OPEB Liability	(54,345)	
Deferred Outflows Related to Other Post-Employment Benefits	23,073	
Deferred Inflows Related to Other Post-Employment Benefits	<u>(8,412)</u>	(39,684)

Noncurrent liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Noncurrent liabilities reported in the statement of net position that are not reported in the funds balance sheet

General Debt		(12,100,877)
Premium/Discount on Debt Issued		(112,535)
Accrued Interest on General Obligation Debt		(39,822)
Vested Employee Benefits		<u>(77,840)</u>

**Total Net Position - Governmental Activities:** \$ 38,994

**VILLAGE OF UNION GROVE, WISCONSIN**

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Governmental Funds

For the Year Ended December 31, 2020

	<u>General</u>	<u>General Debt Service Fund</u>	<u>TID No. 3</u>	<u>TID No. 4</u>
<b>REVENUES</b>				
Taxes	\$ 1,319,113	\$ 497,372	\$ 419,212	\$ 69,035
Intergovernmental	786,936	-	19,503	42,995
Licenses and Permits	208,125	-	-	-
Fines, Forfeitures and Penalties	28,759	-	-	-
Public Charges for Services	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-
Investment Income	10,874	-	234	6,384
Miscellaneous	94,993	-	-	-
<b>Total Revenues</b>	<u>2,448,800</u>	<u>497,372</u>	<u>438,949</u>	<u>118,414</u>
<b>EXPENDITURES</b>				
Current:				
General Government	682,101	-	-	-
Public Safety	991,188	-	-	-
Public Works	631,520	-	-	-
Health and Human Services	47,298	-	-	-
Culture, Recreation and Education	-	-	-	-
Conservation and Development	15,515	-	947,855	32,841
Debt Service:				
Principal Retirement	-	422,874	140,000	200,000
Interest and Fiscal Charges	-	69,922	6,300	66,115
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>2,367,622</u>	<u>492,796</u>	<u>1,094,155</u>	<u>298,956</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>81,178</u>	<u>4,576</u>	<u>(655,206)</u>	<u>(180,542)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Long-Term Debt	725,000	-	-	-
Debt Premium	-	-	-	-
Transfers In	178,325	143,150	995,489	-
Transfers Out	(204,951)	-	(1,215,317)	-
<b>Total Other Financing Sources (Uses)</b>	<u>698,374</u>	<u>143,150</u>	<u>(219,828)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>	779,552	147,726	(875,034)	(180,542)
<b>FUND BALANCES (DEFICITS) - BEGINNING, RESTATED</b>	<u>539,787</u>	<u>1,041</u>	<u>875,034</u>	<u>896,994</u>
<b>FUND BALANCES (DEFICIT) - ENDING</b>	<u>\$ 1,319,339</u>	<u>\$ 148,767</u>	<u>\$ -</u>	<u>\$ 716,452</u>

See Accompanying Notes

<u>TID No. 5</u>	<u>TID No. 6</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 88,473	\$ -	\$ 54,884	\$ -	\$ 2,448,089
-	-	-	3,692	853,126
-	-	-	46,824	254,949
-	-	-	-	28,759
-	-	-	49,841	49,841
-	-	-	144,640	144,640
-	-	-	1,572	19,064
-	-	75,488	13,127	183,608
<u>88,473</u>	<u>-</u>	<u>130,372</u>	<u>259,696</u>	<u>3,982,076</u>
-	-	-	51	682,152
-	-	-	-	991,188
-	-	-	-	631,520
-	-	-	-	47,298
-	-	-	386,068	386,068
509,976	1,000,773	-	1,709	2,508,669
-	-	-	-	762,874
113,299	52,230	60,050	-	367,916
-	-	667,862	-	667,862
<u>623,275</u>	<u>1,053,003</u>	<u>727,912</u>	<u>387,828</u>	<u>7,045,547</u>
<u>(534,802)</u>	<u>(1,053,003)</u>	<u>(597,540)</u>	<u>(128,132)</u>	<u>(3,063,471)</u>
1,755,000	1,315,000	2,800,000	-	6,595,000
-	12,759	90,811	-	103,570
-	-	138,855	200,257	1,656,076
-	-	-	(57,483)	(1,477,751)
<u>1,755,000</u>	<u>1,327,759</u>	<u>3,029,666</u>	<u>142,774</u>	<u>6,876,895</u>
1,220,198	274,756	2,432,126	14,642	3,813,424
<u>(1,499,182)</u>	<u>(172,897)</u>	<u>859,922</u>	<u>601,437</u>	<u>2,102,136</u>
<u>\$ (278,984)</u>	<u>\$ 101,859</u>	<u>\$ 3,292,048</u>	<u>\$ 616,079</u>	<u>\$ 5,915,560</u>

**VILLAGE OF UNION GROVE, WISCONSIN**

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

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 3,813,424
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>	
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 outlay reported in governmental fund statements	277,268
Depreciation expense reported in the statement of activities	<u>(468,411)</u>
Amount by which capital outlays are less than depreciation in the current period.	(191,143)
The Village disposed of assets resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the statement of activities as a net loss and has no affect on the governmental funds balance sheet.	
The value of capital assets disposed of during the year	(3,541)
The amount of depreciation recapture for the year	<u>3,291</u>
Amount by which capital disposals are more than depreciation recapture in the current period	(250)
Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.	(18,288)
Amounts related to the other post-employment benefit that are not current financial resources and therefore, are not reported in the fund financial statements.	(4,213)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Repayments on Long-Term Loans	(8,290)
Vested employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits was more than the amount paid.	(45,513)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:	762,874
Debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position, and does not affect the statement of activities.	(6,595,000)
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.	(5,568)
Discounts and premiums on debt issued are recorded as other financing sources and uses in the governmental funds but are amortized over the life of the related debt issue in the governmental activities financial statements.	(103,570)
Debt premium, discount and amortization are allocated over the period the debt is outstanding and is reported as amortization revenue/expense in the statement of activities. The activity for the current year is as follows:	
Amortization	<u>5,886</u>
<b>Change in Net Position - Governmental Activities</b>	<u><u>\$ (2,389,651)</u></u>

VILLAGE OF UNION GROVE, WISCONSIN

Statement of Net Position

Proprietary Funds

As of December 31, 2020

	Enterprise Funds			Totals
	Water Utility	Wastewater Utility	Stormwater Utility	
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 1,265,154	\$ 2,125,608	\$ 514,423	\$ 3,905,185
Accounts Receivable	175,947	226,154	66,882	468,983
Inventories	26,221	-	-	26,221
Other Accounts Receivable	4,455	117,372	-	121,827
<b>Total Current Assets</b>	<u>1,471,777</u>	<u>2,469,134</u>	<u>581,305</u>	<u>4,522,216</u>
Noncurrent Assets:				
Restricted Assets	404,033	1,043,212	-	1,447,245
Net Pension Asset	30,312	34,587	17,284	82,183
Property Held for Future Use	12,713	-	-	12,713
Preliminary Survey and Investigation	55,000	14,000	-	69,000
Land	124,315	440	100,883	225,638
Plant in Service	11,934,102	15,676,738	3,311,248	30,922,088
Accumulated Depreciation	(4,079,801)	(9,505,722)	(2,044,173)	(15,629,696)
<b>Total Noncurrent Assets</b>	<u>8,480,674</u>	<u>7,263,255</u>	<u>1,385,242</u>	<u>17,129,171</u>
<b>TOTAL ASSETS</b>	<u>9,952,451</u>	<u>9,732,389</u>	<u>1,966,547</u>	<u>21,651,387</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to Pension	71,590	81,688	40,822	194,100
Related to Other Post-Employment Benefits	6,304	7,626	5,297	19,227
<b>Total Deferred Outflows of Resources</b>	<u>77,894</u>	<u>89,314</u>	<u>46,119</u>	<u>213,327</u>
<b>CURRENT LIABILITIES</b>				
Accounts and Claims Payable	48,829	43,812	693	93,334
Accrued Interest	15,610	6,202	-	21,812
Unearned Revenue	788,619	-	-	788,619
Current Portion of Long-Term Obligations	307,779	532,614	3,940	844,333
<b>Total Current Liabilities</b>	<u>1,160,837</u>	<u>582,628</u>	<u>4,633</u>	<u>1,748,098</u>
<b>NONCURRENT LIABILITIES</b>				
Noncurrent Portion of Long-Term Obligations	2,802,189	1,950,496	23,473	4,776,158
<b>TOTAL LIABILITIES</b>	<u>3,963,026</u>	<u>2,533,124</u>	<u>28,106</u>	<u>6,524,256</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to Pension	90,763	103,564	51,753	246,080
Related to Other Post-Employment Benefits	2,298	2,780	1,931	7,009
<b>Total Deferred Inflows of Resources</b>	<u>93,061</u>	<u>106,344</u>	<u>53,684</u>	<u>253,089</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	5,749,835	4,337,793	432,058	10,519,686
Restricted	415,172	1,055,923	6,353	1,477,448
Unrestricted	(190,749)	1,788,519	1,492,465	3,090,235
<b>TOTAL NET POSITION</b>	<u>\$ 5,974,258</u>	<u>\$ 7,182,235</u>	<u>\$ 1,930,876</u>	<u>\$ 15,087,369</u>



**VILLAGE OF UNION GROVE, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2020

	<b>Enterprise Funds</b>			
	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Stormwater Utility</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>				
Charges for Services:	\$ 1,064,157	\$ 1,440,670	\$ 260,579	\$ 2,765,406
<b>OPERATING EXPENSES</b>				
Operation and Maintenance	486,433	710,193	180,583	1,377,209
Depreciation	318,736	494,325	99,211	912,272
<b>Total Operating Expenses</b>	<u>805,169</u>	<u>1,204,518</u>	<u>279,794</u>	<u>2,289,481</u>
<b>OPERATING INCOME (LOSS)</b>	<u>258,988</u>	<u>236,152</u>	<u>(19,215)</u>	<u>475,925</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings	8,356	6,051	1,683	16,090
Interest Expense	(98,326)	(75,595)	-	(173,921)
Miscellaneous	5,001	-	-	5,001
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(84,969)</u>	<u>(69,544)</u>	<u>1,683</u>	<u>(152,830)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	174,019	166,608	(17,532)	323,095
<b>TRANSFERS OUT</b>	(175,450)	(2,875)	-	(178,325)
<b>CAPITAL CONTRIBUTIONS</b>	764,819	547,783	104,820	1,417,422
<b>CHANGE IN NET POSITION</b>	763,388	711,516	87,288	1,562,192
<b>NET POSITION - BEGINNING, RESTATED</b>	<u>5,210,870</u>	<u>6,470,719</u>	<u>1,843,588</u>	<u>13,525,177</u>
<b>NET POSITION - ENDING</b>	<u>\$ 5,974,258</u>	<u>\$ 7,182,235</u>	<u>\$ 1,930,876</u>	<u>\$ 15,087,369</u>

**VILLAGE OF UNION GROVE**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2020

	<b>Enterprise Funds</b>			
	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Stormwater Utility</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from User Charges	\$ 1,022,878	\$ 1,418,838	\$ 256,866	\$ 2,698,582
Paid to Suppliers for Goods and Services	(301,841)	(527,857)	(181,968)	(1,011,666)
Paid to Employees for Operating Payroll	(136,956)	(201,463)	(104,498)	(442,917)
Other Receipts	5,001	-	-	5,001
<b>Net Cash Flows From Operating Activities</b>	<u>589,082</u>	<u>689,518</u>	<u>(29,600)</u>	<u>1,249,000</u>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Transfer to Other Funds	(175,450)	(2,875)	-	(178,325)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(250,980)	(41,235)	(51,650)	(343,865)
Capital Contributions - Connection Fees	-	240,920	-	240,920
Principal Payments on Long-Term Debt	(288,020)	(506,379)	-	(794,399)
Interest and Fiscal Charges	(99,432)	(79,115)	-	(178,547)
<b>Net Cash Flows From Capital and Related Financing Activities</b>	<u>(638,432)</u>	<u>(385,809)</u>	<u>(51,650)</u>	<u>(1,075,891)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment Income	8,356	6,051	1,683	16,090
<b>CHANGE IN CASH AND INVESTMENTS</b>	(216,444)	306,885	(79,567)	10,874
<b>CASH AND INVESTMENTS - BEGINNING</b>	<u>1,885,631</u>	<u>2,861,935</u>	<u>593,990</u>	<u>5,341,556</u>
<b>CASH AND INVESTMENTS - ENDING</b>	<u>\$ 1,669,187</u>	<u>\$ 3,168,820</u>	<u>\$ 514,423</u>	<u>\$ 5,352,430</u>
<b>RECONCILIATION OF CASH ACCOUNTS</b>				
Cash and Investments	\$ 1,265,154	\$ 2,125,608	\$ 514,423	\$ 3,905,185
Restricted Cash	404,033	1,043,212	-	1,447,245
<b>Total Reconciliation of Cash Accounts</b>	<u>\$ 1,669,187</u>	<u>\$ 3,168,820</u>	<u>\$ 514,423</u>	<u>\$ 5,352,430</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Tax Incremental District Financed Additions to Plant	<u>\$ 764,819</u>	<u>\$ 306,863</u>	<u>\$ 104,820</u>	<u>\$ 1,176,502</u>

**VILLAGE OF UNION GROVE, WISCONSIN**  
Statement of Cash Flows (Continued)  
Proprietary Funds  
For the Year Ended December 31, 2020

	Enterprise Funds			
	Water Utility	Wastewater Utility	Stormwater Utility	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>				
<b>TO NET CASH FLOWS FROM</b>				
Operating Income (Loss)	\$ 258,988	\$ 236,152	\$ (19,215)	\$ 475,925
Nonoperating Income	5,001	-	-	5,001
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:				
Depreciation	318,736	494,325	99,211	912,272
Meter Depreciation Charged to Sewer	8,003	(8,003)	-	-
Changes in Assets and Liabilities:				
Customer Accounts Receivable	(19,555)	(22,944)	(3,713)	(46,212)
Other Receivables	(4,455)	1,112	-	(3,343)
Materials and Supplies	2,741	-	-	2,741
Net Pension Asset	(60,737)	(64,704)	(17,284)	(142,725)
Deferred Outflows Related to Pension	48,844	39,526	(40,822)	47,548
Deferred Outflows Related to OPEB	(4,844)	(5,860)	(4,071)	(14,775)
Accounts and Claims Payable	28,499	(18,521)	(108,766)	(98,788)
Unearned Cell Tower Lease	(17,269)	-	-	(17,269)
Accrued Compensated Absences	9,336	9,335	8,269	26,940
Net OPEB Liability	6,052	7,319	5,084	18,455
Deferred Inflows Related to Pension	9,796	21,848	51,753	83,397
Deferred Inflows Related to OPEB	(54)	(67)	(46)	(167)
<b>Net Cash Flows From</b>				
<b>Operating Activities</b>	<u>\$ 589,082</u>	<u>\$ 689,518</u>	<u>\$ (29,600)</u>	<u>\$ 1,249,000</u>

**VILLAGE OF UNION GROVE, WISCONSIN**

Statement of Net Position

Fiduciary Fund

As of December 31, 2020

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	<u>Custodial</u> <u>Tax Collection</u> <u>Fund</u>
<b>ASSETS</b>	
Restricted Cash and Investments	\$ 4,133,652
Taxes Receivable	1,441,870
<b>Total Assets</b>	<u>5,575,522</u>
<b>LIABILITIES</b>	
Due to Other Taxing Units	<u>5,575,522</u>
<b>NET POSITION</b>	<u>\$ -</u>

See Accompanying Notes

**VILLAGE OF UNION GROVE, WISCONSIN**

Statement of Changes in Net Position

Fiduciary Fund

For the Year Ended December 31, 2020

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	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>ADDITIONS</b>	
Taxes Collected on Behalf of Other Taxing Entities	\$ 4,011,021
<b>DEDUCTIONS</b>	
Taxes Remitted to Other Taxing Entities	<u>4,011,021</u>
<b>CHANGE IN NET POSITION</b>	-
<b>NET POSITION - BEGINNING</b>	<u>-</u>
<b>NET POSITION - ENDING</b>	<u>\$ -</u>

See Accompanying Notes

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## **Note 1 - Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Village of Union Grove, Wisconsin (Village) is presented to assist in understanding the Village's financial statements. The financial statements and notes are representations of the Village's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements except for the new standard implemented in the current year as described on page 26. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the Village is discussed below.

### **Reporting Entity**

The reporting entity for the Village is based upon criteria set forth by the Governmental Accounting Standards Board. All functions of the Village for which it exercises oversight responsibility are included. The oversight responsibility includes, but is not limited to, financial interdependency between the Village and the governmental entity; control by the Village over selection of entity's governing authority or designation of management; the ability of the Village to significantly influence operations of the entity; and whether the Village is responsible for the accountability for fiscal matters.

Accounting principles generally accepted in the United States of America require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the Village's reporting entity because of the significance of their operational or financial relationship with the Village. All significant activities and organizations with which the Village exercises oversight responsibility have been considered for inclusion in the basic financial statements. The Village does not report any component units on the government-wide financial statements.

The primary government is a separately elected governing body that is legally separate and fiscally independent.

### **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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Government-Wide and Fund Financial Statements (Continued)

#### Fund Financial Statements

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

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues, and expenditures or expenses.

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

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and proprietary funds combined.
- c. In addition, any other governmental fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

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

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

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.

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Governmental Funds

Governmental funds are identified as either general, special revenue, debt service or capital projects based upon the following guidelines.

#### General Fund

The general fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

#### Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

#### Debt Service Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

#### Capital Project Funds

Capital project funds are used to account for property tax, bond proceeds, and other financial resources available to implement the Village's capital improvement plans.

### Business-Type Activities

#### Proprietary Funds

##### Enterprise Funds

Enterprise funds may be used to account for activities where a fee is charged to external users for goods and services. Enterprise activities must include operations (a) that are financed with debt that is secured solely by the pledge of the net revenues of the fund, or (b) where laws or regulations require that the costs of the activity be recovered with fees and charges, or (c) where the fees and charges are priced in a way designed to recover the costs of the activity.

#### Fiduciary Funds

##### Custodial Funds

Custodial funds are used to account for assets held by the Village as an agent for individuals, private organizations, and/or other governmental units.

#### Major Funds

The Village reports the following major governmental funds:

The *general fund*, which accounts for the Village's primary operating activities.

The *general debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

*Tax Incremental District No. 3* accounts for the resources segregated for the acquisition and construction of major capital facilities, including debt service.



# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Major Funds (Continued)

*Tax Incremental District No. 4* accounts for the resources segregated for the acquisition and construction of major capital facilities, including debt service.

*Tax Incremental District No. 5* accounts for the resources segregated for the acquisition and construction of major capital facilities, including debt service.

*Tax Incremental District No. 6* accounts for the resources segregated for the acquisition and construction of major capital facilities, including debt service.

The *capital projects fund* accounts for the resources segregated for the acquisition and construction of major capital facilities

The Village reports the following major proprietary funds:

The *water utility*, which operates the water distribution system.

The *wastewater utility*, accounts for the activities of operating the Village's sanitary sewer utility.

The *stormwater utility*, accounts for the activities of operating the Village's stormwater utility.

### Non-Major Funds

The Village reports the following non-major special revenue funds:

- Revolving Loans
- Impact Fees
- Recreation and Parks
- Library

### Fiduciary Fund

The Village reports the following custodial fund:

The *tax collection fund*, which accounts for taxes and deposits collected by the Village, acting in the capacity of a custodian, for distribution to other governmental units or designated beneficiaries.

### **Cash and Investments**

Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. For purpose of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

### **Restricted Cash and Investments**

Enterprise Funds – Amounts have been set aside to provide for debt retirement and replacement of certain plant equipment

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Accounts Receivable

Accounts receivable are recorded at gross amount 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.

### Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

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

### Inventories

Proprietary fund inventories are generally used for construction and for operation and maintenance work and are not for resale. They are valued at cost based on first-in, first-out method, which approximates market value. Governmental fund inventory items are charged to expenditure accounts when purchased.

### Capital Assets

#### Government-Wide Statements

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure 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 \$3,000 or higher and an estimated useful life in excess of two years, except for certain assets of the Water, Wastewater, and Stormwater Utilities which may be capitalized at a lower cost. Such assets are recorded at 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.

Land improvements, buildings, machinery and equipment, and infrastructure of the Village are depreciated using the straight-line method over the following estimated useful lives:

Buildings	15-75 Years
Land Improvements	15-75 Years
Machinery and Equipment	3-20 Years
Infrastructure	25-60 Years
Utility Systems	4-77 Years

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Compensated Absences

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

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

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

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The Village reports two categories of deferred outflows of resources related to the pension plan and cost-sharing OPEB plan on the statement of net position. The deferred outflows related to the pension plan and cost-sharing OPEB plan are explained in more detail in Note 9 and Note 10, respectively.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The Village reports three categories of deferred inflows of resources related to taxes levied for subsequent year, the pension plan, and cost-sharing OPEB plan on either the statement of net position or balance sheet. The deferred inflows related to the pension plan and cost-sharing plan are explained in more detail in Note 9 and Note 10, respectively.

### Pension and Other Post-Employment Benefits

**Pensions.** For purposes of measuring the net pension 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 the 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.

**Other Post-Employment Benefits (OPEB).** The fiduciary net position of the Village's Local Retiree Life Insurance Fund has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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 UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Long-Term Obligations

The accounting treatment of long-term debt depends on whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds, state trust fund loans, and revenue bonds.

Long-term debt for governmental funds is not reported as a liability in the governmental fund financial statements. The debt proceeds are reported as an other financing source and payment of principal and interest reported as expenditures. The accounting in proprietary funds is the same in the fund statements as it is in the government-wide statements.

### Unearned Revenue

During 2016, the Water Utility entered into an agreement provided an easement, assignment of existing water tower lease contracts and the rights to future tower lease revenue. The Utility received \$860,573 as a lump sum payment.

Existing contracts had remaining terms of three to six years. Annual revenue under these agreements was approximately \$60,000. Future revenues cannot be determined due to changing conditions in the telecommunications industry.

### Equity Classifications

#### Government-Wide and Proprietary Fund Statements

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

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) by law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **Equity Classification (Continued)**

#### Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts) or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The Village Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance in the general fund represents amounts constrained by the Village Board for a specific intended purpose. The Village has not delegated that authority to others. Assigned fund balance in all other governmental funds, except the general fund, represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the Village's general policy to use restricted resources first.

When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, or unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Village's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

### **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 reported amounts and disclosures. Actual results may differ from these estimates.

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Implementation of New Accounting Standard

Statement Number 75 issued by the Governmental Accounting Standards Board (GASS) establishes requirements for governments that provide their employees with other post-employment benefits. The most significant change is that governments will now be required to recognize their net other post-employment benefits liability, which is the difference between the total other post-employment benefits liability (the portion of the present value of the projected benefit payments that is attributed to past periods) and the value of other post-employment benefits assets available to pay benefits. Additional note disclosures are required, and these disclosures have been made on succeeding pages.

### Note 2 - Cash

The Village is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities guaranteed by the federal government.
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant regulations of the Village.

At December 31, 2020, the Village's bank balance of cash was \$8,598,690. The Village maintains its cash accounts at three financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village does not have a deposit policy for custodial credit risk.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and non-interest-bearing demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2020, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

## Note 2 - Cash (Continued)

The following represents a summary of deposits as of December 31, 2020:

Fully Insured Deposits	\$	500,000
Uninsured and Uncollateralized		<u>8,098,690</u>
Total	\$	<u><u>8,598,690</u></u>

For all deposits shown, the market value at the balance sheet date is substantially the same as the carrying value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2020.

The Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchanges Commission and does not publish credit quality ratings. An investment in the Fund is not a deposit with any bank and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation, the United States Government or any state governmental agency of the Fund. Upon demand, cash can be withdrawn with interest from the Local Government Investment Pool. Investments in the Local Government Investment Pool are valued at amortized cost. The balance in the Local Government Investment Pool at December 31, 2020 was \$6,185,912.

## Note 3 - Restricted Assets

Restricted assets on December 31, 2020 consisted of cash totaling \$4,133,652 held for the following purposes:

### Enterprise Funds:

#### Water Utility

Redemption Account	\$	50,955
Reserve Account		224,985
Depreciation Account		<u>128,093</u>
Total		<u>404,033</u>

#### Wastewater Utility

Redemption Account		23,066
Replacement Account		<u>1,020,146</u>
Total		<u>1,043,212</u>

Total Restricted Assets	\$	<u><u>1,447,245</u></u>
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### Custodial Fund

Advance Tax Collections for Other Entities	\$	<u><u>4,133,652</u></u>
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## Note 4 - Property Taxes

The Village bills and collects its own property taxes and also levies for the Union Grove Union High School, Union Grove Elementary, Racine County, Gateway Technical College.

Property taxes consist of taxes on real estate and personal property. They are levied during December 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 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 July 31 are assumed by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

Under Wisconsin Act 32, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 5 - Interfund Receivable, Payables and Transfers**

Interfund receivables and payables between individual funds of the Village as of December 31, 2020 are detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	TID #4	\$ 197,080	Year End Cash Flow Timing
General Fund	TID #5	284,190	Year End Cash Flow Timing
General Fund	TID #6	12,285	Year End Cash Flow Timing
		<u>\$ 493,555</u>	

The interfund account balances above are the result of various interfund activities and are expected to be repaid in 2021.

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

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Utility	\$ 175,450	Property Tax Equivalent
General Fund	Wastewater Utility	2,875	Property Tax Equivalent
Library Fund	General Fund	143,000	Operating Levy
Recreation and Parks Fund	General Fund	39,841	Transfer Funds for Use
Library Fund	Impact Fees	17,416	Transfer Funds for Use
Capital Projects Fund	Impact Fees	40,067	Transfer Funds for Use
Debt Service Fund	TID #3	143,150	Closing of TID #3
TID #3	TID #3	973,379	Closing of TID #3
TID #3	General Fund	22,110	Closing of TID #3
Capital Projects Fund	TID #3	98,788	Closing of TID #3
		<u>\$ 1,656,076</u>	



**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 6 - Capital Assets**

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

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending</u>
<b>Governmental Activities</b>					
Capital Assets not Being Depreciated					
Land and Improvements	\$ 627,253	\$ -	\$ -	\$ -	\$ 627,253
Construction in Progress	18,182	-	5,000	-	13,182
<b>Total Capital Assets Not Being Depreciated</b>	<u>645,435</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>640,435</u>
Capital Assets Being Depreciated					
Buildings and Improvements	2,179,494	161,966	-	-	2,341,460
Machinery and Equipment	1,819,124	120,302	3,541	-	1,935,885
Infrastructure	13,179,802	-	-	-	13,179,802
<b>Total Capital Assets Being Depreciated</b>	<u>17,178,420</u>	<u>282,268</u>	<u>3,541</u>	<u>-</u>	<u>17,457,147</u>
Less Accumulated Depreciation For					
Buildings and Improvements	(756,781)	(52,190)	-	-	(808,971)
Machinery and Equipment	(1,210,741)	(75,695)	(3,291)	-	(1,283,145)
Infrastructure	(9,318,762)	(340,526)	-	-	(9,659,288)
<b>Total Accumulated Depreciation</b>	<u>(11,286,284)</u>	<u>(468,411)</u>	<u>(3,291)</u>	<u>-</u>	<u>(11,751,404)</u>
<b>Total Capital Assets Being Depreciated, Net of Depreciation</b>	<u>5,892,136</u>	<u>(186,143)</u>	<u>250</u>	<u>-</u>	<u>5,705,743</u>
<b>Governmental Activities Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 6,537,571</u>	<u>\$ (186,143)</u>	<u>\$ 5,250</u>	<u>\$ -</u>	<u>\$ 6,346,178</u>
<b>Water Utility</b>					
Capital Assets not Being Depreciated					
Land and Land Rights	\$ 29,955	\$ 32,681	\$ -	\$ -	\$ 62,636
Intangible	61,679	-	-	-	61,679
<b>Total Capital Assets Not Being Depreciated</b>	<u>91,634</u>	<u>32,681</u>	<u>-</u>	<u>-</u>	<u>124,315</u>
Capital Assets Being Depreciated					
Buildings and Improvements	2,166,870	8,660	2,165	-	2,173,365
Machinery and Equipment	2,225,565	17,555	4,389	-	2,238,731
Infrastructure	6,802,664	956,903	237,561	-	7,522,006
Subtotal	11,195,099	983,118	244,115	-	11,934,102
Less Accumulated Depreciation	(3,997,177)	(326,739)	(244,115)	-	(4,079,801)
<b>Total Capital Assets Being Depreciated, Net of Depreciation</b>	<u>7,197,922</u>	<u>656,379</u>	<u>-</u>	<u>-</u>	<u>7,854,301</u>
<b>Water Utility Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 7,289,556</u>	<u>\$ 689,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,978,616</u>

**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 6 - Capital Assets (Continued)**

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending</u>
<b>Wastewater Utility</b>					
Capital Assets not Being Depreciated					
Land and Land Rights	\$ 440	\$ -	\$ -	\$ -	\$ 440
Capital Assets Being Depreciated					
Buildings and Improvements	3,341,857	30,411	7,603	-	3,364,665
Machinery and Equipment	8,501,083	35,250	8,812	-	8,527,521
Infrastructure	3,572,723	282,438	70,609	-	3,784,552
Subtotal	15,415,663	348,099	87,024	-	15,676,738
Less Accumulated Depreciation	(9,106,424)	(486,322)	(87,024)	-	(9,505,722)
<b>Total Capital Assets Being Depreciated, Net of Depreciation</b>	<u>6,309,239</u>	<u>(138,223)</u>	<u>-</u>	<u>-</u>	<u>6,171,016</u>
<b>Wastewater Utility Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 6,309,679</u>	<u>\$ (138,223)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,171,456</u>
	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending</u>
<b>Stormwater Utility</b>					
Capital Assets not Being Depreciated					
Land and Land Rights	\$ 100,883	\$ -	\$ -	\$ -	\$ 100,883
Capital Assets Being Depreciated					
Land Improvements	75,305	-	-	-	75,305
Machinery and Equipment	394,218	-	-	-	394,218
Infrastructure	2,747,789	250,135	62,534	(93,665)	2,841,725
Subtotal	3,217,312	250,135	62,534	(93,665)	3,311,248
Less Accumulated Depreciation	(2,007,496)	(99,211)	(62,534)	-	(2,044,173)
<b>Total Capital Assets Being Depreciated, Net of Depreciation</b>	<u>1,209,816</u>	<u>150,924</u>	<u>-</u>	<u>-</u>	<u>1,267,075</u>
<b>Stormwater Utility Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 1,310,699</u>	<u>\$ 150,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,367,958</u>

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

Governmental Activities:	
General Government	\$ 18,043
Public Safety	13,780
Public Works	412,015
Culture and Recreation	24,573
Total Depreciation Expense - Governmental Activities	<u>\$ 468,411</u>
Business-Type Activities:	
Water Utility Depreciation Charged to Accumulated Depreciation	326,739
Less: Share of Meter Depreciation	(8,003)
Water Utility Depreciation Expense	<u>318,736</u>
Wastewater Utility	486,322
Plus: Share of Meter Depreciation	8,003
Wastewater Utility Depreciation Expense	<u>494,325</u>
Stormwater Utility	<u>99,211</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 912,272</u>

**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 7 - Long-Term Obligations**

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

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
General Obligation Debt:					
G.O. Refunding Bonds	\$ 6,100,000	\$ 5,870,000	\$ 640,000	\$ 11,330,000	\$ 705,000
G.O. Promissory Notes	152,004	725,000	106,127	770,877	42,068
Notes Payable	16,747	-	16,747	-	-
Adjustments For					
Issuance Premium	14,851	103,570	5,886	112,535	-
<b>Total General Obligation Debt</b>	<u>6,283,602</u>	<u>6,698,570</u>	<u>768,760</u>	<u>12,213,412</u>	<u>747,068</u>
Compensated Absences	32,327	54,485	8,972	77,840	43,588
Net Pension Liability	133,653	36,191	169,844 *	-	-
Net OPEB Liability	35,471	28,233	9,359	54,345	-
<b>Total Governmental Activity</b>					
<b>Long-Term Liabilities</b>	<u>\$ 6,485,053</u>	<u>\$ 6,817,479</u>	<u>\$ 956,935</u>	<u>\$ 12,345,597</u>	<u>\$ 790,656</u>
	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-Type Activities</b>					
General Obligation Debt	\$ 1,660,000	\$ -	\$ 90,000	\$ 1,570,000	\$ 95,000
Revenue Bonds	4,641,663	-	704,399	3,937,264	724,988
Compensated Absences	53,423	30,431	3,492	80,362	24,345
Net Pension Liability	60,542	32,458	93,000 *	-	-
Net OPEB Liability	29,553	23,530	7,799	45,284	-
Adjustments For					
Issuance Discount	(13,285)	-	(866)	(12,419)	-
<b>Total Business Activity</b>					
<b>Long-Term Liabilities</b>	<u>\$ 6,431,896</u>	<u>\$ 86,419</u>	<u>\$ 897,824</u>	<u>\$ 5,620,491</u>	<u>\$ 844,333</u>

Interest paid on long-term debt was \$223,868 and \$178,147 for governmental activities and business-type activities, respectively.

\*In the current year, the Village's position in the Wisconsin Retirement System is reported as a net pension asset.

Additional information on the above outstanding long-term obligations is as follows:

The 2020 state trust fund loan was obtained by the Village to purchase a fire truck for the Joint Yorkville and Union Grove Fire Department. The Department will be repaying the Village using the state trust fund loan's repayments schedule.

**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 7 - Long-Term Obligations (Continued)**

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/20</u>
<b>Governmental Activities</b>					
<b>Long-Term Obligations</b>					
2006 G.O. Bonds	03/01/06	03/01/21	3.85-4.00%	\$ 1,500,000	\$ 145,000
2011 State Trust Fund Loan	04/29/11	03/15/21	3.75%	360,000	42,068
2012 G.O. Refunding Bonds	03/29/12	12/01/28	2.00-3.10%	4,065,000	2,295,000
2015 G.O. Refunding Bonds	06/24/15	04/01/30	0.55-3.40%	2,645,000	1,940,000
2019 G.O. Bonds	06/05/19	06/01/37	3.00%	1,080,000	1,080,000
2020 G.O. Bonds	02/16/20	06/01/38	1.85-2.75%	1,755,000	1,755,000
2020 G.O. Bonds	02/19/20	02/01/37	2.00-2.25%	1,315,000	1,315,000
2020 State Trust Fund Loan	05/19/20	03/15/30	3.00%	725,000	725,000
2020 G.O. Bonds	11/05/20	06/01/40	3.85-4.00%	2,800,000	2,800,000
Total Governmental Activities Long-Term Obligations					<u>\$ 12,097,068</u>

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/20</u>
<b>Business Type Activities</b>					
<b>Long-Term Obligations</b>					
2012 G.O. Refunding Bonds	03/26/12	12/01/28	2.00-3.10%	\$ 1,995,000	\$ 1,570,000
2005 Water Revenue Bonds	11/01/05	05/01/25	2.37%	1,486,390	441,359
2007 Water Revenue Bonds	04/25/07	05/01/26	2.48%	516,994	189,842
2009 Water Revenue Bonds	12/09/09	05/01/29	2.67%	652,175	326,725
2012 Water Revenue Bonds	03/12/12	05/01/32	2.00-3.96%	3,150,000	2,109,992
2002 Wastewater Revenue Bonds	06/12/02	05/01/22	2.90%	6,513,550	869,346
Total Business Type Activities Long-Term Obligations					<u>\$ 5,507,264</u>

Debt service requirements to maturity are as follows:

	<u>Governmental Funds</u>		<u>Enterprise Funds</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 747,068	\$ 284,806	\$ 819,988	\$ 156,251	\$ 1,567,056	\$ 441,057
2022	712,245	294,075	846,015	133,286	1,558,260	427,361
2023	829,540	266,155	518,814	115,936	1,348,354	382,091
2024	896,728	244,962	537,590	101,313	1,434,318	346,275
2025	874,078	222,182	556,459	85,669	1,430,537	307,851
2026-2030	4,097,409	741,123	1,813,406	215,537	5,910,815	956,660
2031-2035	2,205,000	344,249	414,992	16,378	2,619,992	360,627
2036-2040	1,735,000	83,924	-	-	1,735,000	83,924
	<u>\$ 12,097,068</u>	<u>\$ 2,481,476</u>	<u>\$ 5,507,264</u>	<u>\$ 824,370</u>	<u>\$ 17,604,332</u>	<u>\$ 3,305,846</u>

Estimated payments of accumulated employee benefits and other commitments are not included in the above schedule.

**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

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**Note 7 - Long-Term Obligations (Continued)**

The 2020 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$393,397,600. The legal debt limit and margin of indebtedness as of December 31, 2020, in accordance with Wisconsin Statutes follows:

Debt Limit (5% of \$393,397,600)	\$ 19,669,880
Deduct Long-Term Debt Applicable to Debt Margin	(13,667,068)
Add Amounts Available for Repayment of General Obligation Debt	148,767
Margin of Indebtedness	<u>\$ 6,151,579</u>

**Utility Revenues Pledged**

The Village has pledged future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the utility. The bonds are payable from water customer net revenues and are payable through 2032. The total principal and interest remaining to be paid on the bonds is \$3,626,923. Principal paid for the current year and total customer net revenues were \$288,020 and \$591,081, respectively.

The Village has pledged future wastewater customer revenues, net of specified operating expenses, to repay the wastewater system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the utility. The bonds are payable from wastewater customer net revenues and are payable through 2022. The total principal and interest remaining to be paid on the bonds is \$894,746. Principal paid for the current year and total customer net revenues were \$416,379 and \$769,540, respectively.

**Debt Coverage – Water**

Operating Revenues	\$ 1,064,157
Investment Income	8,356
Miscellaneous Revenues	5,001
Less: Operations and Maintenance Expenses	(486,433)
Net Customer Revenues	<u>\$ 591,081</u>
Minimum Required Earnings per Resolution	
Highest Annual Debt Service	\$ 388,556
Coverage Factor	1.25
Minimum Required Earnings	<u>\$ 485,695</u>
Actual Debt Coverage	<u>1.22</u>

**Debt Coverage – Wastewater**

Operating Revenues	\$ 1,440,670
Investment Income	6,051
Less: Operations and Maintenance Expenses	(710,193)
Net Customer Revenues	<u>\$ 769,540</u>
Minimum Required Earnings per Resolution	
Highest Annual Debt Service	\$ 447,638
Coverage Factor	1.10
Minimum Required Earnings	<u>\$ 492,402</u>
Actual Debt Coverage	<u>1.56</u>

The Village is in compliance with the Water and Wastewater Revenue Bond debt coverage ratios for December 31, 2020.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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**Note 8 - Fund Balances and Net Position**

**Fund Balances**

Fund balance reported in the governmental funds includes the following:

**Nonspendable**

General Fund	
Prepaid Items	\$ 24,142
Fire Department Loan	
	<hr/>

**Assigned**

Special Revenue Funds:	
Recreation and Parks	\$ 19,382
Library	206,156
	<hr/>
<b>Total Assigned Fund Balance</b>	<b>\$ 225,538</b>
	<hr/>

**Restricted**

General Fund	
Fire Department Purchases	\$ 195,950
	<hr/>
Capital Projects:	
Various Capital Projects	3,292,048
	<hr/>
Loans:	
Revolving Loans	286,448
	<hr/>
Impact Fees	104,093
	<hr/>
Tax Incremental Districts:	
TID # 4	913,532
TID # 5	7,339
TID # 6	114,144
	<hr/>
	1,035,015
	<hr/>
Debt Service	148,767
	<hr/>
<b>Total Restricted Fund Balance</b>	<b>\$ 5,062,321</b>
	<hr/>
<b>Unassigned (Deficit)</b>	
General Fund	\$ 1,099,247
TID # 4	(197,080)
TID # 5	(286,323)
TID # 6	(12,285)
	<hr/>
<b>Total Unassigned (Deficit)</b>	<b>\$ 603,559</b>
	<hr/>

Deficit fund balances will be recovered through subsequent years' revenues.

**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 8 - Fund Balances and Net Position (Continued)**

**Proprietary Funds**

Net position reported on the proprietary funds statement of net position at December 31, 2020 includes the following:

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Stormwater Utility</u>	<u>Total</u>
Net Investment in Capital Assets				
Net Capital Assets	\$ 7,978,616	\$ 6,171,456	\$ 1,367,958	\$ 15,518,030
Less: Related Long-Term Debt	(2,241,200)	(1,833,663)	(1,584,250)	(5,659,113)
Plus: Issuance Discount	12,419	-	-	12,419
Plus: Unspent Proceeds	-	-	648,350	648,350
Total Net Investment in Capital Assets	<u>5,749,835</u>	<u>4,337,793</u>	<u>432,058</u>	<u>10,519,686</u>
Restricted				
Debt Redemption	50,955	23,066	-	74,021
Debt Reserve	224,985	-	-	224,985
Equipment Replacement	128,093	1,020,146	-	1,148,239
Pension	11,139	12,711	6,353	30,203
Total Restricted	<u>415,172</u>	<u>1,055,923</u>	<u>6,353</u>	<u>1,477,448</u>
Unrestricted	<u>(190,749)</u>	<u>1,788,519</u>	<u>1,492,465</u>	<u>3,090,235</u>
Total Proprietary Funds Net Position	<u>\$ 5,974,258</u>	<u>\$ 7,182,235</u>	<u>\$ 1,930,876</u>	<u>\$ 15,087,369</u>

**Government-Wide Statements**

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Investment in Capital Assets			
Net Capital Assets	\$ 6,346,178	\$ 15,518,030	\$ 21,864,208
Less: Related Long-Term Debt	(9,860,887)	(5,659,113)	(15,520,000)
Less: Issuance Premium	(112,535)	-	(112,535)
Plus: Issuance Discount	-	12,419	12,419
Plus: Unspent Proceeds	4,964,265	648,350	5,612,615
Total Net Investment (Deficit) in Capital Assets	<u>1,337,021</u>	<u>10,519,686</u>	<u>11,856,707</u>
Restricted			
Water Utility			
Debt Redemption	-	50,955	50,955
Debt Reserve	-	224,985	224,985
Equipment Replacement	-	128,093	128,093
Wastewater Utility			
Debt Reserve	-	23,066	23,066
Equipment Replacement	-	1,020,146	1,020,146
Pension	33,678	30,203	63,881
Debt Service	148,767	-	148,767
Total Restricted	<u>182,445</u>	<u>1,477,448</u>	<u>1,659,893</u>
Unrestricted	<u>(1,480,472)</u>	<u>3,090,235</u>	<u>1,609,763</u>
Total Government-Wide Net Position	<u>\$ 38,994</u>	<u>\$ 15,087,369</u>	<u>\$ 15,126,363</u>

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 9 - Defined Benefit Pension Plan

### **General Information about the Pension Plan**

**Plan Description.** The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, 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 Comprehensive Annual Financial Report (CAFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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

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

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

The WRS also provides death and disability benefits for employees.



**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 9 - Defined Benefit Pension Plan (Continued)**

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2010	(1.3)%	22%
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Starting 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 reporting period, the WRS recognized \$62,036 in contributions from the Village.

Contribution rates as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.75%	6.75%

***Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2020, the Village reported an asset of \$173,819 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.00539065%, which was a decrease of 0.00006784% from its proportion of 0.00545849% measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$68,649.

**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 9 - Defined Benefit Pension Plan (Continued)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experiences	\$ 329,948	\$ 165,117
Changes of actuarial assumptions	13,545	-
Net differences between projected and actual earnings on pension plan investments		355,349
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,999	-
Employer contributions subsequent to the measurement date	62,036	-
Total	<u>\$ 410,528</u>	<u>\$ 520,466</u>

The \$62,036 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date will be recognized as an adjustment to the net pension liability (asset) in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (50,355)
2022	(37,827)
2023	7,203
2024	(90,995)
	<u>\$ (171,974)</u>

## VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

### Note 9 - Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

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

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

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

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

**Note 9 - Defined Benefit Pension Plan (Continued)**

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

**Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.** The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
<b>Village's Proportionate Share of the Net Pension Liability (Asset)</b>	\$ 447,615	\$ (173,819)	\$ (638,412)

**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>.

**Payables to the Pension Plan.** The Village is required to remit the monthly required contribution for both the employee and Village portions by the last day of the following month. At December 31, 2020, there were no outstanding payables to WRS.

**Note 10 - Post-Employment Benefits Other Than Pension Benefits**

**General Information About the OPEB Plan**

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

**OPEB Plan Fiduciary Net Position.** ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 10 - Post-Employment Benefits Other Than Pension Benefits (Continued)**

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

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

Employers are required to pay the following 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, 2020 are:

Coverage Type	Employee
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member 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, 2019 are as listed below:

**Life Insurance Member  
Contribution Rates \***

Attained Age	Basic/Supplemental
Under 30	\$ 0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

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

During the reporting period, the Plan recognized \$406 in contributions from the employer.

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

At December 31, 2020, the Village reported a liability of \$99,629 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.02339700%, which was an increase of 0.00052% from its proportion measured as of December 31, 2018.

**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 10 - Post-Employment Benefits Other Than Pension Benefits (Continued)**

For the year ended December 31, 2020, the Village recognized OPEB expense of \$11,163.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experiences	\$ -	\$ 4,463
Changes of actuarial assumptions	36,754	10,958
Net differences between projected and actual earnings on plan investments	1,879	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,261	-
Employer contributions subsequent to the measurement date	406	-
Total	<u>\$ 42,300</u>	<u>\$ 15,421</u>

The \$406 reported as deferred outflows related to OPEB resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ 4,581
2022	4,581
2023	4,379
2024	4,170
2025	3,468
Thereafter	5,294
	<u>\$ 26,473</u>

**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 10 - Post-Employment Benefits Other Than Pension Benefits (Continued)**

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

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability:	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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

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

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

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

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

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

**Note 10 - Post-Employment Benefits Other Than Pension Benefits (Continued)**

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

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

**Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 2.87 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	<u>1% Decrease to Discount Rate (1.87%)</u>	<u>Current Discount Rate (2.87%)</u>	<u>1% Increase to Discount Rate (3.87%)</u>
<b>Village's Proportionate Share of the Net OPEB Liability</b>	\$ 137,571	\$ 99,629	\$ 70,763

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

**Payables to the OPEB Plan**

As of December 31, 2020, the Village had no outstanding payables to the OPEB plan.

**Note 11 - Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the Village purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in past three years.

**Note 12 - Commitments and Contingencies**

From time to time the Village is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of Village management, these issues, and any other proceedings known to exist at December 31, 2020, are not likely to have a material adverse impact on the Village's financial position.



**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

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**Note 12 - Commitments and Contingencies (Continued)**

Funds for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

In 2012, the Village issued \$3,150,000 Waterworks System Revenue Bonds, Series 2012A (2012A Bonds). The 2012A Bonds were issued to pay-off a portion of the 2007 Bond Anticipation Notes (2007 BANS) in 2012. A portion of the original proceeds from the 2007 BANS were recorded in TIF No. 4 and were used to finance TIF eligible water projects. Due to the uncertainty of TIF No. 4 being able to pay the principal and interest payments on the 2012A Bonds, the 2012A Bonds were recorded in the water utility. The water utility is making the principal and interest payments on the 2012A Bonds. However, if future tax increments in TIF No. 4 are sufficient, TIF No. 4 will reimburse the water utility for the principal and interest payments that have been made on the 2012A Bonds as well as any issuance costs. As of December 31, 2020, the total reimbursable expenditures are:

	<b>Year End 2020</b>	<b>Cumulative</b>
Principal	\$ 150,000	\$ 1,045,000
Interest	73,423	725,034
Issuance Costs	-	49,551
Totals	<u>\$ 223,423</u>	<u>\$ 1,819,585</u>

In 2012, the Village also issued \$6,060,000 General Obligations Refunding Bonds, Series 2012B (2012B Bonds). The 2012B bonds were issued to pay-off a portion of the 2007 BANS through a current refunding in 2012. A portion of the original proceeds from the 2007 BANS were recorded in TIF No. 4 and were used to finance TIF eligible sewer projects. Due to the uncertainty of TIF No. 4 being able to pay the principal and interest payments on the 2012B Bonds related to sewer projects, the sewer portion of the 2012B bonds were recorded in the sewer utility. The sewer utility is making the principal and interest payments. However, if future tax increments in TIF No. 4 are sufficient, TIF No. 4 will reimburse the sewer utility for the principal and interest payments that have been made on the 2012B Bonds as well as any issuance costs. As of December 31, 2020, the total reimbursable expenditures are:

	<b>Year End 2020</b>	<b>Cumulative</b>
Principal	\$ 90,000	\$ 425,000
Interest	47,885	454,843
Issuance Costs	-	30,439
Totals	<u>\$ 137,885</u>	<u>\$ 910,282</u>

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## **Note 13 - Joint Ventures**

The Village of Union Grove and Town of Yorkville jointly operate the fire commission, which is called the Union Grove - Yorkville Fire Commission (fire commission) and provides fire protection and rescue service. The communities share in the operation of the district based on a percentage of total equalized value.

The governing body is made up of citizens from each community. Local representatives are appointed by the Village Board. The governing body has authority to adopt its own budget and control the financial affairs of the fire commission. The Village is obligated by the joint venture agreement to remit an amount annually to the fire commission. The Village made a payment to the fire commission of \$115,099 in 2020. Financial information of the fire commission as of December 31, 2020 is available directly from the fire commission's office.

Debt is being repaid with resources of the fire commission and is secured by the taxing power of the participants. The transactions of the fire commission are not reflected in these financial statements.

The Village does not have an equity interest in the fire commission

## **Note 14 – Economic Dependency**

The Sewer Utility has one significant customer who was responsible for 43% of operating revenues in 2020.

## **Note 15 - Component Unit - Union Grove Community Development Authority**

This report contains the Union Grove Community Development Authority (CDA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

### **Basis of Accounting/Measurement Focus**

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

### **Deposits and Investments**

At year end, the carrying amount of the CDA's deposits was \$23.

## **Note 16 - Tax Abatements**

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

## **Pay-As-You-Go Municipal Revenue Obligations**

Over the years, the Village has authorized the issuance of Municipal Revenue Obligations (MRO's) for the purpose of encouraging development. The MRO's are non-interest bearing and are paid solely from the tax increments on the respective properties of the tax incremental districts. In conjunction with authorization of these debt issues, the Village entered into developer agreements with local businesses to provide development incentives to assist in undertaking the projects. The details related to the debt issues are:

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 16 - Tax Abatements (Continued)

### TIF No. 3

#### MRO Dated April 14, 2014

Payments to the Company will be made in years 2015 through 2024. However, the first payment occurred in 2016. The Village paid \$32,177 in 2020. Total payments made to-date are \$213,908.

The Village and Company will share the Property Tax Increment on a 60/40 basis with the Company receiving 60% and the Village receiving 40% assuming that the property meets or exceeds the Guaranteed Minimum Assessed Value of \$3,624,100.

#### MRO Dated November 3, 2015

Payments to the Company will be made in years 2018 through 2024. The Village paid \$50,803 in 2020. Total payments made to-date are \$85,643.

The Village and Company will share the Property Tax Increment on an 80/20 basis with the Company receiving 80% and the Village receiving 20% assuming that the property meets or exceeds the Guaranteed Minimum Assessed Value of \$3,436,662.

#### MRO Dated May 1, 2017

Payments to the Company are scheduled to be made in years 2019 through 2024. The maximum payout will be \$229,000.

The Village and Company will share the Property Tax Increment on a 90/10 basis with the Company receiving 90% and the Village receiving 10% assuming that the property meets or exceeds the Guaranteed Minimum Assessed Value of \$4,063,900.

### TIF No. 4

#### MRO Dated February 19, 2013

Payments to the Company will be made in years 2014 through 2027. However, the first payment occurred in 2015. The Village paid \$15,018 in 2020. Total payments made to-date are \$47,532.

The Village and Company will share the Property Tax Increment on a 50/50 basis with the Company receiving 50% and the Village receiving 50% assuming that the property meets or exceeds the Guaranteed Minimum Assessed Value of \$2,025,000.

The bonds do not constitute indebtedness of the Village. The Bond Payments are payable solely from Property Tax Increments received by the Village with respect to the Tax Incremental Districts. The bonds are not considered a general obligation of the Village.

**VILLAGE OF UNION GROVE, WISCONSIN**

Notes to Financial Statements

December 31, 2020

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**Note 16 - Tax Abatements (Continued)**

**TIF No. 5**

**MRO Dated August 8, 2018**

Two separate one-time payments of \$1,200,000 and \$200,000 were paid to the Company by the Village in 2018 upon the Company meeting previously agreed-upon terms and conditions.

Subject to further terms and conditions, the Village is to pay five equal payments of \$193,333 for each multi-family residential building in the development and \$193,335 for one commercial building. Four of the multi-family payments and the one commercial payment have been made for a total of \$1,160,000 in 2020.

The Village and the Company will share the Property Tax Increment on a 75/25 basis with the Village receiving 75% and the Company receiving 25% assuming that the property meets or exceeds the Guaranteed Minimum Assessed Value of \$10,000,000.

**TIF No. 6**

**MRO Dated September 17, 2019**

The Village entered into a Developers agreement that had multiple phases and conditions for each MRO as noted below and on the following page.

Conditioned upon the Developer meeting its Phase 1 Guaranteed Minimum Assessed Value of \$20,670,000 with \$14,520,000 by December 31, 2021 and an additional \$6,150,000 by December 31, 2022, the Village shall pay excess Phase 1 Property Tax Increment to Developer on an annual "pay-as-you-go" basis as reimbursement for the actual cost of its Phase 1 Internal Infrastructure Improvements estimated at One Million Eight Hundred Ninety Two Thousand Three Hundred Fifty and 00/100 Dollars (\$1,892,350.00), together with interest at the rate of Five Percent (5%) per annum, subject to a maximum incentive of Two Million Six Hundred Seventy Seven Thousand Four Hundred Eleven and 00/100 Dollars (\$2,677,411.00). No payments were made in 2020.

Conditioned upon the Developer meeting its Phase 2 Guaranteed Minimum Assessed Value of \$14,175,000, the Village shall pay excess Phase 2 Property Tax Increment to Developer on an annual "pay-as-you-go" basis as reimbursement for the actual cost of its Phase 2 Internal Infrastructure Improvements estimated at One Million Three Hundred Sixty-One Thousand and 00/100 Dollars, together with interest at the rate of Five Percent (5%) per annum, subject to a maximum incentive of \$1,918,096. No payments were made in 2020.

Conditioned upon the Developer meeting its Phases 1 and 2 Guaranteed Minimum Assessed Values, any Property Tax Increment available after payment of the Village's loan payments, Administrative Costs, and the Phase 1 and Phase 2 Developer Infrastructure Incentives, shall be paid to the Developer as additional incentive on an annual "pay-as-you-go" basis, subject to a cumulative maximum of Two Million and 00/100 Dollars (\$2,000,000.00) based on a 70% Developer and 30% Village split. No payments were made in 2020.

# VILLAGE OF UNION GROVE, WISCONSIN

## Notes to Financial Statements

December 31, 2020

### Note 17 - Prior Period Adjustments

The restatement of net position in the government-wide, business-type, and proprietary fund financial statements were the result of implementing Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement revised and established new financial reporting requirements for governments that provide their employees with postemployment benefits.

The restatement of fund balance in the general fund and net position in the government-wide activities was the result of tax revenue being recognized in the incorrect period. Management has corrected this error.

#### Government-Wide Financial Statements

	Governmental Activities	Business-Type Activities
Beginning Net Position - January 1, 2020	\$ 2,558,788	\$ 13,554,730
Tax Levy Revenue Recognition	(94,672)	-
Implementation of GASB Statement No. 75	(35,471)	(29,553)
Beginning Net Position - January 1, 2020, as Restated	<u>\$ 2,428,645</u>	<u>\$ 13,525,177</u>

#### Fund Financial Statements

	General Fund
Beginning Fund Balance - January 1, 2020	\$ 634,459
Tax Levy Revenue Recognition	(94,672)
Beginning Fund Balance - January 1, 2020, as Restated	<u>\$ 539,787</u>

#### Proprietary Fund Financial Statements

	Water Utility	Wastewater Utility	Stormwater Utility
Beginning Net Position - January 1, 2020	\$ 5,220,557	\$ 6,482,443	\$ 1,851,730
Implementation of GASB Statement No. 75	(9,687)	(11,724)	(8,142)
Beginning Net Position - January 1, 2020, as Restated	<u>\$ 5,210,870</u>	<u>\$ 6,470,719</u>	<u>\$ 1,843,588</u>

### Note 18 - Upcoming Accounting Pronouncement

#### GASB Statement No. 87, Leases

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The pronouncement will be effective for years ending December 31, 2021.

The Village is evaluating the impact this standard will have on the financial statements when adopted.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF UNION GROVE, WISCONSIN**

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)  
Wisconsin Retirement System (WRS)

WRS Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net Pension (Asset)/Liability	Village's Proportionate Share of the Net Pension (Asset)/Liability	Village's Covered Payroll	Village's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2019	0.00539065%	\$ (173,819)	\$ 902,453	-19.26%	102.96%
12/31/2018	0.00545849%	194,195	807,254	24.06%	96.45%
12/31/2017	0.00575325%	(70,820)	783,780	-9.04%	102.93%
12/31/2016	0.00608877%	50,186	849,123	5.91%	99.12%
12/31/2015	0.00629030%	102,216	871,037	11.73%	98.20%
12/31/2014	0.00640198%	(157,250)	875,648	17.96%	102.74%

Schedule of Employer Contributions  
Wisconsin Retirement System (WRS)

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2020	\$ 62,036	\$ 62,036	\$ -	\$ 919,052	6.75%
12/31/2019	59,110	59,110	-	902,453	6.55%
12/31/2018	54,234	54,234	-	807,255	6.72%
12/31/2017	53,297	53,297	-	783,780	6.80%
12/31/2016	56,029	56,029	-	849,123	6.60%
12/31/2015	61,295	61,295	-	871,037	7.04%

**VILLAGE OF UNION GROVE, WISCONSIN**

Schedule of Employer's Proportionate Share of the Net OPEB Liability  
Other Post-Employment Benefits Other Than Pensions - Cost-Sharing Plan

WRS Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net OPEB Liability	Village's Proportionate Share of the Net OPEB Liability	Village's Covered Payroll	Village's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2019	0.02339700%	\$ 99,629	\$ 917,000	10.86%	37.58%
12/31/2018	0.02287700%	59,030	821,000	7.19%	48.69%
12/31/2017	0.02222100%	66,854	934,457	7.15%	44.81%

Schedule of Employer Contributions  
Other Post-Employment Benefits Other Than Pensions - Cost-Sharing Plan

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2020	\$ 406	\$ 406	\$ -	\$ 874,000	0.05%
12/31/2019	422	422	-	917,000	0.05%
12/31/2018	421	421	-	821,000	0.05%



**VILLAGE OF UNION GROVE, WISCONSIN**

Schedule of Budgetary Comparison

Budget and Actual

General Fund

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,324,904	\$ 1,324,904	\$ 1,319,113	\$ (5,791)
Intergovernmental	674,936	674,936	786,936	112,000
Licenses and Permits	221,323	216,323	208,125	(8,198)
Fines, Forfeitures and Penalties	65,000	53,180	28,759	(24,421)
Public Charges for Services	1,450	1,450	-	(1,450)
Investment Income	26,100	26,100	10,874	(15,226)
Miscellaneous	85,858	85,858	94,993	9,135
<b>Total Revenues</b>	<u>2,399,571</u>	<u>2,382,751</u>	<u>2,448,800</u>	<u>66,049</u>
<b>EXPENDITURES</b>				
General Government	617,576	604,256	682,101	(77,845)
Public Safety	988,933	988,933	991,188	(2,255)
Public Works	742,522	739,022	631,520	107,502
Health and Human Services	51,858	51,858	47,298	4,560
Culture, Recreation and Education	150	150	-	150
Conservation and Development	19,000	19,000	15,515	3,485
<b>Total Expenditures</b>	<u>2,420,039</u>	<u>2,403,219</u>	<u>2,367,622</u>	<u>35,597</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(20,468)</u>	<u>(20,468)</u>	<u>81,178</u>	<u>101,646</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Long-Term Debt	-	-	725,000	725,000
Transfers In	203,309	203,309	178,325	(24,984)
Transfers Out	(182,841)	(182,841)	(204,951)	22,110
<b>Total Other Financing Sources (Uses)</b>	<u>20,468</u>	<u>20,468</u>	<u>698,374</u>	<u>722,126</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	779,552	823,772
<b>FUND BALANCE - BEGINNING</b>	<u>539,787</u>	<u>539,787</u>	<u>539,787</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 539,787</u>	<u>\$ 539,787</u>	<u>\$ 1,319,339</u>	<u>\$ 823,772</u>

# VILLAGE OF UNION GROVE, WISCONSIN

Notes to Required Supplementary Information  
For the Year Ended December 31, 2020

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## Budgetary Process

The Village reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying financial statements is comprised of the originally approved budget plus or minus approved revisions of budget revenues and expenditures. These budgets are adopted on a basis consistent with GAAP. Management control of the budgetary process has been established at the departmental level of expenditures. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances. The budget is amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the Village board. The Village amended its budget once for the budget period.

The general fund had the following expenditures in excess of the budget for the year ended December 31, 2020:

<u>General Fund</u>	<u>Excess Expenditures</u>
General Government	\$ 77,845
Public Safety	2,255

## Defined Benefit Pension Plan

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

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

## Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan

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

*Changes of assumptions.* Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return, and expected inflation. Please refer to the actuarial assumptions section above for additional details.

**SUPPLEMENTARY INFORMATION**

**VILLAGE OF UNION GROVE, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
As of December 31, 2020

<b>Special Revenue Funds</b>					
	<b>Revolving Loans Fund</b>	<b>Impact Fees Fund</b>	<b>Recreation and Parks Fund</b>	<b>Library Fund</b>	<b>Total Nonmajor Funds</b>
<b>ASSETS</b>					
Cash and Investments	\$ 277,460	\$ 104,093	\$ 22,334	\$ 222,910	\$ 626,797
Loans	123,708	-	-	-	123,708
<b>TOTAL ASSETS</b>	<b>\$ 401,168</b>	<b>\$ 104,093</b>	<b>\$ 22,334</b>	<b>\$ 222,910</b>	<b>\$ 750,505</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 384	\$ -	\$ 2,880	\$ 10,992	\$ 14,256
Accrued Liabilities	-	-	72	5,762	5,834
<b>Total Liabilities</b>	<b>384</b>	<b>-</b>	<b>2,952</b>	<b>16,754</b>	<b>20,090</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable - Loans Receivable	114,336	-	-	-	114,336
<b>FUND BALANCES</b>					
Restricted	286,448	104,093	-	-	390,541
Assigned	-	-	19,382	206,156	225,538
<b>Total Fund Balances</b>	<b>286,448</b>	<b>104,093</b>	<b>19,382</b>	<b>206,156</b>	<b>616,079</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
	<b>\$ 401,168</b>	<b>\$ 104,093</b>	<b>\$ 22,334</b>	<b>\$ 222,910</b>	<b>\$ 750,505</b>

**VILLAGE OF UNION GROVE, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2020

	<b>Special Revenue Funds</b>				<b>Total Nonmajor Funds</b>
	<b>Revolving Loans Fund</b>	<b>Impact Fees Fund</b>	<b>Recreation and Parks Fund</b>	<b>Library Fund</b>	
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,692	\$ 3,692
Licenses and Permits	-	46,824	-	-	46,824
Public Charges for Services	-	-	40,615	9,226	49,841
Intergovernmental Charges for Services	-	-	-	144,640	144,640
Interest on Investments	306	637	-	629	1,572
Miscellaneous	8,289	-	950	3,888	13,127
<b>Total Revenues</b>	<u>8,595</u>	<u>47,461</u>	<u>41,565</u>	<u>162,075</u>	<u>259,696</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	51	-	-	51
Culture, Recreation, and Education	-	-	83,488	302,580	386,068
Conservation and Development	1,709	-	-	-	1,709
<b>Total Expenditures</b>	<u>1,709</u>	<u>51</u>	<u>83,488</u>	<u>302,580</u>	<u>387,828</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,886</u>	<u>47,410</u>	<u>(41,923)</u>	<u>(140,505)</u>	<u>(128,132)</u>
<b>OTHER FINANCING SOURCES (USE)</b>					
Transfers In	-	-	39,841	160,416	200,257
Transfers Out	-	(57,483)	-	-	(57,483)
<b>Total Other Financing Sources (Use)</b>	<u>-</u>	<u>(57,483)</u>	<u>39,841</u>	<u>160,416</u>	<u>142,774</u>
<b>NET CHANGE IN FUND BALANCES</b>	6,886	(10,073)	(2,082)	19,911	14,642
<b>FUND BALANCES - BEGINNING</b>	<u>279,562</u>	<u>114,166</u>	<u>21,464</u>	<u>186,245</u>	<u>601,437</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 286,448</u>	<u>\$ 104,093</u>	<u>\$ 19,382</u>	<u>\$ 206,156</u>	<u>\$ 616,079</u>

**VILLAGE OF UNION GROVE, WISCONSIN**

Combining Balance Sheet  
Tax Incremental District Subfunds  
As of December 31, 2020

	<u>TID No. 3 Debt Service</u>	<u>TID No. 3 Capital Projects</u>	<u>TID No. 3 Total</u>	<u>TID No. 4 Debt Service</u>	<u>TID No. 4 Capital Projects</u>	<u>TID No. 4 Total</u>
<b>ASSETS</b>						
Cash and Investments	\$ -	\$ 8,459	\$ 8,459	\$ -	\$ 887,243	\$ 887,243
Receivables:						
Accounts Receivable	-	-	-	-	28,422	28,422
Taxes	-	-	-	280,518	-	280,518
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 8,459</u>	<u>\$ 8,459</u>	<u>\$ 280,518</u>	<u>\$ 915,665</u>	<u>\$ 1,196,183</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ 8,459	\$ 8,459	\$ -	\$ 2,133	\$ 2,133
Due to Other Funds	-	-	-	197,080	-	197,080
<b>Total Liabilities</b>	<u>-</u>	<u>8,459</u>	<u>8,459</u>	<u>197,080</u>	<u>2,133</u>	<u>199,213</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes Levied for Subsequent Period	-	-	-	280,518	-	280,518
<b>FUND BALANCES (DEFICITS)</b>						
Restricted	-	-	-	-	913,532	913,532
Unassigned (Deficits)	-	-	-	(197,080)	-	(197,080)
<b>Total Fund Balances (Deficits)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(197,080)</u>	<u>913,532</u>	<u>716,452</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<u>\$ -</u>	<u>\$ 8,459</u>	<u>\$ 8,459</u>	<u>\$ 280,518</u>	<u>\$ 915,665</u>	<u>\$ 1,196,183</u>

TID No. 5 Debt Service	TID No. 5 Capital Projects	TID No. 5 Total	TID No. 6 Debt Service	TID No. 6 Capital Projects	TID No. 6 Total
\$ 7,339	\$ -	\$ 7,339	\$ -	\$ 116,310	\$ 116,310
-	-	-	-	-	-
<u>239,733</u>	<u>-</u>	<u>239,733</u>	<u>50,999</u>	<u>-</u>	<u>50,999</u>
<u>\$ 247,072</u>	<u>\$ -</u>	<u>\$ 247,072</u>	<u>\$ 50,999</u>	<u>\$ 116,310</u>	<u>\$ 167,309</u>
\$ -	\$ 2,133	\$ 2,133	\$ -	\$ 2,166	\$ 2,166
-	<u>284,190</u>	<u>284,190</u>	<u>12,285</u>	<u>-</u>	<u>12,285</u>
-	<u>286,323</u>	<u>286,323</u>	<u>12,285</u>	<u>2,166</u>	<u>14,451</u>
<u>239,733</u>	<u>-</u>	<u>239,733</u>	<u>50,999</u>	<u>-</u>	<u>50,999</u>
7,339	-	7,339	-	114,144	114,144
-	<u>(286,323)</u>	<u>(286,323)</u>	<u>(12,285)</u>	<u>-</u>	<u>(12,285)</u>
<u>7,339</u>	<u>(286,323)</u>	<u>(278,984)</u>	<u>(12,285)</u>	<u>114,144</u>	<u>101,859</u>
<u>\$ 247,072</u>	<u>\$ -</u>	<u>\$ 247,072</u>	<u>\$ 50,999</u>	<u>\$ 116,310</u>	<u>\$ 167,309</u>

**VILLAGE OF UNION GROVE, WISCONSIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Tax Incremental District Subfunds

For the Year Ended December 31, 2020

	<b>TID No. 3 Debt Service</b>	<b>TID No. 3 Capital Projects</b>	<b>TID No. 3 Total</b>	<b>TID No. 4 Debt Service</b>	<b>TID No. 4 Capital Projects</b>	<b>TID No. 4 Total</b>
<b>REVENUES</b>						
Taxes	\$ 419,212	\$ -	\$ 419,212	\$ 69,035	\$ -	\$ 69,035
Intergovernmental	-	19,503	19,503	-	42,995	42,995
Interest on Investments	-	234	234	-	6,384	6,384
<b>Total Revenues</b>	<u>419,212</u>	<u>19,737</u>	<u>438,949</u>	<u>69,035</u>	<u>49,379</u>	<u>118,414</u>
<b>EXPENDITURES</b>						
Current:						
Conservation and Development	-	947,855	947,855	-	32,841	32,841
Debt Service						
Principal	140,000	-	140,000	200,000	-	200,000
Interest	6,300	-	6,300	66,115	-	66,115
Capital Outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>146,300</u>	<u>947,855</u>	<u>1,094,155</u>	<u>266,115</u>	<u>32,841</u>	<u>298,956</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>272,912</u>	<u>(928,118)</u>	<u>(655,206)</u>	<u>(197,080)</u>	<u>16,538</u>	<u>(180,542)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds of Long-Term Debt	-	-	-	-	-	-
Debt Premium	-	-	-	-	-	-
Transfers In	-	995,489	995,489	-	-	-
Transfers Out	(1,116,529)	(98,788)	(1,215,317)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,116,529)</u>	<u>896,701</u>	<u>(219,828)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	<u>(843,617)</u>	<u>(31,417)</u>	<u>(875,034)</u>	<u>(197,080)</u>	<u>16,538</u>	<u>(180,542)</u>
<b>FUND BALANCES (DEFICITS) - BEGINNING</b>	<u>843,617</u>	<u>31,417</u>	<u>875,034</u>	<u>-</u>	<u>896,994</u>	<u>896,994</u>
<b>FUND BALANCES (DEFICITS) - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (197,080)</u>	<u>\$ 913,532</u>	<u>\$ 716,452</u>



TID No. 5 Debt Service	TID No. 5 Capital Projects	TID No. 5 Total	TID No. 6 Debt Service	TID No. 6 Capital Projects	TID No. 6 Total
\$ 88,473	\$ -	\$ 88,473	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>88,473</u>	<u>-</u>	<u>88,473</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	509,976	509,976	-	1,000,773	1,000,773
-	-	-	-	-	-
66,297	47,002	113,299	12,285	39,945	52,230
-	-	-	-	-	-
<u>66,297</u>	<u>556,978</u>	<u>623,275</u>	<u>12,285</u>	<u>1,040,718</u>	<u>1,053,003</u>
<u>22,176</u>	<u>(556,978)</u>	<u>(534,802)</u>	<u>(12,285)</u>	<u>(1,040,718)</u>	<u>(1,053,003)</u>
-	1,755,000	1,755,000	-	1,315,000	1,315,000
-	-	-	-	12,759	12,759
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,755,000</u>	<u>1,755,000</u>	<u>-</u>	<u>1,327,759</u>	<u>1,327,759</u>
22,176	1,198,022	1,220,198	(12,285)	287,041	274,756
<u>(14,837)</u>	<u>(1,484,345)</u>	<u>(1,499,182)</u>	<u>-</u>	<u>(172,897)</u>	<u>(172,897)</u>
<u>\$ 7,339</u>	<u>\$ (286,323)</u>	<u>\$ (278,984)</u>	<u>\$ (12,285)</u>	<u>\$ 114,144</u>	<u>\$ 101,859</u>

**VILLAGE OF UNION GROVE, WISCONSIN**

## Water Utility Operating Revenues and Expenses

For the Year Ended December 31, 2020

**OPERATING REVENUES**

Sales of Water	
Unmetered	\$ 310
Metered	
Residential	439,236
Multifamily Residential	83,772
Commercial	103,462
Industrial	38,679
Public Authorities	<u>27,747</u>
Total Metered Sales	<u>692,896</u>
Private Fire Protection	17,494
Public Fire Protection	<u>326,416</u>
Total Sales of Water	<u>1,037,116</u>
Other Operating Revenues	
Forfeited Discounts	3,164
Miscellaneous Service Revenue	6,337
Rents from Water Property	17,269
Other	<u>271</u>
<b>Total Operating Revenues</b>	<u>1,064,157</u>

**OPERATING EXPENSES**

Operation and Maintenance	
Source of Supply	
Operation Labor	63,246
Operation Supplies	<u>7,187</u>
Total Source of Supply	<u>70,433</u>
Pumping	
Operation Labor	16,388
Fuel or Power Purchased for Pumping	57,689
Maintenance	<u>18,633</u>
Total Pumping	<u>92,710</u>
Water Treatment	
Chemicals	<u>60,917</u>
Transmission and Distribution	
Operation Labor	4,675
Maintenance	
Distribution Reservoirs and Standpipes	6,518
Mains	16,492
Services	16,967
Meters	10,752
Hydrants	<u>8,067</u>
Total Transmission and Distribution	<u>63,471</u>
Customer Accounts	
Meter Reading Labor	3,664
Accounting and Collecting Labor	11,722
Supplies	<u>20,053</u>
Total Customer Accounts	<u>35,439</u>

**VILLAGE OF UNION GROVE, WISCONSIN**  
Water Utility Operating Revenues and Expenses  
For the Year Ended December 31, 2020 (continued)

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**OPERATING EXPENSES** (continued)

Operation and Maintenance (continued)

Administrative and General

Salaries	32,613
Office Supplies	7,450
Outside Services Employed	15,936
Property Insurance	3,250
Employee Pensions and Benefits	74,504
Miscellaneous	2,619
Transportation	14,050

150,422

Taxes 13,041

Total Operation and Maintenance 486,433

Depreciation 318,736

**Total Operating Expenses** 805,169

**OPERATING INCOME** \$ 258,988

**VILLAGE OF UNION GROVE, WISCONSIN**  
Wastewater Utility Operating Revenues and Expenses  
For the Year Ended December 31, 2020

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**OPERATING REVENUES**

Wastewater Revenues	
Residential	\$ 498,986
Multifamily Residential	598,772
Commercial	304,499
Industrial	23,202
Public Authorities	13,047
Total Wastewater Revenues	1,438,506
Other Operating Revenues	
Miscellaneous Service Revenue	2,164
<b>Total Operating Revenues</b>	<b>1,440,670</b>

**OPERATING EXPENSES**

Operation and Maintenance	
Operation	
Supervision and Labor	172,575
Power and Fuel for Pumping	112,039
Other Chemicals	28,502
Laboratory Expenses	16,263
Other Operating Supplies	32,234
Transportation	7,554
Sludge Hauling	52,644
Total Operation	421,811
Maintenance	
Collection System	10,028
General Plant Structure and Equipment	131,323
Total Maintenance	141,351
Administrative and General	
Salaries	23,508
Office Supplies and Expenses	5,000
Outside Services Employed	20,389
Property Insurance	1,478
Employee Pensions and Benefits	83,246
Drainage District Payment	633
Total Administrative and General	134,254
Taxes	12,777
Total Operation and Maintenance	710,193
Depreciation	494,325
<b>Total Operating Expenses</b>	<b>1,204,518</b>

<b>OPERATING INCOME</b>	<b>\$ 236,152</b>
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**VILLAGE OF UNION GROVE, WISCONSIN**  
Stormwater Utility Operating Revenues and Expenses  
For the Year Ended December 31, 2020

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**OPERATING REVENUES**

Stormwater Revenues	
Charges for Services	\$ 260,144
Other Operating Revenues	
Forfeited Discounts	435
<b>Total Operating Revenues</b>	<b>260,579</b>

**OPERATING EXPENSES**

Operation and Maintenance	
Miscellaneous	577
Maintenance	
Salaries	59,659
Street Cleaning	63
Maintenance of Catch Basins	6,479
Maintenance of Basins	95
Miscellaneous	2,842
Total Maintenance	69,138
Operations	
Salaries	19,608
Street Sweeping	5,316
Equipment Repair	10,336
Total Operations	35,260
Administrative and General	
Salaries	23,508
Office Supplies and Expenses	4,980
Outside Services Employed	15,240
Property Insurance	292
Injuries and Damages	2,783
Employee Pensions and Benefits	24,199
Total Administrative and General	71,002
Taxes	
Total Operation and Maintenance	180,583
Depreciation	99,211
<b>Total Operating Expenses</b>	<b>279,794</b>

<b>OPERATING LOSS</b>	<b>\$ (19,215)</b>
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