

**VILLAGE OF GRANTSBURG, WISCONSIN**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**



**VILLAGE OF GRANTSBURG**  
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**Year Ended December 31, 2020**

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## ***Independent Auditor's Report***

Village Board and Management  
Village of Grantsburg  
Grantsburg, Wisconsin

### ***Report on the Financial Statements***

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

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

The Village of Grantsburg's 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.

### ***Auditor's Responsibility***

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

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, and budgetary comparison information, required OPEB information, and required supplemental pension information on pages 63 through 69 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Grantsburg's basic financial statements. The general fund detailed statement of revenues, expenditures, and changes in fund balance, the water utility enterprise fund budget to actual comparison, the stormwater utility enterprise fund budget to actual comparison, and the sewer utility enterprise fund budget to actual comparison, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The general fund detailed statement of revenues, expenditures, and changes in fund balance, the water utility enterprise fund budget to actual comparison, the stormwater utility enterprise fund budget to actual comparison, and the sewer utility enterprise fund budget to actual comparison, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, general fund detailed statement of revenues, expenditures, and changes in fund balance, the water utility enterprise fund

Village Board and Management  
Village of Grantsburg

budget to actual comparison, the stormwater utility enterprise fund budget to actual comparison, and the sewer utility enterprise fund budget to actual comparison, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Two Rivers Accounting, LLC*

**Two Rivers Accounting, LLC**  
Rice Lake, Wisconsin  
October 7, 2021

**VILLAGE OF GRANTSBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2020**

As management of the Village of Grantsburg, Wisconsin (Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2020. Please consider this information in conjunction with the Village's financial statements, which begin on page 13 following this narrative.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the year ended December 31, 2020 include the following:

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$8,314,539 (net position). Of this amount, \$7,213,733 represented the Village's investment in capital assets, \$563,819 was held for restricted purposes, and \$536,987 was unrestricted. The unrestricted net position may be used to meet the Village's ongoing obligations to citizens and creditors.
- During the fiscal year, the Village's total net position decreased by \$254,742, or approximately 5.9 percent. Net position related to the business-type activities of the Village decreased \$2,611, while net position related to governmental activities decreased \$252,131.
- At the close of the fiscal year, the Village's governmental funds reported combined ending fund balance of \$601,201, a decrease of \$127,836 from the previous year.
- At the end of 2020, the unassigned general fund balance totaled \$200,898, or 14.2 percent of the general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements – The two government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

- The *Statement of Net Position* presents information on all of the Village of Grantsburg's assets, deferred outflows, liabilities and deferred inflows, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Grantsburg is improving or deteriorating.
- The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e. g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the Village of Grantsburg that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village of Grantsburg include general government, public safety, public works, health and human services, culture, recreation and education, and conservation and development. The Library Fund is also included in the governmental activities. The business-type activities of

**VILLAGE OF GRANTSBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2020**

the Village of Grantsburg include the Grantsburg Water Utility, Grantsburg Stormwater Utility, and Grantsburg Sewer Utility.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of Grantsburg maintains six (6) individual governmental funds. Information is presented separately in the governmental funds *Balance Sheet* and in the *Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund, Library Fund, Tax Incremental District #3, Tax Incremental District #4, Tax Incremental District #5, and Tax Incremental District #6.

The Village of Grantsburg adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 13 through 28 of this report.

Proprietary Funds – The Village maintains one type of proprietary funds - enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water utility, stormwater utility, and its sewer utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds, each of which is considered to be a major fund of the Village.

The basic proprietary fund financial statements can be found beginning on page 22 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 27 of this report.



**VILLAGE OF GRANTSBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2020**

Notes to the Financial Statements – The notes to basic financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 29 of this report.

Other Supplementary Information – In addition to the basic financial statement and accompanying notes, this report presents certain required supplementary information on the Village's operating budget to actual, library fund budget to actual, pension plan, and State OPEB plan. Required supplementary information can be found beginning on page 63 of this report.

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information, additional supplementary information has been provided as part of this report. The supplementary information includes a detailed budget to actual schedule. This supplementary information section of the report begins on page 70.

**FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Village's assets and deferred outflows exceeded liabilities and deferred inflows by \$8,314,539 at the close of 2020. The largest portion of net position (86.8%) reflects the Village's investment in capital assets, including land, land improvements, buildings, machinery and equipment, and plant in service, net of related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens and are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following is a summary of the Village's statement of net position:

Table 1  
Condensed Statement of Net Position  
December 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b>Assets:</b>						
Current and Other Assets	\$ 1,464,908	\$ 1,154,894	\$ 710,729	\$ 759,294	\$ 2,175,637	\$ 1,914,188
Capital Assets	5,387,796	5,752,768	4,426,177	4,534,930	9,813,973	10,287,698
Internal Balances	(12,571)	-	12,571	-	-	-
Total Assets	6,840,133	6,907,662	5,149,477	5,294,224	11,989,610	12,201,886
Total Deferred Outflows of Resources	280,442	350,428	62,084	66,798	342,526	417,226
<b>Liabilities:</b>						
Long-Term Liabilities	1,554,309	1,741,434	1,044,686	1,169,568	2,598,995	2,911,002
Other Long-Term Obligations	167,462	286,337	12,621	37,756	180,083	324,093
Other Liabilities	232,899	101,778	62,570	99,471	295,469	201,249
Total Liabilities	1,954,670	2,129,549	1,119,877	1,306,795	3,074,547	3,436,344
Total Deferred Inflow of Resources	868,131	578,636	74,919	150,258	943,050	728,894
<b>Net Position:</b>						
Investment in Capital Assets	3,832,242	3,956,522	3,381,491	3,351,650	7,213,733	7,308,172
Restricted	366,551	501,019	197,268	552,319	563,819	1,053,338
Unrestricted	98,981	92,364	438,006	-	536,987	92,364
Total Net Position	\$ 4,297,774	\$ 4,549,905	\$ 4,016,765	\$ 3,903,969	\$ 8,314,539	\$ 8,453,874

An additional portion of the Village's net position (6.8%) represents resources that are subject to other restrictions as to how they may be used. The remaining \$536,987 of total net position (6.4%) may be used to meet the Village's ongoing obligations to its citizens and creditors. It is important to note that \$438,006 of

**VILLAGE OF GRANTSBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2020**

unrestricted net position is related to the Village's business-type activities. Consequently, it generally may not be used to fund governmental activities.

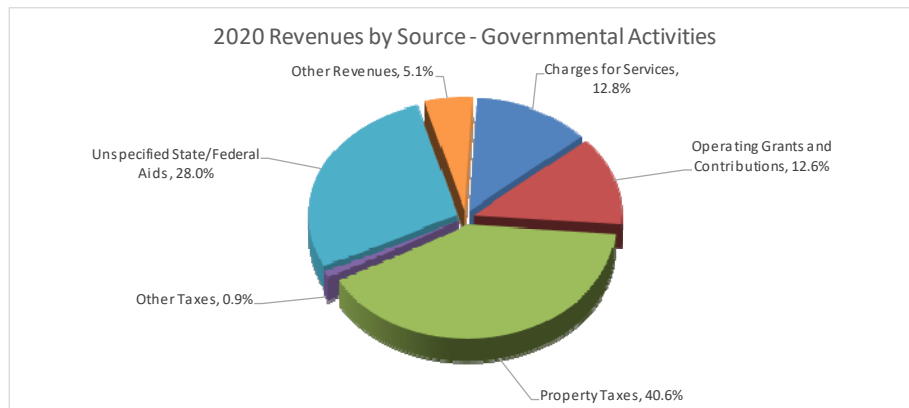
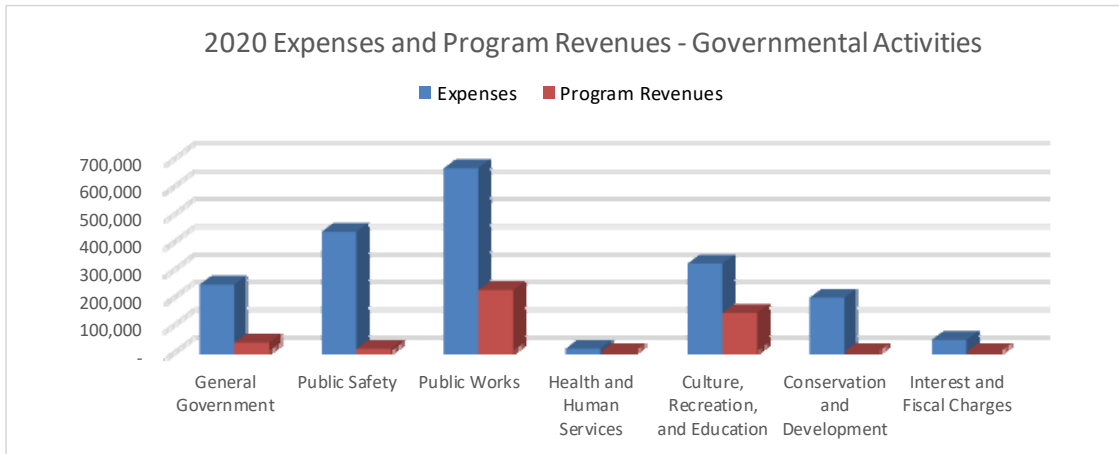
Table 2, the condensed statement of changes in net position below shows that total net position of the Village decreased \$254,742 or approximately 5.9 percent. The change consisted of a decrease in net position related to governmental activities in the amount of \$252,131 and a decrease in net position related to business-type activities in the amount of \$2,611.

Table 2  
Condensed Statement of Changes in Net Position  
Years Ended December 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charge for Services	\$ 204,109	\$ 237,489	\$ 594,660	\$ 596,132	\$ 798,769	\$ 833,621
Operating Grants and Contributions	202,219	161,059	-	-	202,219	161,059
Capital Grants and Contributions	-	-	284	73,550	284	73,550
General Revenues:						
Property Taxes	649,102	673,898	-	-	649,102	673,898
Other Taxes	15,086	13,962	-	-	15,086	13,962
State and Federal Aids Not Restricted to Specific Programs	447,257	445,582	-	-	447,257	445,582
Other Revenues	82,050	35,162	746	36,254	82,796	71,416
Total Revenues	<u>1,599,823</u>	<u>1,567,152</u>	<u>595,690</u>	<u>705,936</u>	<u>2,195,513</u>	<u>2,273,088</u>
Expenses:						
General Government	242,466	233,266	-	-	242,466	233,266
Public Safety	432,844	468,120	-	-	432,844	468,120
Public Works	662,563	224,582	-	-	662,563	224,582
Health and Human Services	11,647	6,897	-	-	11,647	6,897
Culture and Recreation	318,415	332,599	-	-	318,415	332,599
Conservation and Development	195,315	90,687	-	-	195,315	90,687
Interest and Fiscal Charges	42,899	36,553	-	-	42,899	36,553
Water Utility	-	-	232,717	226,282	232,717	226,282
Stormwater Utility	-	-	57,684	66,951	57,684	66,951
Sewer Utility	-	-	253,705	250,696	253,705	250,696
Total Expenses	<u>1,906,149</u>	<u>1,392,704</u>	<u>544,106</u>	<u>543,929</u>	<u>2,450,255</u>	<u>1,936,633</u>
Net Change before Transfers	(306,326)	174,448	51,584	162,007	(254,742)	336,455
Transfers	54,195	54,195	(54,195)	(54,195)	-	-
Change in Net Position	<u>(252,131)</u>	<u>228,643</u>	<u>(2,611)</u>	<u>107,812</u>	<u>(254,742)</u>	<u>336,455</u>
Net Position - Beginning of the Year, As Previously Stated	4,549,905	4,346,106	3,903,969	3,812,216	4,346,106	8,158,322
Prior Period Adjustment	-	(24,844)	115,407	(16,059)	(24,844)	(40,903)
Net Position - Beginning of the Year, Restated	<u>4,549,905</u>	<u>4,321,262</u>	<u>4,019,376</u>	<u>3,796,157</u>	<u>4,321,262</u>	<u>8,117,419</u>
Net Position - End of Year	<u>\$ 4,297,774</u>	<u>\$ 4,549,905</u>	<u>\$ 4,016,765</u>	<u>\$ 3,903,969</u>	<u>\$ 4,066,520</u>	<u>\$ 8,453,874</u>

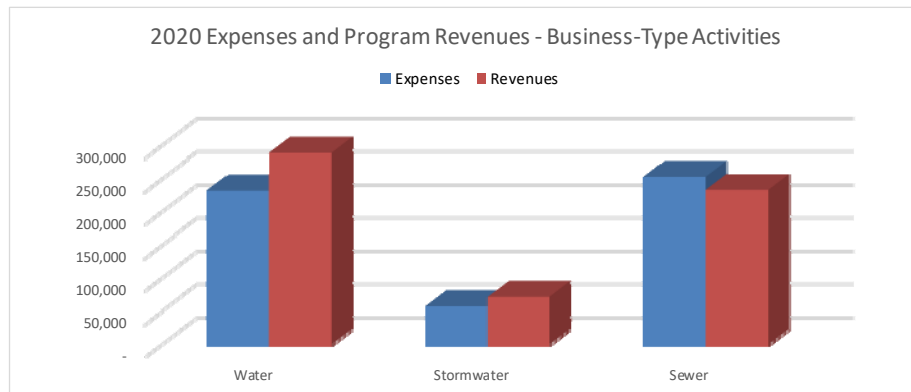
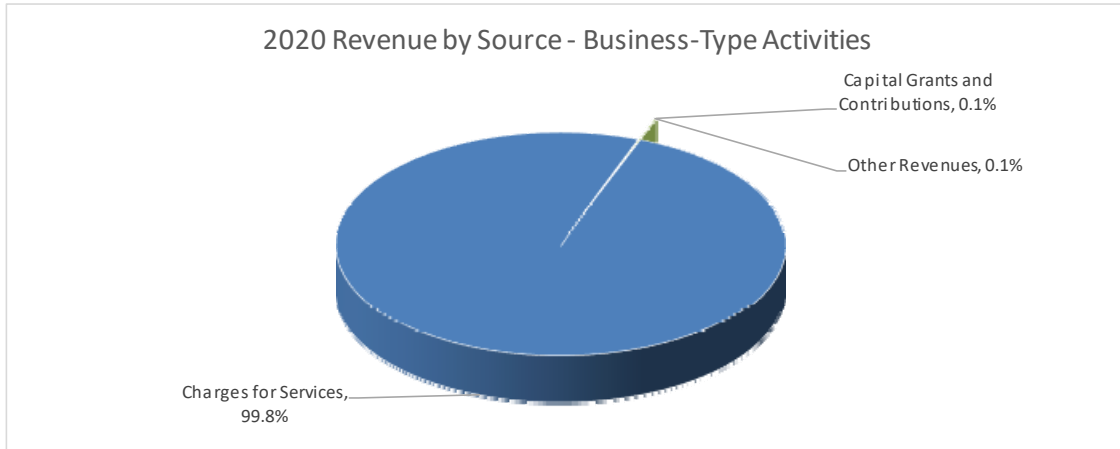
A review of statement of activities can provide a concise picture of how the various functions/programs of the Village are funded. The following charts draw data from the statement of activities. For governmental services, the Village is primarily dependent on property taxes (40.6%), unspecified state and federal aids (28.0%) and charges for services (12.8%).

**VILLAGE OF GRANTSBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2020**



**VILLAGE OF GRANTSBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2020**

In the case of business-type activities, charges for service (99.8%) is the primary source of revenue.



**FINANCIAL ANALYSIS OF THE VILLAGE'S MAJOR FUNDS**

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, the level of *unassigned fund balances* may serve as a useful measure of the Village's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, the Village's governmental funds reported combined ending fund balances of \$601,201, a decrease of \$127,836 from the prior year. The governmental funds comprising this balance are shown on Table 3 on the next page:

**VILLAGE OF GRANTSBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2020**

Table 3

	Fund Balance at December 31, 2020					Change During Year
	Nonspendable	Restricted	Assigned	Unassigned	Total	
Major Funds:						
General Fund	\$ 62,719	\$ -	\$ 87,000	\$ 200,898	\$ 350,617	\$ (42,951)
Library Fund	-	-	12,467	-	12,467	(1,996)
TID #3 Fund	-	-	-	-	-	(131,051)
TID #4 Fund	-	-	-	(91,000)	(91,000)	48,344
TID #5 Fund	-	329,149	-	-	329,149	(150)
TID #6 Fund	-	-	-	(32)	(32)	(32)
Total Fund Balances	<u>\$ 62,719</u>	<u>\$ 329,149</u>	<u>\$ 99,467</u>	<u>\$ 109,866</u>	<u>\$ 601,201</u>	<u>\$ (127,836)</u>

Restrictions of fund balances represent amounts that are not subject to appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change. The balance of the unassigned fund balance is not for any specific purposes.

The general fund is the chief operating fund of the Village. At the end of the current year, unassigned fund balance of the general fund was \$200,898. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 14.2% of total general fund expenditures and transfers. During the current year, the Village's general fund balance decreased by \$42,951.

The Library Fund has a total fund balance of \$12,467, representing 7.3% of fund expenditures.

Proprietary Funds – The Village of Grantsburg's proprietary funds provide the same type of information found in the Village's government-wide financial statements, but in more detail. As shown below in Table 4, the net position of the enterprise-type proprietary funds at the end of 2020 totaled \$4,016,765, down \$2,611 from the previous year.

Table 4  
Condensed Statement of Changes in Net Position for Enterprise Funds  
Years Ended December 31, 2020 and 2019

	Water Utility		Storm Water Utility		Sewer Utility		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Operating Revenues	\$ 289,160	\$ 325,056	\$ 71,535	\$ 71,446	\$ 233,965	\$ 237,926	\$ 594,660	\$ 634,428
Operating Expenses:								
Depreciation	60,577	59,851	32,098	32,098	76,865	76,813	169,540	168,762
Other	159,061	159,013	18,665	28,778	162,004	162,405	339,730	350,196
Operating Income	69,522	106,192	20,772	10,570	(4,904)	(1,292)	85,390	115,470
Nonoperating Income (Expense)	(12,832)	(14,101)	(6,602)	41,551	(14,372)	(13,645)	(33,806)	13,805
Income before Transfers	56,690	92,091	14,170	52,121	(19,276)	(14,937)	51,584	129,275
Transfers	(54,195)	(53,357)	-	-	-	-	(54,195)	(53,357)
Changes in Net Position	<u>\$ 2,495</u>	<u>\$ 38,734</u>	<u>\$ 14,170</u>	<u>\$ 52,121</u>	<u>\$ (19,276)</u>	<u>\$ (14,937)</u>	<u>\$ (2,611)</u>	<u>\$ 75,918</u>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the Budgetary Comparison Schedule for the general fund (in required supplementary information), the final 2020 general fund budget differed from the original budget adopted by the Village, due to approved amendments by the Village Board and Management. The Village ended the year with a net positive revenue budget variance of \$2,087. Expenditures and other financing uses were \$31,645 more than amounts budgeted.

**VILLAGE OF GRANTSBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2020**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

Table 5, summarizes the Village's investment in capital assets for its governmental and business-type activities as of December 31, 2020 and 2019 was \$9,813,973 and \$10,233,505, respectively, (net of accumulated depreciation) as shown below:

Table 5  
Capital Assets, Net of Accumulated Depreciation  
December 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Not Subject to Depreciation:						
Land	\$ 681,124	\$ 681,124	\$ 11,217	\$ 11,217	\$ 692,341	\$ 692,341
Construction Work in Progress	-	-	66,871	-	66,871	-
Subject to Depreciation:						
Land Improvements	730,436	730,436	-	-	730,436	730,436
Buildings	2,266,522	2,255,682	-	-	2,266,522	2,255,682
Equipment and Vehicles	1,351,218	1,342,737	-	-	1,351,218	1,342,737
Property in the Open	291,710	291,710	-	-	291,710	291,710
Infrastructure	8,322,722	8,312,658	-	-	8,322,722	8,312,658
Water System Plant	-	-	3,661,488	3,666,298	3,661,488	3,666,298
Stormwater System Plant	-	-	934,879	934,879	934,879	934,879
Sewer System Plant	-	-	3,393,966	3,393,966	3,393,966	3,393,966
Subtotal	13,643,732	13,614,347	8,068,421	8,006,360	21,712,153	21,620,707
Accumulated Depreciation	(8,255,936)	(7,913,277)	(3,642,244)	(3,473,925)	(11,898,180)	(11,387,202)
	<u>\$ 5,387,796</u>	<u>\$ 5,701,070</u>	<u>\$ 4,426,177</u>	<u>\$ 4,532,435</u>	<u>\$ 9,813,973</u>	<u>\$ 10,233,505</u>

Additional information related to the Village's capital assets is reported in Note 3 following the financial statements.

**Long-Term Obligations**

Table 6, is a summary at December 31, 2020, the Village had outstanding \$2,779,078 of long-term debt and other long-term obligations. A summary detail of this amount, together with the net change from the previous year, is shown below:

Table 6  
Outstanding Long-Term Obligations  
December 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Long-Term Debt:						
General Obligation Notes	\$ 792,931	\$ 900,573	\$ 192,584	\$ 229,190	\$ 985,515	\$ 1,129,763
Revenue Bonds	353,378	375,861	-	-	353,378	375,861
State Trust Fund Loans	408,000	465,000	-	-	408,000	465,000
Water Revenue Bonds	-	-	366,503	410,806	366,503	410,806
Stormwater Revenue Bonds	-	-	132,919	147,118	132,919	147,118
Sewer Revenue Bonds	-	-	352,680	382,454	352,680	382,454
Subtotal	1,554,309	1,741,434	1,044,686	1,169,568	2,598,995	2,911,002
Other Long-Term Obligations:						
Capital Leases	1,245	3,114	-	-	1,245	3,114
Net WRS Pension Liability	-	126,839	-	24,178	-	151,017
Net State OPEB Liability	38,852	21,006	12,621	13,578	51,473	34,584
Estimated Employee Leave	127,365	135,378	-	-	127,365	135,378
Total	<u>\$ 1,721,771</u>	<u>\$ 2,027,771</u>	<u>\$ 1,057,307</u>	<u>\$ 1,207,324</u>	<u>\$ 2,779,078</u>	<u>\$ 3,235,095</u>

**VILLAGE OF GRANTSBURG**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2020**

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a municipality may not exceed five (5) percent of the equalized property value of all taxable property within the jurisdiction. The applicable debt of the Village outstanding at December 31, 2020 totaled \$1,393,515, approximately 37.6 percent of the maximum legal limit of \$3,703,170.

Additional information related to the Village's long-term debt is reported in Note 5 following the financial statements.

**CURRENTLY KNOWN FACTS**

The State of Wisconsin has imposed limits on the Village's property tax levy beginning with the 2006 budget year levy. Essentially, the legislation restricts the growth in the Village's property taxes (except for debt service and tax increments) to the percentage increase in the Village's equalized value due to new construction. The Village approved a levy of \$464,802 for its 2021 balanced budget, an increase of \$31,930 (or 7.38%) from the 2020 budget levy of \$432,872.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village of Grantsburg's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Village of Grantsburg, 316 South Brad Street, Grantsburg, WI 54840 or by calling the Village Office at 715/463/2405.

**VILLAGE OF GRANTSBURG**  
**STATEMENT OF NET POSITION**  
**Year Ended December 31, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Treasurer's Cash and Investments	\$ 726,784	\$ 323,187	\$ 1,049,971
Current Taxes Receivable	468,770	-	468,770
Customer Accounts Receivable	26,132	137,178	163,310
Special Assessments Receivable	52,246	11,902	64,148
Other Receivables	-	231	231
Delinquent Special Assessments	49,284	-	49,284
Prepaid Expenditures	14,683	3,265	17,948
Materials and Supplies	-	17,409	17,409
Internal Balances	(12,571)	12,571	-
<b>Restricted Assets:</b>			
Cash and Investments	14,822	193,546	208,368
Wisconsin Retirement System Net Pension Asset	112,187	24,011	136,198
<b>Capital Assets:</b>			
Capital Assets Not Being Depreciated	681,124	78,088	759,212
Capital Assets Being Depreciated	12,962,608	7,990,333	20,952,941
Accumulated Depreciation	(8,255,936)	(3,642,244)	(11,898,180)
Net Capital Assets	<u>5,387,796</u>	<u>4,426,177</u>	<u>9,813,973</u>
Total Assets	<u>6,840,133</u>	<u>5,149,477</u>	<u>11,989,610</u>
<b>Deferred Outflows of Resources:</b>			
Wisconsin Retirement System Pension Related	261,857	56,046	317,903
Other Postemployment Benefits	18,585	6,038	24,623
Total Deferred Outflows of Resources	<u>280,442</u>	<u>62,084</u>	<u>342,526</u>

See accompanying Notes to the Basic Financial Statements.



**VILLAGE OF GRANTSBURG**  
**STATEMENT OF NET POSITION (Continued)**  
**Year Ended December 31, 2020**

	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Accounts Payable	\$ 13,496	\$ 2,114	\$ 15,610
Accrued Payroll	23,345	1,979	25,324
Accrued Taxes	-	54,195	54,195
Due to Other Governments	177,465	-	177,465
Deferred Revenue	1,978	-	1,978
Accrued Interest	16,615	4,282	20,897
Long-Term Liabilities:			
Amounts Due Within One Year	168,638	112,905	281,543
Amounts Due in More than One Year	1,514,281	931,781	2,446,062
Other Postemployment Benefits Liability	38,852	12,621	51,473
Total Liabilities	1,954,670	1,119,877	3,074,547
Deferred Inflows of Resources:			
Succeeding Years' Property Taxes	522,665	-	522,665
Wisconsin Retirement System Pension Related	336,642	72,053	408,695
Other Postemployment Benefits	8,824	2,866	11,690
Total Deferred Inflows of Resources	868,131	74,919	943,050
Net Position:			
Investment in Capital Assets	3,832,242	3,381,491	7,213,733
Restricted For:			
Wisconsin Retirement System Net Pension Items	37,402	8,004	45,406
Asset Replacement	-	60,129	60,129
Debt Service	-	129,135	129,135
Capital Projects	329,149	-	329,149
Unrestricted	98,981	438,006	536,987
Total Net Position	\$ 4,297,774	\$ 4,016,765	\$ 8,314,539

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2020**

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Capital Contributions	Governmental Activities	Business- Type Activities	Total
<b>Governmental Activities:</b>							
General Government	\$ 242,466	\$ 13,579	\$ 19,441	\$ -	\$ (209,446)	\$ -	\$ (209,446)
Public Safety	432,844	2,492	7,955	-	(422,397)	-	(422,397)
Public Works	662,563	123,426	99,228	-	(439,909)	-	(439,909)
Health and Human Services	11,647	-	-	-	(11,647)	-	(11,647)
Culture, Recreation, and Education	318,415	64,612	75,595	-	(178,208)	-	(178,208)
Conservation and Development	195,315	-	-	-	(195,315)	-	(195,315)
Interest and Fiscal Charges	42,899	-	-	-	(42,899)	-	(42,899)
Total Governmental Activities	<u>1,906,149</u>	<u>204,109</u>	<u>202,219</u>	<u>-</u>	<u>(1,499,821)</u>	<u>-</u>	<u>(1,499,821)</u>
<b>Business-Type Activities:</b>							
Water Utility	232,717	289,160	-	-	-	56,443	56,443
Stormwater Utility	57,684	71,535	-	284	-	14,135	14,135
Sewer Utility	253,705	233,965	-	-	-	(19,740)	(19,740)
Total Business-Type Activities	<u>544,106</u>	<u>594,660</u>	<u>-</u>	<u>284</u>	<u>-</u>	<u>50,838</u>	<u>50,838</u>
Total Primary Government	<u>\$ 2,450,255</u>	<u>\$ 798,769</u>	<u>\$ 202,219</u>	<u>\$ 284</u>	<u>(1,499,821)</u>	<u>50,838</u>	<u>(1,448,983)</u>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes					432,872	-	432,872
Property Taxes, Levied for TIF District Purposes					216,230	-	216,230
Property Taxes from Other Exempt Entities					15,086	-	15,086
State/Federal Aids not Restricted to Specific Functions					447,257	-	447,257
Interest and Investments Earnings					10,818	746	11,564
Sale of Village Property					6,711	-	6,711
Miscellaneous					64,521	-	64,521
Transfers					54,195	(54,195)	-
Total General Revenues					<u>1,247,690</u>	<u>(53,449)</u>	<u>1,194,241</u>
Change in Net Position					(252,131)	(2,611)	(254,742)
Net Position - Beginning of Year, Previously Stated					4,549,905	3,903,969	8,453,874
Prior Period Adjustment					-	115,407	115,407
Net Position - Beginning of Year, Restated					<u>4,549,905</u>	<u>4,019,376</u>	<u>8,569,281</u>
Net Position - End of Year					<u>\$ 4,297,774</u>	<u>\$ 4,016,765</u>	<u>\$ 8,314,539</u>

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2020**

	General Fund	Library Fund	Tax Incremental District #3 Fund	Tax Incremental District #4 Fund	Tax Incremental District #5 Fund	Tax Incremental District #6 Fund	Totals
<b>Assets:</b>							
Treasurer's Cash and Investments	\$ 186,879	\$ 13,854	\$ 287,934	\$ 315	\$ 237,802	\$ -	\$ 726,784
Current Taxes Receivable	410,907	-	-	56,531	1,332	-	468,770
<b>Receivables:</b>							
Customer Accounts	26,132	-	-	-	-	-	26,132
Street Special Assessments	52,246	-	-	-	-	-	52,246
Due From TID #3	105,469	-	-	-	-	-	105,469
Due From TID #4	-	-	-	-	91,315	-	91,315
Due From TID #6	-	-	-	-	32	-	32
Delinquent Special Assessments	49,284	-	-	-	-	-	49,284
Prepaid Expenditures	13,435	1,248	-	-	-	-	14,683
<b>Restricted Assets:</b>							
Debt Service Cash	14,822	-	-	-	-	-	14,822
<b>Total Assets</b>	<b>\$ 859,174</b>	<b>\$ 15,102</b>	<b>\$ 287,934</b>	<b>\$ 56,846</b>	<b>\$ 330,481</b>	<b>\$ -</b>	<b>\$ 1,549,537</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 6,958	\$ 1,538	\$ 5,000	\$ -	\$ -	\$ -	\$ 13,496
Payroll Deductions	6,534	1,097	-	-	-	-	7,631
Accrued Taxes and Benefits	15,714	-	-	-	-	-	15,714
Due to Other Governments	-	-	177,465	-	-	-	177,465
Due to General Fund	-	-	105,469	-	-	-	105,469
Due to TID #5	-	-	-	91,315	-	32	91,347
Due to Storm Water Utility	756	-	-	-	-	-	756
Due to Water Utility	6,757	-	-	-	-	-	6,757
Due to Sewer Utility	5,058	-	-	-	-	-	5,058
Deferred Revenue	1,978	-	-	-	-	-	1,978
<b>Total Liabilities</b>	<b>43,755</b>	<b>2,635</b>	<b>287,934</b>	<b>91,315</b>	<b>-</b>	<b>32</b>	<b>425,671</b>

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS (Continued)**  
**December 31, 2020**

	General Fund	Library Fund	Tax Incremental District #3 Fund	Tax Incremental District #4 Fund	Tax Incremental District #5 Fund	Tax Incremental District #6 Fund	Totals
Deferred Inflows of Resources:							
Succeeding Years' Property Taxes	\$ 464,802	\$ -	\$ -	\$ 56,531	\$ 1,332	\$ -	\$ 522,665
Fund Balances:							
Nonspendable	62,719	-	-	-	-	-	62,719
Restricted for Capital Projects	-	-	-	-	329,149	-	329,149
Assigned for:							
Library	-	12,467	-	-	-	-	12,467
Campground	87,000	-	-	-	-	-	87,000
Unassigned	200,898	-	-	(91,000)	-	(32)	109,866
Total Fund Balances	<u>350,617</u>	<u>12,467</u>	<u>-</u>	<u>(91,000)</u>	<u>329,149</u>	<u>(32)</u>	<u>601,201</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 859,174</u>	<u>\$ 15,102</u>	<u>\$ 287,934</u>	<u>\$ 56,846</u>	<u>\$ 330,481</u>	<u>\$ -</u>	<u>\$ 1,549,537</u>

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2020**

Total Fund Balances for Governmental Funds:		\$ 601,201
Amounts reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These consist of:		
Land	\$ 681,124	
Land Improvements	730,436	
Buildings	2,266,522	
Equipment and Vehicles	1,351,218	
Property in the Open	291,710	
Infrastructure	8,322,722	
Accumulated Depreciation	<u>(8,255,936)</u>	5,387,796
Wisconsin Retirement System net pension asset (liability) and related deferred outflows and inflows are recorded only on the statement of net position. Balances at year-end are:		
Net Pension Plan Asset (Liability)	112,187	
Deferred Outflows of Resources	261,857	
Deferred Inflows of Resources	<u>(336,642)</u>	37,402
Wisconsin Public Employers Group Life Insurance net other postemployment benefit liability and related deferred outflows and inflows are recorded only on the statement of net position. Balances at year-end are:		
Net OPEB Liability	(38,852)	
Deferred Outflows of Resources	18,585	
Deferred Inflows of Resources	<u>(8,824)</u>	(29,091)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:		
General Obligation Notes Payable	(792,931)	
General Obligation Bonds Payable	(353,378)	
State Trust Fund Loans	(408,000)	
Capital Lease	(1,245)	
Accrued Interest on Long-Term Debt	(16,615)	
Vacation and Sick Leave Liabilities	<u>(127,365)</u>	<u>(1,699,534)</u>
Total Net Position of Governmental Activities		<u>\$ 4,297,774</u>

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2020**

	General Fund	Library Fund	Tax Incremental District #3 Fund	Tax Incremental District #4 Fund	Tax Incremental District #5 Fund	Tax Incremental District #6 Fund	Totals
<b>Revenues:</b>							
Taxes	\$ 447,958	\$ -	\$ 155,551	\$ 60,679	\$ -	\$ -	\$ 664,188
Intergovernmental	572,216	75,595	1,350	315	-	-	649,476
Licenses and Permits	11,933	-	-	-	-	-	11,933
Fines and Forfeits	2,387	-	-	-	-	-	2,387
Public Charges for Services	187,443	2,346	-	-	-	-	189,789
Miscellaneous	68,293	7,046	-	-	-	-	75,339
Total Revenues	<u>1,290,230</u>	<u>84,987</u>	<u>156,901</u>	<u>60,994</u>	<u>-</u>	<u>-</u>	<u>1,593,112</u>
<b>Expenditures:</b>							
General Government	218,473	-	-	-	-	-	218,473
Public Safety	449,946	-	-	-	-	-	449,946
Public Works	401,067	-	-	-	-	-	401,067
Health and Human Services	11,647	-	-	-	-	-	11,647
Culture, Recreation, and Education	100,114	169,983	-	-	-	-	270,097
Conservation and Development	-	-	182,483	150	150	32	182,815
Capital Outlay	-	-	-	12,500	-	-	12,500
Debt Service:							
Principal Retirement	188,994	-	-	-	-	-	188,994
Interest and Fiscal Charges	46,315	-	-	-	-	-	46,315
Total Expenditures	<u>1,416,556</u>	<u>169,983</u>	<u>182,483</u>	<u>12,650</u>	<u>150</u>	<u>32</u>	<u>1,781,854</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(126,326)</b>	<b>(84,996)</b>	<b>(25,582)</b>	<b>48,344</b>	<b>(150)</b>	<b>(32)</b>	<b>(188,742)</b>

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS (Continued)**  
**For the Year Ended December 31, 2020**

	General Fund	Library Fund	Tax Incremental District #3 Fund	Tax Incremental District #4 Fund	Tax Incremental District #5 Fund	Tax Incremental District #6 Fund	Totals
Other Financing Sources (Uses):							
Sale of Capital Assets	\$ 6,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,711
Transfer In	159,664	83,000	-	-	-	-	242,664
Transfer Out	(83,000)	-	(105,469)	-	-	-	(188,469)
Total Other Financing Sources (Uses)	<u>83,375</u>	<u>83,000</u>	<u>(105,469)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,906</u>
Net Change in Fund Balances	(42,951)	(1,996)	(131,051)	48,344	(150)	(32)	(127,836)
Fund Balance, January 1, As Previously Stated	714,574	14,463	-	-	-	-	729,037
Prior Period Adjustment	(321,006)	-	131,051	(139,344)	329,299	-	-
Fund Balance, January 1, As Restated	<u>393,568</u>	<u>14,463</u>	<u>131,051</u>	<u>(139,344)</u>	<u>329,299</u>	<u>-</u>	<u>729,037</u>
Fund Balances (Deficits), December 31	<u>\$ 350,617</u>	<u>\$ 12,467</u>	<u>\$ -</u>	<u>\$ (91,000)</u>	<u>\$ 329,149</u>	<u>\$ (32)</u>	<u>\$ 601,201</u>

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (127,836)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 63,365	
Depreciation Expense Reported in the Statement of Activities	<u>(376,639)</u>	(313,274)

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension asset (liability) and related deferred outflows and inflows of resources. (3,449)

Other postemployment benefit (OPEB) expenditures in the governmental funds are measured by current year employee contributions. OPEB expenses on the state of activities are measured by the change in net OPEB liability and related deferred outflows and inflows of resources. (7,995)

Repayment of long-term debt and related long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General Obligation Notes Payable	107,642	
General Obligation Bonds Payable	22,483	
State Trust Fund Loans	57,000	
Capital Lease	<u>1,869</u>	188,994

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	3,416	
Net Change in Vacation and Sick Leave Liabilities	<u>8,013</u>	11,429

Change in Net Position of Governmental Activities		<u><u>\$ (252,131)</u></u>
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**VILLAGE OF GRANTSBURG**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2020**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Stormwater Utility	Sewer Utility	Totals
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and Investments	\$ 263,142	\$ 5,172	\$ 54,873	\$ 323,187
Customer Receivables	67,427	13,522	56,229	137,178
Special Assessments Receivables	11,902	-	-	11,902
Other Receivables	231	-	-	231
Due From Other Funds	11,445	756	5,058	17,259
Prepaid Expenditures	1,445	210	1,610	3,265
Materials and Supplies	14,499	-	2,910	17,409
Total Current Assets	<u>370,091</u>	<u>19,660</u>	<u>120,680</u>	<u>510,431</u>
<b>Restricted Assets:</b>				
Replacement Fund Cash	-	-	60,129	60,129
Debt Service Cash	70,043	23,046	40,328	133,417
Wisconsin Retirement System Pension Plan Asset	12,639	1,784	9,588	24,011
Total Restricted Assets	<u>82,682</u>	<u>24,830</u>	<u>110,045</u>	<u>217,557</u>
<b>Capital Assets:</b>				
Utility Plant in Service	3,672,705	934,879	3,393,966	8,001,550
Less: Accumulated Depreciation	<u>(1,423,843)</u>	<u>(334,796)</u>	<u>(1,883,605)</u>	<u>(3,642,244)</u>
Net Utility Plant in Service	2,248,862	600,083	1,510,361	4,359,306
Construction Work in Progress	<u>66,871</u>	<u>-</u>	<u>-</u>	<u>66,871</u>
Total Capital Assets	<u>2,315,733</u>	<u>600,083</u>	<u>1,510,361</u>	<u>4,426,177</u>
Total Assets	<u>2,768,506</u>	<u>644,573</u>	<u>1,741,086</u>	<u>5,154,165</u>
<b>Deferred Outflows of Resources:</b>				
Wisconsin Retirement System Pension Related	29,501	4,165	22,380	56,046
Other Postemployment Benefits	<u>2,977</u>	<u>217</u>	<u>2,844</u>	<u>6,038</u>
Total Deferred Outflows of Resources	<u>32,478</u>	<u>4,382</u>	<u>25,224</u>	<u>62,084</u>

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (Continued)**  
**December 31, 2020**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Stormwater Utility	Sewer Utility	Totals
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Vouchers Payable	\$ 1,460	\$ 221	\$ 433	\$ 2,114
Accrued Interest	3,388	356	538	4,282
Accrued Payroll	673	86	1,220	1,979
Due to Other Funds	-	-	4,688	4,688
Accrued Taxes	54,195	-	-	54,195
Current Portion of Long-Term Debt	48,621	19,562	44,722	112,905
<b>Total Current Liabilities</b>	<b>108,337</b>	<b>20,225</b>	<b>51,601</b>	<b>180,163</b>
<b>Long-Term Liabilities:</b>				
Long-Term Debt	346,081	193,054	392,646	931,781
WRS Pension Plan Liability	-	-	-	-
Other Postemployment Benefits Liability	6,223	453	5,945	12,621
<b>Total Long-Term Liabilities</b>	<b>352,304</b>	<b>193,507</b>	<b>398,591</b>	<b>944,402</b>
<b>Total Liabilities</b>	<b>460,641</b>	<b>213,732</b>	<b>450,192</b>	<b>1,124,565</b>
<b>Deferred Inflows of Resources:</b>				
Wisconsin Retirement System Pension Related	37,927	5,354	28,772	72,053
Other Postemployment Benefits	1,413	103	1,350	2,866
<b>Total Deferred Inflows of Resources</b>	<b>39,340</b>	<b>5,457</b>	<b>30,122</b>	<b>74,919</b>
<b>Net Position:</b>				
Investment in Capital Assets	1,921,031	387,467	1,072,993	3,381,491
<b>Restricted for:</b>				
Asset Replacement	-	-	60,129	60,129
Debt Service	66,655	22,690	39,790	129,135
Wisconsin Retirement System Pension Plan Items	4,213	595	3,196	8,004
Unrestricted	309,104	19,014	109,888	438,006
<b>Total Net Position</b>	<b>\$ 2,301,003</b>	<b>\$ 429,766</b>	<b>\$ 1,285,996</b>	<b>\$ 4,016,765</b>

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2020**

	Business-Type Activities - Enterprise Funds			Totals
	Water Utility	Stormwater Utility	Sewer Utility	
Operating Revenues:				
Sales of Water/Sewerage Services:				
Residential	\$ 88,981	\$ 12,536	\$ 160,836	\$ 262,353
Commercial	28,698	32,747	38,757	100,202
Industrial	14,623	10,670	14,918	40,211
Multi-Family	7,144	2,358	8,413	17,915
Public Authorities	21,166	12,870	8,242	42,278
Fire Protection	115,098	-	-	115,098
Total Sales of Water/Sewerage Services	<u>275,710</u>	<u>71,181</u>	<u>231,166</u>	<u>578,057</u>
Other Operating Revenues:				
Forfeited Discounts	993	217	893	2,103
Other Revenues	12,457	137	1,906	14,500
Total Other Operating Revenues	<u>13,450</u>	<u>354</u>	<u>2,799</u>	<u>16,603</u>
Total Operating Revenues	289,160	71,535	233,965	594,660
Operating Expenses:				
Operation	84,599	4,394	104,554	193,547
Maintenance	15,830	627	5,080	21,537
Administrative and General	58,632	13,644	52,370	124,646
Total Operation and Maintenance	<u>159,061</u>	<u>18,665</u>	<u>162,004</u>	<u>339,730</u>
Depreciation	60,577	32,098	76,865	169,540
Total Operating Expenses	<u>219,638</u>	<u>50,763</u>	<u>238,869</u>	<u>509,270</u>
Operating Income	69,522	20,772	(4,904)	85,390
Nonoperating Revenues (Expenses):				
Federal Grant	-	284	-	284
Interest Income	247	35	464	746
Interest on Long-Term Debt	(13,079)	(6,921)	(14,836)	(34,836)
Total Nonoperating Revenues (Expenses)	<u>(12,832)</u>	<u>(6,602)</u>	<u>(14,372)</u>	<u>(33,806)</u>
Income (Loss) Before Transfers	56,690	14,170	(19,276)	51,584
Transfers:				
Transfer Out - In Lieu of Taxes	(54,195)	-	-	(54,195)
Change in Net Position	<u>2,495</u>	<u>14,170</u>	<u>(19,276)</u>	<u>(2,611)</u>
Net Position, January 1	2,253,061	415,596	1,235,312	3,903,969
Prior Period Adjustment OPEB	45,447	-	69,960	115,407
Net Position, January 1 (Restated)	<u>2,298,508</u>	<u>415,596</u>	<u>1,305,272</u>	<u>4,019,376</u>
Net Position, December 31	<u>\$ 2,301,003</u>	<u>\$ 429,766</u>	<u>\$ 1,285,996</u>	<u>\$ 4,016,765</u>

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2020**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Stormwater Utility	Sewer Utility	Totals
Cash Flows From Operating Activities:				
Cash Received from Utility Customers	\$ 192,261	\$ 89,400	\$ 248,983	\$ 530,644
Cash Received from Public Fire Protection	115,098	-	-	115,098
Cash Received (Paid) for Sewer Utility Share of Meter Related and Other Expenses	4,688	-	(4,688)	-
Cash Paid to Suppliers for Goods and Services	(75,495)	(40,954)	(89,604)	(206,053)
Cash Paid for Employee Services	(93,052)	(13,492)	(71,116)	(177,660)
Net Cash Provided by (Used for) Operating Activities	<u>143,500</u>	<u>34,954</u>	<u>83,575</u>	<u>262,029</u>
Cash Flows From Noncapital Financing Activities:				
Tax Equivalent Paid to General Fund	(54,195)	-	-	(54,195)
Cash Received (Repaid) for Working Capital Purposes - General Fund	-	-	(5,058)	(5,058)
Cash Received (Repaid) for Working Capital Purposes - Sewer Utility	-	-	380	380
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(54,195)</u>	<u>-</u>	<u>(4,678)</u>	<u>(58,873)</u>
Cash Flows From Capital and Related Financing Activities:				
Federal Grant Received	-	284	-	284
Cash Paid for Acquisition of Plant Assets	(74,499)	-	-	(74,499)
Principal Paid on Long-Term Debt	(58,499)	(23,113)	(43,270)	(124,882)
Interest Paid on Long-Term Debt	(13,660)	(6,948)	(14,918)	(35,526)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(146,658)</u>	<u>(29,777)</u>	<u>(58,188)</u>	<u>(234,623)</u>
Cash Flows From Investing Activities:				
Interest on Investments	247	35	464	746
Net Increase (Decrease) in Cash and Cash Equivalents	(57,106)	5,212	21,173	(30,721)
Cash and Cash Equivalents, January 1	390,291	23,006	134,157	547,454
Cash and Cash Equivalents, December 31	<u>\$ 333,185</u>	<u>\$ 28,218</u>	<u>\$ 155,330</u>	<u>\$ 516,733</u>

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2020**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Stormwater Utility	Sewer Utility	Totals
Reconciliation of Operating Income (Loss) to Net				
Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 69,522	\$ 20,772	\$ (4,904)	\$ 85,390
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided by Operating Activities:				
Depreciation	60,577	32,098	76,865	169,540
Change in WRS Pension Related Items	(73)	228	(408)	(253)
Change in Life Insurance Postemployment Benefit Related Items	(1,771)	(357)	(1,983)	(4,111)
(Increase) Decrease in Assets:				
Customer Accounts Receivable	22,887	17,865	15,018	55,770
Due from Other Funds	(7,137)	(756)	59	(7,834)
Prepaid Expenses	224	(86)	38	176
Inventory	(437)	-	-	(437)
Increase (Decrease) in Liabilities:				
Accounts Payable	1,264	(34,601)	237	(33,100)
Accrued Payroll	(1,556)	(209)	(1,347)	(3,112)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 143,500</u>	<u>\$ 34,954</u>	<u>\$ 83,575</u>	<u>\$ 262,029</u>
Reconciliation of Cash and Investments				
to Cash and Cash Equivalents:				
Cash and Investments per Statement of Net Position:				
Cash and Investments	\$ 263,142	\$ 5,172	\$ 54,873	\$ 323,187
Cash and Investments - Restricted	70,043	23,046	100,457	193,546
Cash and Cash Equivalents	<u>\$ 333,185</u>	<u>\$ 28,218</u>	<u>\$ 155,330</u>	<u>\$ 516,733</u>

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUND**  
**For the Year Ended December 31, 2020**

	Custodial Fund
	Tax Collection Fund
Assets:	
Cash and Investments	\$ 110,628
Taxes Receivable	690,017
Total Assets	800,645
Liabilities:	
Due to Other Governments	800,645
Net Position	\$ -

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUND**  
**For the Year Ended December 31, 2020**

	Custodial Fund Tax Collection Fund
Additions:	
Taxes Collected on Behalf of Other Taxing Entities	\$ 490,231
Deductions:	
Taxes Remitted to Other Taxing Entities	490,231
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	\$ -

See accompanying Notes to the Basic Financial Statements.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Village of Grantsburg (the Village) conform to accounting principles generally accepted in the United States of America as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Village are described below:

- A. Reporting Entity** – In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units as required under Government Accounting Standards. Based upon the criteria, the financial statements of the Village of Grantsburg contain all the funds and account groups controlled by the Village Board. There are no other entities which meet the criteria to be considered a blended component unit or a discretely presented component of the Village, nor is the Village a component unit of another entity. The Village, governed by a seven-member elected village board, is a community of fewer than 2,500 persons incorporated as a village under Wisconsin law.

The basic financial statements of the Village consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the Village.

**B. Government-Wide and Fund Financial Statements**

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds) as described below:

**Government-Wide Statements** – The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. 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 to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) 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 among program revenues are reported instead as general revenues.

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



**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Government-Wide and Fund Financial Statements (Continued)**

Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Village reports the following major governmental funds:

**General Fund** – The General Fund is the operating fund of the Village. It is used to account for all financial resources of the Village, except those required to be accounted for in another fund.

**Library Fund** – The Library Fund is a special revenue fund of the Village. It is used to account for all financial resources of the Village related to the library.

**Tax Incremental District #3 Fund** – The Tax Incremental District #3 Fund, a capital projects fund, is used to account for revenues and expenditures of the Village's Tax Incremental District #3 (TID #3).

**Tax Incremental District #4 Fund** – The Tax Incremental District #4 Fund, a capital projects fund, is used to account for revenues and expenditures of the Village's Tax Incremental District #4 (TID #4).

**Tax Incremental District #5 Fund** – The Tax Incremental District #5 Fund, a capital projects fund, is used to account for revenues and expenditures of the Village's Tax Incremental District #5 (TID #5).

**Tax Incremental District #6 Fund** – The Tax Incremental District # Fund, a capital projects fund, is used to account for revenues and expenditures of the Village's Tax Incremental District # (TID #).

Transactions of all TID Funds are further discussed in Note 8.

The Village does not report any nonmajor funds.

The Village reports the following major enterprise funds:

**Water Utility** – This fund accounts for the operations of the water system. Utility operations are subject to regulation by the Wisconsin Public Service Commission.

**Stormwater Utility** – This fund accounts for the operations of the stormwater system.

**Sewer Utility** – This fund accounts for the operations of the wastewater collection system and treatment facilities.

The Village had no other enterprise funds to report as nonmajor funds. Additionally, the Village reports the following fiduciary fund:

**Custodial Fund** – These funds are used to account for assets held by the Village in a trustee capacity or as a custodian for individuals, private organizations, and/or other governmental units.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements, the proprietary funds and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables, if material, are recorded as revenues when services are provided.

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

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed 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 reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity**

- 1) Deposits and Investments** – The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts. State statutes permit the Village to invest available cash balances in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Donations to the Village of securities or other property are considered trust funds and are invested as the donor specifies. In the absence of any specific directions, the Village may invest the donated items in accordance with laws applicable to trust investments.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**2) Receivables and Payables**

Property Taxes – Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. The resulting tax roll is recorded as receivable in the Village's custodial fund with amounts due other governmental units and other funds of the Village recorded as liabilities therein. Since Village property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore.

Real property taxes are payable in full on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings), and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes are turned over to the Washburn County Treasurer for collection in February. Washburn County subsequently settles in full with the Village in August of the same year, including settlement for uncollected delinquent special assessments and special charges. (The County has the option to settle in full for delinquent special assessments and special charges or to remit them to the Village as collections are received.) Delinquent personal property taxes are retained by the Village for collection.

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

Accounts Receivable – All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Interfund Balances – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**3) Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4) Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. The Wisconsin Retirement Net Pension Asset has been presented as a restricted asset based on these criteria. Current liabilities payable from these restricted assets, are so classified.

**5) Capital Assets**

Government-Wide Financial Statements – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 initial, individual costs as shown below and an estimated useful life of two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$2,000	N/A	N/A
Land Improvements	2,000	Straight-line	50 Years
Equipment and Vehicles	2,000	Straight-line	30 Years
Property in the Open	2,000	Straight-line	5-20 Years
Infrastructure	2,000	Straight-line	50 Years

The Water Utility follows the capitalization threshold and estimated useful lives outlined above but utilizes a depreciation method required by the Wisconsin Public Service Commission. This method dictates that cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts, and generally, together with removal costs less salvage, is charged to accumulated depreciation.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**5) Capital Assets (Continued)**

Government-Wide Financial Statements (Continued)

The results of applying this method approximate that of the straight-line depreciation method. Depreciation for the Sewer Fund is applied to average plant balance at a rate of 2% per year.

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

**6) Compensated Absences**

It is the Village's policy to permit employees to accumulated paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the Village's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned.

**7) Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**8) Deferred Outflows of Resources**

The Village reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. The Village reports deferred outflows of resources for pension and other postemployment benefit related items.

**9) Deferred Inflows of Resources**

The Village's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The Village will not recognize the related revenue until a future event occurs. The Village has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the Village's year) under the modified accrual basis of accounting. The Village reports deferred inflows of resources for pension and other postemployment benefit related items.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**10) Budgetary Accounting**

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

- 1) A formal budget is adopted for the general fund in the fall of each year, for the succeeding calendar year. This budget is adopted on a basis consistent with generally accepted accounting principles.
- 2) The Village Board approves the budget by department. No transfers between departments are allowed without Board approval. Therefore, the level of budgetary responsibility is by a functional departmental basis.
- 3) Unused appropriations for all annually budgeted funds lapse at the end of the year.
- 4) Revised budget amounts are approved by the board.
- 5) The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

**11) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**12) Defining Operating Revenues and Expenses**

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 utility, stormwater utility, and sewer utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**13) Use of Restricted Resources**

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.

**14) Wisconsin Retirement System Pension Plan Benefits**

For purposes of measuring the Net Pension Liability (Asset), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and Pension Expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**15) Other Postemployment Benefits (OPEB) – Multi-Employer Plan**

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**16) Property Tax Levy Limit**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, towns and counties. For the 2020 and 2021 budget years, Wisconsin statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2020 budget was 1.937%. The actual limit for the Village for the 2021 budget was 0.436%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**17) Equity Classifications**

Fund equity, representing the difference between assets, deferred outflows of resources less liabilities and deferred inflows of resources, is classified as follows in the Village's financial statements:

Government-Wide and Proprietary Fund Statements – Fund equity is classified as net position in the government-wide and proprietary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net positions are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, granters or laws or regulations of other governments. All other net positions are displayed as unrestricted.

Fund Financial Statements – In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)**

**17) Equity Classifications (Continued)**

Fund Financial Statements (Continued) – Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the Village's general fund and includes all spendable amounts not contained in the other classifications. The Village has established a policy for minimum unassigned general fund balance to be 20 percent of general fund expenditures.

Committed fund balance is required to be established, modified, or rescinded by resolution of the Village Board prior to each year end. Based on resolution of the Village Board, the Finance Committee has been given the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for expenditure, it is the Village's practice to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the Village's practice to use committed, assigned and finally unassigned fund balance.

**18) Statement of Cash Flows**

For the purpose of cash flows, all cash and investments are considered in beginning or ending cash balances. The Village considers cash equivalents to include cash and investments having an original maturity of three months or less.

**NOTE 2 – CASH AND INVESTMENTS**

The Village's cash and investments balances at December 31, 2020 are reflected in the financial statements as follows:

Governmental Funds	\$ 741,606
Proprietary Funds	110,628
Fiduciary Funds	516,733
Total	\$ 1,368,967
Deposits in Financial Institutions	\$ 274,299
Deposits in Local Government Investment Pool	1,094,668
Total	\$ 1,368,967



**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Deposits at Financial Institutions

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Village has a custodial credit risk policy to minimize custodial risk maintaining a list of public depositories, financial institutions, and broker/dealers authorized to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution.

The Village’s deposits were insured and undercollateralized at December 31, 2020 as follows:

	Demand Deposit Accounts
FDIC Insured	\$ 258,613
Undercollateralized	130,458
Total	\$ 389,071

Custodial credit risk for deposits is the risk that, in the event of bank failure, the Village’s deposits may not be returned. At December 31, 2020, the Village’s deposits were exposed to credit risk in the amount of \$130,458.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The Village does not have any investments at this time.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Investments

The Village's investments at December 31, 2020 consisted of deposits in the following external investment pool:

Deposits in State and Local Government Pooled-Investment Fund

The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in the State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local government unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Investments in the local government investment pool are not insured. Investments in the LGIP are valued at amortized cost. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The weighted average maturity of the State Investment Fund's investments for 2020 was 30 days.

**NOTE 3 – CAPITAL ASSETS**

A summary of the changes in governmental capital assets is as follows:

	Balance 12/31/19	Additions	Disposal	Balance 12/31/20
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 681,124	\$ -	\$ -	\$ 681,124
Construction Work in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	681,124	-	-	681,124
Capital Assets Being Depreciated:				
Land Improvements	730,436	-	-	730,436
Buildings	2,255,682	10,840	-	2,266,522
Equipment and Vehicles	1,342,737	8,481	-	1,351,218
Property in the Open	291,710	-	-	291,710
Infrastructure	8,312,658	44,044	(33,980)	8,322,722
Total Capital Assets Being Depreciated	12,933,223	63,365	(33,980)	12,962,608
Total Capital Assets	13,614,347	63,365	(33,980)	13,643,732
Accumulated Depreciation	(7,913,277)	(376,639)	33,980	(8,255,936)
Total Governmental Activities Capital Assets	\$ 5,701,070	\$ (313,274)	\$ -	\$ 5,387,796

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 3 – CAPITAL ASSETS (Continued)**

Depreciation was charged to governmental activities as follows:

General Government	\$ 38,753
Public Safety	7,638
Public Works	281,930
Culture, Recreation, and Education	48,318
	<u>\$ 376,639</u>

The following is a summary of the proprietary fund's property, plant, and equipment at December 31, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance
Water Utility:				
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 9,876	\$ -	\$ -	\$ 9,876
Construction Work In Progress	-	66,871	-	66,871
Total Capital Assets Not Being Depreciated	<u>9,876</u>	<u>66,871</u>	<u>-</u>	<u>76,747</u>
Capital Assets Being Depreciated:				
Source of Supply	30,161	-	-	30,161
Pumping Plant	147,738	-	-	147,738
Water Treatment	45,933	-	-	45,933
Transmission and Distribution	3,388,070	7,628	(1,221)	3,394,477
General Plant	44,520	-	-	44,520
Total Capital Assets Being Depreciated	<u>3,656,422</u>	<u>7,628</u>	<u>(1,221)</u>	<u>3,662,829</u>
Total Capital Assets	3,666,298	74,499	(1,221)	3,739,576
Less: Accumulated Depreciation	<u>(1,364,487)</u>	<u>(60,577)</u>	<u>1,221</u>	<u>(1,423,843)</u>
Net Capital Assets - Water Department	<u>2,301,811</u>	<u>13,922</u>	<u>-</u>	<u>2,315,733</u>
Stormwater Utility:				
Capital Assets Being Depreciated:				
Collection System	932,929	-	-	932,929
General Plant	1,950	-	-	1,950
Total Capital Assets Being Depreciated	<u>934,879</u>	<u>-</u>	<u>-</u>	<u>934,879</u>
Total Capital Assets	934,879	-	-	934,879
Less: Accumulated Depreciation	<u>(302,698)</u>	<u>(32,098)</u>	<u>-</u>	<u>(334,796)</u>
Net Capital Assets - Stormwater Department	<u>632,181</u>	<u>(32,098)</u>	<u>-</u>	<u>600,083</u>
Sewer Utility:				
Capital Assets Not Being Depreciated:				
Land and Land Rights	1,341	-	-	1,341
Capital Assets Being Depreciated:				
Collection System	2,092,310	-	-	2,092,310
Treatment and Disposal Plant	1,284,756	-	-	1,284,756
General Plant	15,559	-	-	15,559
Total Capital Assets Being Depreciated	<u>3,392,625</u>	<u>-</u>	<u>-</u>	<u>3,392,625</u>
Total Capital Assets	3,393,966	-	-	3,393,966
Less: Accumulated Depreciation	<u>(1,806,740)</u>	<u>(76,865)</u>	<u>-</u>	<u>(1,883,605)</u>
Net Capital Assets - Sewer Department	<u>1,587,226</u>	<u>(76,865)</u>	<u>-</u>	<u>1,510,361</u>
Net Capital Assets - Business-Type Activities	<u>\$ 4,521,218</u>	<u>\$ (95,041)</u>	<u>\$ -</u>	<u>\$ 4,426,177</u>

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 3 – CAPITAL ASSETS (Continued)**

Depreciation was charged to business-type activities as follows:

Water Utility	\$ 60,577
Stormwater Utility	32,098
Sewer Utility	76,865
	<u>\$ 169,540</u>

**NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of December 31, 2020 was as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Tax Incremental District #5	Tax Incremental District #4	\$ 91,315	Cashflow Purposes
Tax Incremental District #5	Tax Incremental District #6	32	Cashflow Purposes
General Fund	Tax Incremental District #3	105,469	TID Closeout Contribution
Water Utility	Sewer Utility	4,688	Operation Items
Water Utility	General Fund	6,757	Delinquent Utility on Tax Roll
Sewer Utility	General Fund	5,058	Delinquent Utility on Tax Roll
Stormwater Utility	General Fund	756	Delinquent Utility on Tax Roll
		<u>\$ 214,075</u>	

**Interfund Transfers**

<u>Funds Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Utility	\$ 54,195	Payment in Lieu of Tax
Library Fund	General Fund	83,000	Operating Budget
General Fund	TID #3	105,469	TID Closeout
		<u>\$ 242,664</u>	

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 5 – LONG-TERM OBLIGATIONS**

**Changes in Long-Term Obligations**

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

	Balances 1/1/20	Additions	Reductions	Balances 12/31/20	Amounts Due Within One Year
<b>Long-Term Debt:</b>					
<b>Governmental Activities:</b>					
General Obligation Notes	\$ 900,573	\$ -	\$ (107,642)	\$ 792,931	\$ 57,783
Revenue Bonds	375,861	-	(22,483)	353,378	22,750
State Trust Fund Loans	465,000	-	(57,000)	408,000	58,000
Total Governmental Activities	<u>1,741,434</u>	<u>-</u>	<u>(187,125)</u>	<u>1,554,309</u>	<u>138,533</u>
<b>Business-Type Activities:</b>					
General Obligation Notes	229,190	-	(36,606)	192,584	20,247
Water Utility Revenue Bonds	410,806	-	(44,303)	366,503	47,453
Stormwater Utility Revenue Bonds	147,118	-	(14,199)	132,919	14,582
Sewer Utility Revenue Bonds	382,454	-	(29,774)	352,680	30,623
Total Business-Type Activities	<u>1,169,568</u>	<u>-</u>	<u>(124,882)</u>	<u>1,044,686</u>	<u>112,905</u>
Total Long-Term Debt	<u>\$ 2,911,002</u>	<u>\$ -</u>	<u>\$ (312,007)</u>	<u>\$ 2,598,995</u>	<u>\$ 251,438</u>
<b>Other Long-Term Obligations:</b>					
<b>Governmental Activities:</b>					
Capital Lease	\$ 3,114	\$ -	\$ (1,869)	\$ 1,245	\$ 1,245
Net WRS Pension Liability	126,839	-	(126,839)	-	-
Net State OPEB Liability	21,006	17,846	-	38,852	-
Employee Vacation and Sick Leave Liability	135,378	21,697	(29,710)	127,365	28,860
Total Other Liabilities	<u>\$ 286,337</u>	<u>\$ 39,543</u>	<u>\$ (158,418)</u>	<u>\$ 167,462</u>	<u>\$ 30,105</u>
<b>Business-Type Activities:</b>					
Net WRS Pension Liability	\$ 24,178	\$ -	\$ (24,178)	\$ -	\$ -
Net State OPEB Liability	13,578	-	(957)	12,621	-
Total Other Liabilities	<u>\$ 37,756</u>	<u>\$ -</u>	<u>\$ (25,135)</u>	<u>\$ 12,621</u>	<u>\$ -</u>

All debt issues are direct borrowing or direct placement.

**Revenues for Debt Retirement**

Principal and interest on general obligation notes recorded in the enterprise funds are expected to be paid by the utilities as they mature. Also, repayment requirements on debt issued to finance TID project costs are expected to be funded from tax increment district' revenues.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 5 – LONG-TERM OBLIGATIONS (Continued)**

**General Obligation Long-Term Debt**

Annual Requirements for Retirement – Individual debt issues outstanding at December 31, 2020 and annual requirements for their retirement are as follows:

Description	Due Date	Principal	Interest	Total
General Obligation Promissory Note \$90,000, dated 12/23/2014, due 12/23/2024, interest at 3.22%	2021	\$ 12,831	\$ 1,604	\$ 14,435
	2022	13,256	1,181	14,437
	2023	13,694	741	14,435
	2024	14,145	289	14,434
			<u>53,926</u>	<u>3,815</u>
General Obligation Promissory Note \$162,000, dated 12/18/2017, due 3/18/2027, interest at 3.46%	2021	18,000	4,102	22,102
	2022	18,000	3,471	21,471
	2023	18,000	2,839	20,839
	2024	18,000	2,208	20,208
	2025	18,000	1,577	19,577
	2026	18,000	944	18,944
	2027	18,000	313	18,313
		<u>126,000</u>	<u>15,454</u>	<u>141,454</u>
General Obligation Promissory Note \$247,250, dated 9/16/2019, due 9/12/2029, interest at 2.259%	2021	22,911	4,825	27,736
	2022	23,440	4,296	27,736
	2023	23,982	3,756	27,738
	2024	24,526	3,212	27,738
	2025	25,102	2,634	27,736
	2026-2029	99,326	4,609	103,935
		<u>219,287</u>	<u>23,332</u>	<u>242,619</u>
General Obligation Promissory Note \$610,000, dated 10/28/2019, due 10/27/2029, interest at 2.56%	2021	24,288	14,777	39,065
	2022	24,917	14,150	39,067
	2023	25,560	13,506	39,066
	2024	26,221	12,845	39,066
	2025	26,899	12,178	39,077
	2026-2029	458,417	41,535	499,952
		<u>586,302</u>	<u>108,991</u>	<u>695,293</u>
State Trust Fund Loan \$853,000, dated 7/13/2012, due 3/15/2027, interest at 4.0%	2021	58,000	16,320	74,320
	2022	58,000	14,000	72,000
	2023	58,000	11,680	69,680
	2024	59,000	9,386	68,386
	2025	60,000	7,000	67,000
	2026	60,000	4,600	64,600
	2027	55,000	2,200	57,200
		<u>408,000</u>	<u>65,186</u>	<u>473,186</u>
<b>Total General Obligation Debt</b>		<u><u>\$ 1,393,515</u></u>	<u><u>\$ 216,778</u></u>	<u><u>\$ 1,610,293</u></u>

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 5 – LONG-TERM OBLIGATIONS (Continued)**

**General Obligation Long-Term Debt (Continued)**

General Obligation Debt Limitation - Section 67.03(1) of the Wisconsin Statutes provide that the amount of indebtedness of a municipality shall not exceed five (5) percent of the equalized valuation of the taxable property in the municipality. At December 31, 2020, the Village's debt limit amounted to \$3,703,170 and indebtedness subject to the limitation totaled \$1,393,515.

**Water Revenue Bonds**

Annual Requirements for Retirement – Individual debt issues outstanding at December 31, 2020 and annual requirements for their retirement are as follows:

Description	Due Date	Principal	Interest	Total
Water Utility Mortgage Revenue Refunding Bonds, \$586,800, dated 11/22/2005, due 9/1/2025, interest at 4.81%	2021	\$ 35,000	\$ 8,817	\$ 43,817
	2022	35,000	7,110	42,110
	2023	35,000	5,404	40,404
	2024	37,000	3,707	40,707
	2025	38,800	1,892	40,692
			180,800	26,930
Water Utility Mortgage Revenue Bonds, \$209,674, dated 6/13/2012, due 5/1/2032, interest at 1.32%	2021	10,250	1,679	11,929
	2022	10,385	1,543	11,928
	2023	10,523	1,405	11,928
	2024	10,661	1,265	11,926
	2025	10,802	1,123	11,925
	2026-2030	56,188	3,427	59,615
	2031-2032	23,527	311	23,838
		132,336	10,753	143,089
Water Utility Mortgage Revenue Bonds, \$447,557, dated 9/24/2014, due 5/1/2034, interest at 1.155%	2021	21,517	3,629	25,146
	2022	21,766	3,379	25,145
	2023	22,017	3,126	25,143
	2024	22,271	2,870	25,141
	2025	22,529	2,612	25,141
	2026-2030	116,607	9,070	125,677
	2031-2034	98,230	2,285	100,515
		324,937	26,971	351,908
Water Utility Mortgage Revenue Bonds, \$138,072, dated 12/16/2018, due 5/1/2038, interest at 1.122%	2021	6,336	1,374	7,710
	2022	6,407	1,302	7,709
	2023	6,479	1,230	7,709
	2024	6,552	1,157	7,709
	2025	6,625	1,083	7,708
	2026-2030	34,259	4,276	38,535
	2031-2035	36,225	2,300	38,525
2036-2038	22,726	383	23,109	
		125,609	13,105	138,714
Total Water Utility Revenue Bonds		\$ 763,682	\$ 77,759	\$ 841,441

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 5 – LONG-TERM OBLIGATIONS (Continued)**

**Water Revenue Bonds (Continued)**

The water utility, stormwater utility, and general fund have pledged future water, stormwater, and general revenues, net of specified operating expenses, to repay \$1,382,103 in revenue bonds issued in 2005, 2012, 2014 and 2018. Proceeds from the bonds provided financing for the water utility, stormwater utility, and general fund. The bonds are payable from utility and general revenues and are payable through 2025, 2032, 2034 and 2038. Annual principal and interest payments on the bonds are expected to require 4.9% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$841,441. Principal and interest paid for the year and total customer gross revenues were \$86,873 and \$1,757,557, respectively.

**Sewer Revenue Bonds**

Annual Requirements for Retirement – Individual debt issues outstanding at December 31, 2020 and annual requirements for their retirement are as follows:

Description	Due Date	Principal	Interest	Total
Sewer Utility Mortgage Revenue Bonds, \$323,692, dated 4/9/2014, due 5/1/2033, interest at 1.32%	2021	\$ 15,605	\$ 6,045	\$ 21,650
	2022	16,014	5,630	21,644
	2023	16,435	5,204	21,639
	2024	16,866	4,767	21,633
	2025	17,309	4,319	21,628
	2026-2030	93,602	14,443	108,045
	2031-2033	62,267	2,481	64,748
		<u>238,098</u>	<u>42,889</u>	<u>280,987</u>
Sewer Utility Mortgage Revenue Bonds, \$480,000, dated 3/1/2008, due 1/1/2028, interest at 4.44%	2021	19,950	8,927	28,877
	2022	27,300	7,707	35,007
	2023	28,100	6,482	34,582
	2024	28,900	5,220	34,120
	2025	29,700	3,923	33,623
	2026	30,500	1,991	32,491
	2027	31,300	1,225	32,525
	2028	7,950	88	8,038
		<u>203,700</u>	<u>35,563</u>	<u>239,263</u>
Total Sewer Utility Mortgage Revenue Bonds		<u>\$ 441,798</u>	<u>\$ 78,452</u>	<u>\$ 520,250</u>

The sewer utility and stormwater utility have pledged future sewer and stormwater revenues, net of specified operating expenses, to repay \$803,692 in revenue bonds issued in 2008 and 2014. Proceeds from the bonds provided financing for the sewer utility and stormwater utility. The bonds are payable solely from utility revenues and are payable through 2028 and 2033. Annual principal and interest payments on the bonds are expected to require 18.8% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$520,250. Principal and interest paid for the year and total customer gross revenues were \$57,321 and \$305,500, respectively.

**Revenues for Debt Retirement**

The ordinances authorizing the issuance of the revenue bonds calls for the establishment of separate and special funds into which utility revenues are to be set aside. The Village has established the required Bond Special Redemption Fund. Monthly deposits are being made to the Bond Special Redemption Fund from which principal and interest payments are made.



**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 5 – LONG-TERM OBLIGATIONS (Continued)**

The following is a summary of the long-term debt issues and transactions of the Village governmental funds for the year ended December 31, 2020:

	Balances 1/1/20	Additions	Retirements	Balances 12/31/20
State of WI-Bd of Comm of Public Lands Note, 4% Interest, Principal & Interest Due 3/15	\$ 465,000	\$ -	\$ 57,000	\$ 408,000
Bremer Bank Note, 2.95% Interest, Principal due 12/1, Interest Due 6/1 & 12/1	35,860	-	35,860	-
WI DNR Revenue Bond, 1.32% Interest, Principal due 5/1, Interest Due 5/1 & 11/1	74,004	-	5,256	68,748
Community Bank Note, 2.86% Interest Principal & Interest Due 8/15	14,811	-	14,811	-
WI DNR Revenue Bond, 1.155% Interest, Principal due 5/1, Interest Due 5/1 & 11/1	207,170	-	12,729	194,441
Bremer Bank Note, 3.46% Interest, Principal due 3/18, Interest Due 3/18 & 9/18	144,000	-	18,000	126,000
WI DNR Revenue Bond, 1.12% Interest, Principal Due 5/1, Interest 5/1 & 11/1	94,687	-	4,499	90,188
Bremer Bank Note, 2.56% Interest, Principal & Interest Due Quarterly	493,559	-	19,192	474,367
Community Bank Note, 2.259% Interest, Principal & Interest Due Quarterly	212,343	-	19,778	192,565
Total General Fund Debt	<u>\$ 1,741,434</u>	<u>\$ -</u>	<u>\$ 187,125</u>	<u>\$ 1,554,309</u>

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 5 – LONG-TERM OBLIGATIONS (Continued)**

The following is a summary of the long-term debt transactions of the Village proprietary funds for the year ended December 31, 2020:

	Balances 1/1/20	Additions	Retirements	Balances 12/31/20
<b>Water Utility:</b>				
W-1 Revenue Bonds/Refunding 2005	\$ 212,800	\$ -	\$ (32,000)	\$ 180,800
W-2 Revenue Bonds/St. Projects 2012	68,449	-	(4,861)	63,588
W-3 GO/Refinance Loan 2012	13,055	-	(13,055)	-
W-4 Revenue Bonds/St. Project 2014	92,368	-	(5,675)	86,693
W-5 Revenue Bonds/St. Project 2018	37,189	-	(1,767)	35,422
W-6 GO/St. Project 2019	29,340	-	(1,141)	28,199
Total Water Utility	453,201	-	(58,499)	394,702
<b>Stormwater Utility:</b>				
SW-3 Revenue Bonds/St. Project 2007	100,450	-	(11,331)	89,119
SW-4 GO/Refinance Loan 2012	4,034	-	(4,034)	-
SW-5 Revenue Bonds/St. Project 2014	46,668	-	(2,867)	43,801
SW-6 GO/St. Project 2019	55,253	-	(2,149)	53,104
SW-7 GO/Sweeper 2019	29,323	-	(2,731)	26,592
Total Stormwater Utility	235,728	-	(23,112)	212,616
<b>Sewer Utility:</b>				
S-1 Revenue Bonds/St. Project 2007	129,150	-	(14,569)	114,581
S-3 GO/St. Project 2014	66,338	-	(12,258)	54,080
S-4 Revenue Bonds/Diffusors 2014	253,303	-	(15,206)	238,097
S-5 GO/St. Project 2019	31,848	-	(1,238)	30,610
Total Sewer Utility	480,639	-	(43,271)	437,368
<b>Total Proprietary Fund Long-Term Debt</b>	<b>\$ 1,169,568</b>	<b>\$ -</b>	<b>\$ (124,882)</b>	<b>\$ 1,044,686</b>

W-1 – Water System Mortgage Revenue Bonds were issued for the Northside Water Project in 1993. The bonds carried varying maturities at a constant interest rate of 5.25%, with principal due January 1 and interest due January 1 and July 1 of each year. These bonds were paid off in 2005 by the Water System Mortgage Refunding Bonds, Series 2005A. The new issue carries varying maturities at a constant interest rate of 4.81%, with principal due September 1 and interest due March 1 and September 1 each year.

W-2 – Water System Revenue Bonds were issued in 2012 for improvements to the Water Utility system.

SW-3 & S-1 – Stormwater System and Sewer System Revenue Bonds were issued in 2008, totaling \$480,000. These bonds carry varying maturities at a constant interest rate of 4.44%, with principal and interest due quarterly on January 1, April 1, July 1, and October 1 of each year. The final payment is scheduled for January 1, 2028.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 5 – LONG-TERM OBLIGATIONS (Continued)**

S-3 – Sewer improvements on the West Broadway Avenue Utility Improvement Project in 2014 were not eligible for WI DNR SDWLF funds. Sewer Utility debt was issued for these improvements in the amount of \$90,000 with an interest rate of 2.33%. This note has a 10-year term with quarterly interest only payments in the first three years and quarterly principal and interest payments starting in the fourth year in amounts sufficient to pay the loan off in the 10 years.

S-4 – Sewer System Revenue Bonds were issued in 2014 totaling \$323,692. The Bonds mature in installments of principal due May 1 and interest due May 1 and November 1 of each of the years 2014 through 2033 and bear interest at a rate of 2.625%. These bonds were issued as part of the Federal Environmental Improvement Fund through the WI Department of Natural Resources Clean Water Fund and were used for improvements at the Wastewater Treatment Plant.

W-4 & SW-5 – The Federal Environmental Improvement Fund through the WI Department of Natural Resources Safe Drinking Water Loan Fund (WI DNR SDWLF) was used to fund the West Broadway Avenue Utility Improvement Project in 2014. The final installment of this loan was received in 2015 in the amount of \$17,505. This Revenue Bond is recorded in multiple funds. The 20-year bonds total \$447,557 with an interest rate of 1.155%. Principal payments are due May 1 and interest payments are due May 1 and November 1 of each of the years 2015 through 2034. The disposition of these funds includes Water Utility \$119,408; Stormwater Utility \$60,331; and General Fund \$267,818. In addition to this low interest loan, principal forgiveness was received in the amount of \$414,919. This amount was distributed as follows: General Fund \$248,288, Water Utility \$110,700 and Stormwater Utility \$55,931.

W-5 – Water System Revenue Bonds were issued in 2018 for improvements to the Water Utility system. An additional amount of \$14,514 was received in the Water Utility during 2019.

W-6, SW-6 & S-5 – A Community Development Block Grant (CDBG) Downtown Street Project Loan was issued in 2019. The total loan of \$610,000 is financed over 20 years with a 10-year amortization at an interest rate of 2.56% with quarterly principal and interest payments due on January 28, April 28, July 28 and October 28 of each year. There is a balloon payment due on October 27, 2029 in the amount of \$351,181. The disposition of these funds includes Water Utility \$29,340; Stormwater Utility \$55,253; Sewer Utility \$31,847; and General Fund \$493,560. In addition to this loan, a \$500,000 Community Development Block Grant-Public Facilities was received from the Wisconsin Department of Administration, Division of Energy, Housing and Community Resources.

SW-7 – A general obligation loan for miscellaneous items including a street sweeper was obtained in 2019.

**Subsequent Debt Issuance**

On June 23, 2021, the Village was awarded and Safe Drinking Water Loan for the Water Manganese Project in the amount of \$925,886. As part of this agreement, the Village issued a Water System Revenue Bond, Series 2021 in the amount of \$425,886. The debt accrues interest at 0.891 percent and is due May 1, 2041.

**NOTE 6 – CAPITAL LEASES**

The Village has a \$1,245 obligation for office equipment (original cost \$5,603) under a capital lease at December 31, 2020. This asset is included on the Village Capital assets register and is depreciated. The lease will be paid in full in 2021.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 7 – GOVERNMENTAL FUND BALANCES**

The governmental fund balances at December 31, 2020 consisted of the following:

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
Major Funds:					
General Fund					
Delinquent Special Assessments	\$ 49,284	\$ 49,284	\$ -	\$ -	\$ -
Prepaid Expenditures	13,435	13,435	-	-	-
Campground	87,000	-	-	87,000	-
Unassigned	<u>200,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,898</u>
Sub-Total General Fund	350,617	62,719	-	87,000	200,898
Library Fund	12,467	-	-	12,467	-
Tax Incremental District #3 Fund	-	-	-	-	-
Tax Incremental District #4 Fund	(91,000)	-	-	-	(91,000)
Tax Incremental District #5 Fund	329,149	-	329,149	-	-
Tax Incremental District #6 Fund	<u>(32)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32)</u>
Total Government Fund Balances at December 31, 2020	<u><u>\$ 601,201</u></u>	<u><u>\$ 62,719</u></u>	<u><u>\$ 329,149</u></u>	<u><u>\$ 99,467</u></u>	<u><u>\$ 109,866</u></u>

**NOTE 8 – TAX INCREMENTAL DISTRICTS**

The Village had three tax incremental district (TID #3, TID #4 and TID #5) in existence during 2020. Additionally, it started the planning phase to start TID #6 as well. District #3 was created January 1, 1994, for the construction of public works, capital costs for improvements to buildings and real property assembly costs; District #4 was created January 1, 2005 for construction, capital costs, and real property assembly costs; and District #5 was created January 1, 2008 to facilitate rehabilitation costs. Costs of the tax district projects are recovered through the property tax increment received due to the project value increase. The statutes further allowed the municipality to collect tax increments for sixteen years after the last project expenditure was made or until the net project cost of the district had been recovered, whichever occurred first. The State enacted several changes relating to the tax incremental district in 2004 (with amending legislation in 2005). One of these changes extends the expenditure period for all current and future districts to have five years prior to the termination of the district's unextended maximum life. For those districts that have reached the end of its expenditure period prior to October 1, 2004, it allows a municipality to expand additional project costs included in the project plan (subject to certain conditions).

The project plans of all the tax incremental districts, are on file in the Village administrative offices, they detail the proposed projects, the estimated years of construction or site acquisition and the estimated costs of the individual project components.

Project expenditures to date have been financed by long-term debt proceeds, grant funds and advances from the General Fund. The advances and long-term debt are to be repaid from the increase in property tax revenue expected to result from the increased valuation in the tax increment districts.

Project costs uncollected at the dissolution date are absorbed by the municipality.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 8 – TAX INCREMENTAL DISTRICTS (Continued)**

The following is a summary of TID #3, TID #4, TID #5 and TID #6 project costs and revenues through December 31, 2020:

	<u>TID #3</u>	<u>TID #4</u>	<u>TID #5</u>	<u>TID #6</u>
Accumulated Project Costs (from inception to December 31, 2020):				
Capital Expenditures	\$ 1,371,639	\$ 512,500	\$ 69,839	\$ -
Administrative Costs	-	150	150	32
Transfers to Other TIDs	521,752	-	-	-
Interest Charges	<u>917,682</u>	<u>158,136</u>	-	-
Total Project Costs	<u>2,811,073</u>	<u>670,786</u>	<u>69,989</u>	<u>32</u>
Accumulated Project Revenues:				
Tax Increments	2,808,933	579,471	-	-
Transfers from Other TIDs	-	-	399,138	-
Other	<u>2,140</u>	-	-	-
Total Project Revenues	<u>2,811,073</u>	<u>579,471</u>	<u>399,138</u>	<u>-</u>
Unrecovered Project Costs at December 31, 2020	<u>\$ -</u>	<u>\$ (91,315)</u>	<u>\$ 329,149</u>	<u>\$ (32)</u>

When tax incremental revenues received have extinguished the project costs plus interest, that tax district is either terminated or amended to allocate increments to another district. TID #3's positive increments were allocated to TID #5 on October 18, 2011. Expected termination dates by district are estimated below:

	<u>Termination Year</u>
District 3	2021
District 4	2025
District 5	2034

For each district, the growth in equalized value from the date of inception through January 1, 2020 is as follows:

	<u>Inception</u>	<u>01-01-2020</u>	<u>Growth</u>
District 3	\$ 1,157,300	\$ 9,283,900	\$ 8,126,600
District 4	1,091,000	4,329,500	3,238,500
District 5	212,600	102,000	(110,600)

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 9 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS**

**General Information about the Pension Plan**

**Plan Description**

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

ETF issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**Vesting**

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

**Benefits Provided**

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

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

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

The WRS also provides death and disability benefits for employees.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 9 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (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, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the fiscal reporting period January 1, 2020 through December 31, 2020, the WRS recognized \$48,546 in contributions from the employer. Contribution rates as of December 31, 2020 are:

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

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 9 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (Continued)**

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

At December 31, 2020, the Village of Grantsburg reported an asset of \$136,199 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The 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 0.00422394% which was decrease of 0.0002089% from its proportion measured as of December 31, 2018.

For the years ended December 31, 2020, the Village recognized pension expense of \$52,204.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 258,537	\$ 129,380
Changes in Assumptions	10,613	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	278,440
Changes in Proportion and Differences Between Village Contributions and Proportionate Share of Contributions	207	875
Village Contributions Subsequent to the Measurement Date	48,546	-
Total	<u>\$ 317,903</u>	<u>\$ 408,695</u>

The \$48,546 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows and (Inflows) of Resources
2021	\$ (41,249)
2022	(30,896)
2023	4,579
2024	(71,772)
	<u>\$ (139,338)</u>



**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 9 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (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 Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

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

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 9 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (Continued)**

**Long-Term Expected Return on Plan Assets**

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

**Retirement Funds Asset Allocation Targets and Expected Returns**

As of December 31, 2019:

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

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

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

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 9 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (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 of Grantsburg's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 7.00 percent, as well as what the Village of Grantsburg's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ 350,737	\$ (136,198)	\$ (500,239)

**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>.

As of December 31, 2020, the Village reported a payable to the pension plan of \$9,407, which represents contractually required contributions outstanding as of the end of the year.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN**

**General Information about the Other Postemployment Benefits (OPEB)**

**Plan Description**

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

**OPEB Plan Fiduciary Net Position**

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

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

**Benefits Provided**

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired 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:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN**

**Contributions (Continued)**

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:

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

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

During the reporting period, the LRLIF recognized \$218 in contributions from the employer.

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

At December 31, 2020, the Village of Grantsburg reported a liability of \$51,473 for its proportionate share of the Net OPEB Liability. The Net OPEB Liability was measured as of December 31, 2019, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The 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 0.01208800%, which was a decrease of 0.001315% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the Village recognized OPEB expense of \$5,810.

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (Continued)**

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 2,306
Changes of Assumptions or Other Input	18,989	5,662
Net Difference Between Projected and Actual Earnings on OPEB Investments	971	-
Change in proportion and differences between employer contributions and proportionate share of contributions	4,445	3,722
Village Contributions Subsequent to the Measurement Date	218	-
Total	<u>\$ 24,623</u>	<u>\$ 11,690</u>

\$218 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows and (Inflows) of Resources
2021	\$ 2,410
2022	2,410
2023	2,305
2024	2,197
2025	1,412
Thereafter	1,981
	<u>\$ 12,715</u>

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (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:

Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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

**Long-Term Expected Return on Plan Assets**

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

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

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

**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (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:

	1% Decrease (1.87%)	Current Discount Rate (2.87%)	1% Increase (3.87%)
Village's Share of Proportionate Share of the Net OPEB Liability	\$ 71,076	\$ 51,473	\$ 36,559

**NOTE 11 - RESERVED AND RESTRICTED FUNDS**

The long-term bonded debt secured for the Sewer Fund and Stormwater Fund projects includes in its indenture the requirement that a debt service reserve account be maintained until the bonds are retired. \$15,362 is currently held in this account. The indenture also requires a Depreciation Fund to accumulate deposits annually of \$4,800, until a balance of \$48,000 is reached. At year-end, \$48,000 is held in this account. These funds are available at management’s discretion, for their specified use for debt service. In addition, a replacement fund has been established for equipment replacement in the Sewer Fund, with a year-end balance of \$60,129. These funds are available for replacement of equipment, to be used at the discretion of management.

The Water Fund long-term bonded debt includes in its indenture a requirement for a Debt Service Reserve Fund, used to accumulate monthly deposits to meet the debt service requirements. The year-end balance in this account is \$23,043. The indenture also requires a Depreciation Fund to accumulate monthly deposits, totaling \$4,700 annually, until a balance of \$47,000 is achieved. The year-end balance in this account is \$47,000.

The General Fund long-term bonded debt includes in its indenture a requirement for a Debt Service Reserve Fund, used to accumulate monthly deposits to meet the debt service requirements. The year-end balance in this account is \$14,822.



**VILLAGE OF GRANTSBURG**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**NOTE 12 – RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 13 – PRIOR PERIOD ADJUSTMENTS**

The restatement of fund balance for the Village’s financial statements were the result of breaking out the tax incremental districts out of the General Fund.

	Fund Balance As Previously Stated December 31, 2019	Fund Balance Restatement	Fund Balance As Restated December 31, 2020
Governmental Activities:			
General Fund	\$ 714,574	\$ (321,006)	\$ 393,568
TID #3	-	131,051	131,051
TID #4	-	(139,344)	(139,344)
TID #5	-	329,299	329,299
Total	<u>\$ 714,574</u>	<u>\$ -</u>	<u>\$ 714,574</u>

The restatement of net position for the Village’s financial statements were to correctly classify the regulatory liability as net position to comply with Generally Accepted Accounting Principles in the United States of America.

	Net Position As Previously Stated December 31, 2019	Prior Period Adjustment Regulatory Liability	Net Position As Restated December 31, 2020
Business-Type Activities	<u>\$ 3,903,969</u>	<u>\$ 115,407</u>	<u>\$ 4,019,376</u>
Water Utility	\$ 2,253,061	\$ 45,447	\$ 2,298,508
Stormwater Utility	415,596	-	415,596
Sewer Utility	1,235,312	69,960	1,305,272
Total	<u>\$ 3,903,969</u>	<u>\$ 115,407</u>	<u>\$ 4,019,376</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF GRANTSBURG**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 447,872	\$ 447,872	\$ 447,958	\$ 86
Intergovernmental	548,723	573,830	572,216	(1,614)
Licenses and Permits	13,200	13,200	11,933	(1,267)
Fines and Forfeits	4,000	4,000	2,387	(1,613)
Public Charges for Services	198,750	187,385	187,443	58
Miscellaneous	69,000	61,856	68,293	6,437
Total Revenues	<u>1,281,545</u>	<u>1,288,143</u>	<u>1,290,230</u>	<u>2,087</u>
Expenditures:				
General Government	213,096	227,829	218,473	9,356
Public Safety	468,675	467,175	449,946	17,229
Public Works	379,946	418,370	401,067	17,303
Health and Human Services	6,803	11,803	11,647	156
Culture, Recreation, and Education	141,672	111,717	100,114	11,603
Conservation and Development	12,950	12,950	-	12,950
Debt Service				
Principal Retirement	197,743	197,743	188,994	8,749
Interest and Fiscal Charges	48,084	48,084	46,315	1,769
Total Expenditures	<u>1,468,969</u>	<u>1,495,671</u>	<u>1,416,556</u>	<u>79,115</u>
Excess (Deficiency) of Revenues Over Expenditures	(187,424)	(207,528)	(126,326)	81,202
Other Financing Sources (Uses):				
Sale of Village Property	-	6,711	6,711	-
Transfer In - Tax Equivalent	54,195	54,195	54,195	-
Transfer In - TID #3 Closeout	-	216,229	105,469	(110,760)
Transfer Out	(83,000)	(83,000)	(83,000)	-
Total Other Financing Sources (Uses)	<u>(28,805)</u>	<u>194,135</u>	<u>83,375</u>	<u>(110,760)</u>
Net Change in Fund Balance	(216,229)	(13,393)	(42,951)	(29,558)
Fund Balance, January 1, As Previously Stated	714,574	714,574	714,574	-
Prior Period Adjustment	(321,006)	(321,006)	(321,006)	-
Fund Balance, January 1, As Restated	<u>393,568</u>	<u>393,568</u>	<u>393,568</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 177,339</u>	<u>\$ 380,175</u>	<u>\$ 350,617</u>	<u>\$ (29,558)</u>

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF GRANTSBURG**  
**BUDGETARY COMPARISON SCHEDULE**  
**LIBRARY FUND**  
**For the Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 75,585	\$ 75,585	\$ 75,595	\$ 10
Public Charge for Services	7,000	7,000	2,346	(4,654)
Miscellaneous:				
Interest Income	-	-	2	2
Donations and Contributions	9,787	9,787	7,044	(2,743)
Total Revenues	<u>92,372</u>	<u>92,372</u>	<u>84,987</u>	<u>(7,385)</u>
Expenditures:				
Culture, Recreation, and Education	<u>175,372</u>	<u>175,372</u>	<u>169,983</u>	<u>5,389</u>
Excess Revenues Over (Expenditures)	(83,000)	(83,000)	(84,996)	(1,996)
Other Financing Sources:				
Operating Transfer	<u>83,000</u>	<u>83,000</u>	<u>83,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	(1,996)	(1,996)
Fund Balance, Beginning of Year	<u>14,463</u>	<u>14,463</u>	<u>14,463</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 14,463</u></u>	<u><u>\$ 14,463</u></u>	<u><u>\$ 12,467</u></u>	<u><u>\$ (1,996)</u></u>

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF GRANTSBURG**  
**SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF**  
**THE NET PENSION PLAN LIABILITY (ASSET)**  
**Wisconsin Retirement System**  
**Last 10 Fiscal Years**  
**(Schedule is Presented Prospectively from Implementation)**

WRS Fiscal Year End Date (Measurement Date)	The Village's Proportionate Share of the Net Pension (Asset)/Liability	The Village's Proportionate Share of the Net Pension (Asset)/Liability	The Village's Covered-Employee Payroll	The 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 (Asset)/Liability
12/31/2019	0.00422394%	\$ (136,199)	\$ 551,309	-24.70%	102.96%
12/31/2018	0.00424483%	151,017	549,249	27.50%	96.45%
12/31/2017	0.00421910%	(125,270)	541,142	-23.15%	102.93%
12/31/2016	0.00419709%	34,594	529,060	6.54%	99.12%
12/31/2015	0.00421521%	68,496	528,836	12.95%	98.20%

\*The amounts presented are for a measurement date used 12 months prior to the Village's year end.

**VILLAGE OF GRANTSBURG**  
**SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS**  
**Wisconsin Retirement System**  
**Last 10 Fiscal Years**  
**(Schedule is Presented Prospectively from Implementation)**

Village's Fiscal Year:	The Village's Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	The Village's Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/2020	\$ 48,546	\$ 48,546	\$ -	\$ 565,369	8.59%
12/31/2019	43,066	43,066	-	551,309	7.81%
12/31/2018	43,946	43,946	-	549,249	8.00%
12/31/2017	43,445	43,445	-	541,142	8.03%
12/31/2016	39,697	39,697	-	529,060	7.50%
12/31/2015	40,477	40,477	-	528,836	7.65%

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

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

**VILLAGE OF GRANTSBURG**  
**SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND MULTI-EMPLOYER OPEB PLAN**  
**(Schedule is Presented Prospectively from Implementation)**

State OPEB Fiscal Year End Date (Measurement Date)	The Village's Proportionate Share of the Net OPEB Liability	The Village's Proportionate Share of the Net OPEB Liability	The Village's Covered- Employee Payroll	The 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	0.01288000%	\$ 51,473	\$ 447,000	11.52%	37.58%
12/31/2018	0.01340300%	34,584	507,000	6.82%	48.69%
12/31/2017	0.01359500%	40,902	571,709	7.15%	44.81%

\*The amounts presented for each fiscal year were determined as of the 12/31 measurement date that occurred within the fiscal year.

**VILLAGE OF GRANTSBURG**  
**SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS TO**  
**WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND MULTI-EMPLOYER OPEB PLAN**  
**LAST TEN FISCAL YEARS**  
**(Schedule is Presented Prospectively from Implementation)**

Village Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	The Village's Covered - Employee Payroll	Contributions as a Percentage of Covered - Employee Payroll
12/31/2020	\$ 218	\$ 218	\$ -	\$ 468,000	0.05%
12/31/2019	258	258	-	447,000	0.06%
12/31/2018	258	258	-	571,709	0.05%

See accompanying Notes to Required Supplementary Information.



**VILLAGE OF GRANTSBURG**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**Year Ended December 31, 2020**

**NOTE 1 – BUDGETARY INFORMATION**

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information is derived from the Village's annual operating budget.

The Village's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The Village's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. The Village exercises budgetary expenditure control at the department level.

Budget amounts in the statements include both original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

**SUPPLEMENTARY INFORMATION**

**VILLAGE OF GRANTSBURG**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL**  
**Year Ended December 31, 2020**

	2020		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes:			
General Property Taxes	\$ 432,872	\$ 432,872	\$ -
In Lieu of Taxes - Housing Authority	5,000	5,186	186
In Lieu of Taxes - Other	9,900	9,900	-
Interest on Delinquent Taxes	100	-	(100)
Total Taxes	<u>447,872</u>	<u>447,958</u>	<u>86</u>
Intergovernmental:			
Routes to Recovery Grant - COVID 19	19,018	17,334	(1,684)
State Shared Revenues	432,156	433,217	1,061
Personal Property Aids	5,591	5,634	43
Fire Insurance Tax	3,200	3,173	(27)
State Grant - Computer Aid	3,849	2,183	(1,666)
State Grant - Law Enforcement	3,982	4,782	800
General Transportation Aids	99,362	99,228	(134)
Municipal Services Aid	4,146	4,139	(7)
State Grant - Election Aid	2,107	2,107	-
In Lieu of Taxes - DNR	419	419	-
Total Intergovernmental	<u>573,830</u>	<u>572,216</u>	<u>(1,614)</u>
Licenses and Permits:			
Liquor and Malt Beverages	10,200	10,522	322
Dog Licenses	1,000	649	(351)
Bulding Permits	1,500	512	(988)
Zoning Permits	500	250	(250)
Total Licenses and Permits	<u>13,200</u>	<u>11,933</u>	<u>(1,267)</u>
Fines and Forfeitures:			
Ordiance and Municipal Citations	4,000	2,387	(1,613)
Public Charges for Services:			
Clerk's Fees	2,000	1,646	(354)
Law Enforcement Fees	800	105	(695)
Street Department Services	20,585	20,442	(143)
Airport Services	5,000	5,083	83
Campground Fees	63,000	62,266	(734)
Trash Collection	96,000	97,732	1,732
Recycling	-	169	169
Total Public Charges for Services	<u>187,385</u>	<u>187,443</u>	<u>58</u>
Miscellaneous:			
Interest on Investments	7,000	5,821	(1,179)
Interest on Special Assessments	4,000	4,995	995
Rent Income	4,300	6,201	1,901
Donations and Contributions	40,000	44,107	4,107
Other Revenues	6,556	7,169	613
Total Miscellaneous	<u>61,856</u>	<u>68,293</u>	<u>6,437</u>
Total Revenues	<u>1,288,143</u>	<u>1,290,230</u>	<u>2,087</u>

**VILLAGE OF GRANTSBURG**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL (Continued)**  
**Year Ended December 31, 2020**

	2020		Variance Positive (Negative)
	Final Budget	Actual	
<b>Expenditures:</b>			
<b>General Government:</b>			
Village Board	\$ 15,242	\$ 11,891	\$ 3,351
Legal	11,000	7,755	3,245
Clerk-Treasurer	122,457	117,503	4,954
Elections	4,800	6,903	(2,103)
IT Services	2,200	6,508	(4,308)
Assessor	7,500	7,851	(351)
Village Office Building	38,446	36,203	2,243
Insurance	22,984	19,434	3,550
Other General Expenses	3,200	4,425	(1,225)
Total General Government	227,829	218,473	9,356
<b>Public Safety:</b>			
Law Enforcement	333,175	314,632	18,543
Fire Protection	59,500	59,658	(158)
Ambulance	74,500	75,243	(743)
Other Public Safety	-	413	(413)
Total Public Safety	467,175	449,946	17,229
<b>Public Works:</b>			
Machinery and Equipment	26,513	20,958	5,555
Garage and Shop	14,339	13,054	1,285
Street Maintenance	138,358	144,457	(6,099)
Snow and Ice Control	40,137	39,436	701
Street Lighting	26,000	24,632	1,368
Capital Outlay	63,844	53,935	9,909
Airport	11,754	7,652	4,102
Trash Collection	96,000	95,559	441
Recycling	1,425	1,384	41
Total Public Works	418,370	401,067	17,303
<b>Health and Social Services:</b>			
Cemetery	11,803	11,647	156
<b>Culture, Recreation, and Education:</b>			
Community Center	13,319	8,888	4,431
Community Events	9,129	8,876	253
Fairgrounds	870	786	84
Pool Operations	16,126	9,934	6,192
Golf Course	-	909	(909)
Skating Rink	1,000	729	271
Memory Lake Dam	500	818	(318)
Park	11,387	11,093	294
Campground	59,386	58,081	1,305
Total Culture, Recreation, and Education	111,717	100,114	11,603

**VILLAGE OF GRANTSBURG**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL (Continued)**  
**Year Ended December 31, 2020**

	2020		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures (Continued):			
Conservation and Development:			
Economic Development	\$ 12,950	\$ -	\$ 12,950
Debt Service:			
Principal Long-Term	197,743	188,994	8,749
Interest	48,084	46,315	1,769
Total Debt Service	<u>245,827</u>	<u>235,309</u>	<u>10,518</u>
Total Expenditures	<u>1,495,671</u>	<u>1,416,556</u>	<u>79,115</u>
Excess (Deficiency) of Revenues Over Expenditures	(207,528)	(126,326)	81,202
Other Financing Sources (Uses):			
Sale of Village Property	6,711	6,711	-
Transfer In - Tax Equivalent	54,195	54,195	-
Transfer In - TID #3 Closeout	216,229	105,469	(110,760)
Transfer Out	<u>(83,000)</u>	<u>(83,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>194,135</u>	<u>83,375</u>	<u>(110,760)</u>
Net Change in Fund Balance	(13,393)	(42,951)	(29,558)
Fund Balance, January 1, As Previously Stated	714,574	714,574	-
Prior Period Adjustment	<u>(321,006)</u>	<u>(321,006)</u>	<u>-</u>
Fund Balance, January 1, As Restated	<u>393,568</u>	<u>393,568</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 380,175</u>	<u>\$ 350,617</u>	<u>\$ (29,558)</u>

**VILLAGE OF GRANTSBURG**  
**WATER UTILITY**  
**BUDGET TO ACTUAL COMPARISON**  
**Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues	\$ 290,730	\$ 282,380	\$ 289,160	\$ 6,780
Operating Expenses:				
Operation	99,265	107,265	84,599	22,666
Maintenance	7,500	7,500	15,830	(8,330)
Administrative and General	60,291	60,941	58,632	2,309
Total Operation and Maintenance	<u>167,056</u>	<u>175,706</u>	<u>159,061</u>	<u>16,645</u>
Depreciation	56,500	56,500	60,577	(4,077)
Total Operating Expenses	<u>223,556</u>	<u>232,206</u>	<u>219,638</u>	<u>12,568</u>
Operating Income	67,174	50,174	69,522	19,348
Nonoperating Revenues (Expenses)				
Interest Income	750	350	247	(103)
Interest on Long-Term Debt	(13,660)	(13,660)	(13,079)	581
Total Nonoperating Revenues (Expenses)	<u>(12,910)</u>	<u>(13,310)</u>	<u>(12,832)</u>	<u>478</u>
Income Before Transfers	54,264	36,864	56,690	19,826
Transfer to General Fund - Tax Equivalentts	<u>(54,195)</u>	<u>(54,195)</u>	<u>(54,195)</u>	<u>-</u>
Change in Net Position	69	(17,331)	2,495	19,826
Net Position, January 1, As Previously Stated	2,253,061	2,253,061	2,253,061	-
Prior Period Adjustment	-	-	45,447	-
Net Position, January 1, As Restated	<u>2,253,061</u>	<u>2,253,061</u>	<u>2,298,508</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,253,130</u>	<u>\$ 2,235,730</u>	<u>\$ 2,301,003</u>	<u>\$ 19,826</u>

**VILLAGE OF GRANTSBURG**  
**STORMWATER UTILITY**  
**BUDGET TO ACTUAL COMPARISON**  
**Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues	\$ 72,000	\$ 72,000	\$ 71,535	\$ (465)
Operating Expenses:				
Operation	7,101	5,151	4,394	757
Maintenance	1,513	1,513	627	886
Administrative and General	17,982	17,858	13,644	4,214
Total Operation and Maintenance	<u>26,596</u>	<u>24,522</u>	<u>18,665</u>	<u>5,857</u>
Depreciation	26,738	26,738	32,098	(5,360)
Total Operating Expenses	<u>53,334</u>	<u>51,260</u>	<u>50,763</u>	<u>497</u>
Operating Income	18,666	20,740	20,772	32
Nonoperating Revenues (Expenses)				
Federal Grant	-	-	284	284
Interest Income	500	500	35	(465)
Interest on Long-Term Debt	(6,830)	(6,830)	(6,921)	(91)
Total Nonoperating Revenues (Expenses)	<u>(6,330)</u>	<u>(6,330)</u>	<u>(6,602)</u>	<u>(272)</u>
Change in Net Position	12,336	14,410	14,170	(240)
Net Position, January 1	<u>415,596</u>	<u>415,596</u>	<u>415,596</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 427,932</u>	<u>\$ 430,006</u>	<u>\$ 429,766</u>	<u>\$ (240)</u>

**VILLAGE OF GRANTSBURG**  
**SEWER UTILITY**  
**BUDGET TO ACTUAL COMPARISON**  
**Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues	\$ 242,400	\$ 231,900	\$ 233,965	\$ 2,065
Operating Expenses:				
Operation	115,332	127,332	104,554	22,778
Maintenance	7,055	7,055	5,080	1,975
Administrative and General	56,548	63,048	52,370	10,678
Total Operation and Maintenance	<u>178,935</u>	<u>197,435</u>	<u>162,004</u>	<u>35,431</u>
Depreciation	76,367	76,367	76,865	(498)
Total Operating Expenses	<u>255,302</u>	<u>273,802</u>	<u>238,869</u>	<u>34,933</u>
Operating Income	(12,902)	(41,902)	(4,904)	36,998
Nonoperating Revenues (Expenses)				
Interest Income	1,500	500	464	(36)
Interest on Long-Term Debt	(14,700)	(14,700)	(14,836)	(136)
Total Nonoperating Revenues (Expenses)	<u>(13,200)</u>	<u>(14,200)</u>	<u>(14,372)</u>	<u>(172)</u>
Change in Net Position	(26,102)	(56,102)	(19,276)	36,826
Net Position, January 1, As Previously Stated	1,235,312	1,235,312	1,235,312	-
Prior Period Adjustment	-	-	69,960	-
Net Position, January 1, As Restated	<u>1,235,312</u>	<u>1,235,312</u>	<u>1,305,272</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,209,210</u>	<u>\$ 1,179,210</u>	<u>\$ 1,285,996</u>	<u>\$ 36,826</u>