

VILLAGE OF GRANTSBURG, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2021

VILLAGE OF GRANTSBURG
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Independent Auditor's Report

Village Board and Management
Village of Grantsburg
Grantsburg, Wisconsin

Report on the Financial Statements

Opinions

We have audited the 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, 2021, 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.

In our opinion, the accompanying financial statements 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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Grantsburg and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Grantsburg's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Grantsburg's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

Supplementary 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 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
June 20, 2022

VILLAGE OF GRANTSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

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, 2021. 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, 2021 include the following:

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$8,694,304 (net position). Of this amount, \$7,507,790, represented the Village's investment in capital assets, \$571,525 was held for restricted purposes, and \$614,989 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 increased by \$379,765, or approximately 8.7 percent. Net position related to the business-type activities of the Village increased \$516,982, while net position related to governmental activities decreased \$137,217.
- At the close of the fiscal year, the Village's governmental funds reported combined ending fund balance of \$509,579, a decrease of \$91,622 from the previous year.
- At the end of 2021, the unassigned general fund balance totaled \$161,065, or 10.8 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, 2021

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 five (5) 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 #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 beginning on page 13 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, 2021

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 \$8,694,304 at the close of 2021. The largest portion of net position (86.4%) 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, 2021 and 2020

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and Other Assets	\$ 1,317,174	\$ 1,464,908	\$ 858,423	\$ 710,729	\$ 2,175,597	\$ 2,175,637
Capital Assets	5,128,553	5,387,796	5,064,904	4,426,177	10,193,457	9,813,973
Internal Balances	(16,261)	(12,571)	16,261	12,571	-	-
Total Assets	6,429,466	6,840,133	5,939,588	5,149,477	12,369,054	11,989,610
Total Deferred Outflows of Resources	369,565	280,442	81,115	62,084	450,680	342,526
Liabilities:						
Long-Term Liabilities	1,415,762	1,554,309	1,269,905	1,044,686	2,685,667	2,598,995
Other Long-Term Obligations	147,951	167,462	12,422	12,621	160,373	180,083
Other Liabilities	43,622	232,899	99,696	62,570	143,318	295,469
Total Liabilities	1,607,335	1,954,670	1,382,023	1,119,877	2,989,358	3,074,547
Total Deferred Inflow of Resources	1,031,139	868,131	104,933	74,919	1,136,072	943,050
Net Position:						
Investment in Capital Assets	3,712,791	3,832,242	3,794,999	3,381,491	7,507,790	7,213,733
Restricted	345,414	366,551	226,111	197,268	571,525	563,819
Unrestricted	102,352	98,981	512,637	438,006	614,989	536,987
Total Net Position	\$ 4,160,557	\$ 4,297,774	\$ 4,533,747	\$ 4,016,765	\$ 8,694,304	\$ 8,314,539

VILLAGE OF GRANTSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

An additional portion of the Village's net position (6.5%) represents resources that are subject to other restrictions as to how they may be used. The remaining \$614,989 of total net position (7.1%) may be used to meet the Village's ongoing obligations to its citizens and creditors. It is important to note that \$512,637 of unrestricted net position is related to the Village's business-type activities. Consequently, it generally may not be used to fund governmental activities.

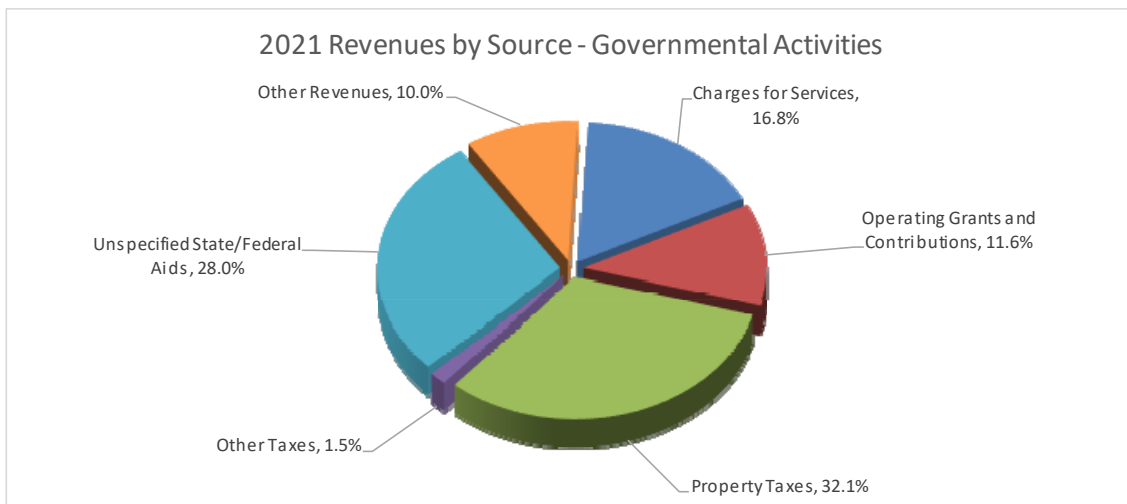
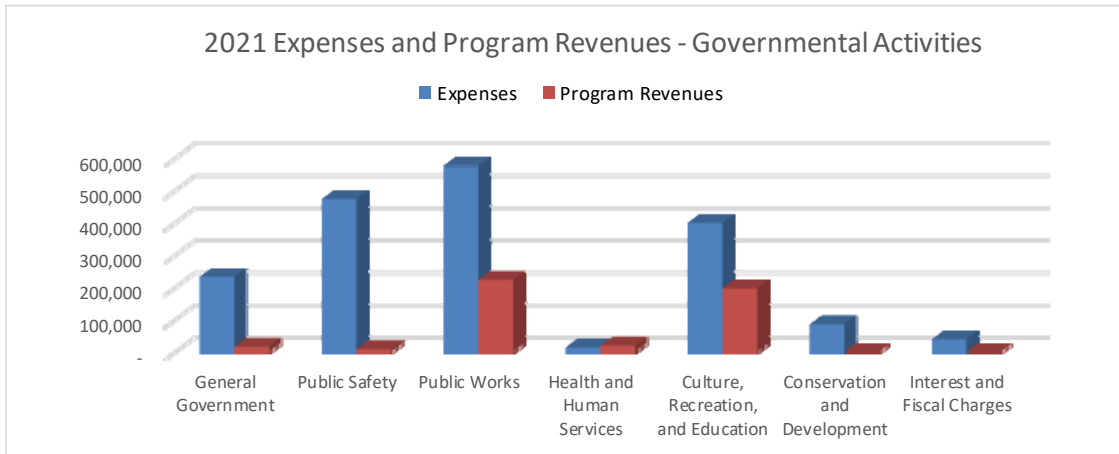
Table 2, the condensed statement of changes in net position below shows that total net position of the Village increased \$379,765 or approximately 8.7 percent. The change consisted of a decrease in net position related to governmental activities in the amount of \$137,217 and an increase in net position related to business-type activities in the amount of \$516,982.

Table 2
Condensed Statement of Changes in Net Position
Years Ended December 31, 2021 and 2020

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charge for Services	\$ 272,329	\$ 204,109	\$ 627,071	\$ 594,660	\$ 899,400	\$ 798,769
Operating Grants and Contributions	188,950	202,219	-	-	188,950	202,219
Capital Grants and Contributions	-	-	570,799	284	570,799	284
General Revenues:						
Property Taxes	522,665	649,102	-	-	522,665	649,102
Other Taxes	24,319	15,086	-	-	24,319	15,086
State and Federal Aids Not Restricted to Specific Programs	454,463	447,257	-	-	454,463	447,257
Other Revenues	163,101	82,050	290	746	163,391	82,796
Total Revenues	<u>1,625,827</u>	<u>1,599,823</u>	<u>1,198,160</u>	<u>595,690</u>	<u>2,823,987</u>	<u>2,195,513</u>
Expenses:						
General Government	232,137	242,466	-	-	232,137	242,466
Public Safety	472,514	432,844	-	-	472,514	432,844
Public Works	576,081	662,563	-	-	576,081	662,563
Health and Human Services	13,790	11,647	-	-	13,790	11,647
Culture, Education, and Recreation	398,833	318,415	-	-	398,833	318,415
Conservation and Development	85,356	195,315	-	-	85,356	195,315
Interest and Fiscal Charges	38,528	42,899	-	-	38,528	42,899
Water Utility	-	-	282,035	232,717	282,035	232,717
Stormwater Utility	-	-	56,822	57,684	56,822	57,684
Sewer Utility	-	-	288,126	253,705	288,126	253,705
Total Expenses	<u>1,817,239</u>	<u>1,906,149</u>	<u>626,983</u>	<u>544,106</u>	<u>2,444,222</u>	<u>2,450,255</u>
Net Change before Transfers	(191,412)	(306,326)	571,177	51,584	379,765	(254,742)
Transfers	54,195	54,195	(54,195)	(54,195)	-	-
Change in Net Position	<u>(137,217)</u>	<u>(252,131)</u>	<u>516,982</u>	<u>(2,611)</u>	<u>379,765</u>	<u>(254,742)</u>
Net Position - Beginning of the Year	<u>4,297,774</u>	<u>4,549,905</u>	<u>4,016,765</u>	<u>4,019,376</u>	<u>4,346,106</u>	<u>8,362,121</u>
Net Position - End of Year	<u>\$ 4,160,557</u>	<u>\$ 4,297,774</u>	<u>\$ 4,533,747</u>	<u>\$ 4,016,765</u>	<u>\$ 4,725,871</u>	<u>\$ 8,107,379</u>

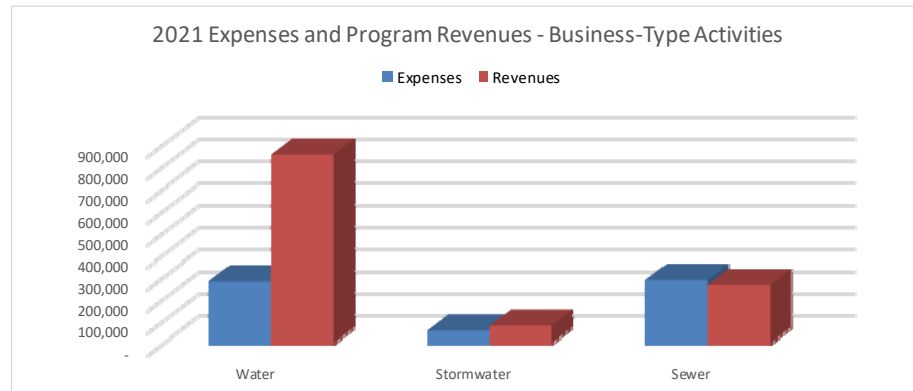
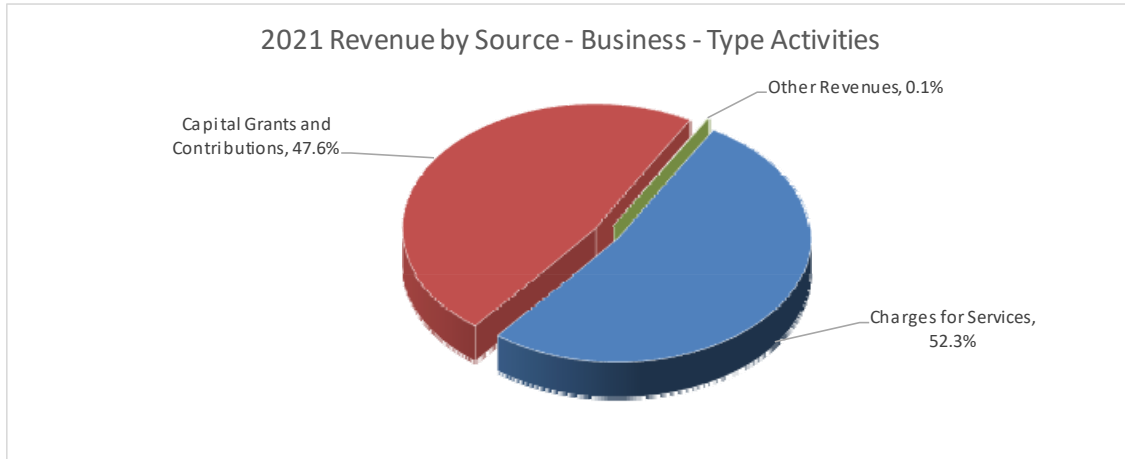
A review of statement of activities can provide a concise picture of how the various functions/programs of the Village are funded. The following charts draw data from the statement of activities. For governmental services, the Village is primarily dependent on property taxes (32.1%), unspecified state and federal aids (28.0%) and charges for services (16.8%).

**VILLAGE OF GRANTSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**



VILLAGE OF GRANTSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

In the case of business-type activities, charges for service (52.3%) 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, 2021, the Village's governmental funds reported combined ending fund balances of \$509,579, a decrease of \$91,622 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, 2021

Table 3

	Fund Balance at December 31, 2021					Change During Year
	Nonspendable	Restricted	Assigned	Unassigned	Total	
Major Funds:						
General Fund	\$ 45,924	\$ -	\$ 87,000	\$ 161,065	\$ 293,989	\$ (56,628)
Library Fund	-	-	28,468	-	28,468	16,001
TID #4 Fund	-	-	-	(38,827)	(38,827)	52,173
TID #5 Fund	-	250,105	-	-	250,105	(79,044)
TID #6 Fund	-	-	-	(24,156)	(24,156)	(24,124)
Total Fund Balances	<u>\$ 45,924</u>	<u>\$ 250,105</u>	<u>\$ 115,468</u>	<u>\$ 98,082</u>	<u>\$ 509,579</u>	<u>\$ (91,622)</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 \$161,065. 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 10.8% of total general fund expenditures and transfers. During the current year, the Village's general fund balance decreased by \$56,628.

The Library Fund has a total fund balance of \$28,468, representing 16.9% 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 2021 totaled \$4,533,747, up \$516,982 from the previous year.

Table 4
Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2021 and 2020

	Water Utility		Storm Water Utility		Sewer Utility		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating Revenues	\$ 298,711	\$ 289,160	\$ 78,729	\$ 71,535	\$ 249,631	\$ 233,965	\$ 627,071	\$ 594,660
Operating Expenses:								
Depreciation	76,972	60,577	32,098	32,098	77,152	76,865	186,222	169,540
Other	193,035	159,061	18,569	18,665	197,772	162,004	409,376	339,730
Operating Income	28,704	69,522	28,062	20,772	(25,293)	(4,904)	31,473	85,390
Nonoperating Income (Expense)	(11,943)	(12,832)	(6,145)	(6,602)	(13,007)	(14,372)	(31,095)	(33,806)
Income before Transfers	16,761	56,690	21,917	14,170	(38,300)	(19,276)	378	51,584
Capital Contributions:								
Other	554,591	-	-	-	16,208	-	570,799	-
Transfers	(54,195)	(54,195)	-	-	-	-	(54,195)	(54,195)
Changes in Net Position	<u>\$ 517,157</u>	<u>\$ 2,495</u>	<u>\$ 21,917</u>	<u>\$ 14,170</u>	<u>\$ (22,092)</u>	<u>\$ (19,276)</u>	<u>\$ 516,982</u>	<u>\$ (2,611)</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the Budgetary Comparison Schedule for the general fund (in required supplementary information), the final 2021 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 \$48,699. Revenues were \$63,241 more than amounts budgeted, while expenditures were \$14,542 more than amounts budgeted.

VILLAGE OF GRANTSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

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, 2021 and 2020 was \$10,193,457 and \$9,813,973, respectively, (net of accumulated depreciation) as shown below:

Table 5
Capital Assets, Net of Accumulated Depreciation
December 31, 2021 and 2020

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
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	2,266,522	-	-	2,266,522	2,266,522
Equipment and Vehicles	1,376,151	1,351,218	-	-	1,376,151	1,351,218
Property in the Open	291,710	291,710	-	-	291,710	291,710
Infrastructure	8,322,722	8,322,722	-	-	8,322,722	8,322,722
Water System Plant	-	-	4,542,217	3,662,829	4,542,217	3,662,829
Stormwater System Plant	-	-	934,879	934,879	934,879	934,879
Sewer System Plant	-	-	3,393,966	3,392,625	3,393,966	3,392,625
Subtotal	13,668,665	13,643,732	8,882,279	8,068,421	22,550,944	21,712,153
Accumulated Depreciation	(8,540,112)	(8,255,936)	(3,817,375)	(3,642,244)	(12,357,487)	(11,898,180)
	<u>\$ 5,128,553</u>	<u>\$ 5,387,796</u>	<u>\$ 5,064,904</u>	<u>\$ 4,426,177</u>	<u>\$ 10,193,457</u>	<u>\$ 9,813,973</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, 2021, the Village had outstanding \$2,846,040 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, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Long-Term Debt:						
General Obligation Notes	\$ 735,134	\$ 792,931	\$ 172,214	\$ 192,584	\$ 907,348	\$ 985,515
Revenue Bonds	330,628	353,378	-	-	330,628	353,378
State Trust Fund Loans	350,000	408,000	-	-	350,000	408,000
Water Revenue Bonds	-	-	657,298	366,503	657,298	366,503
Stormwater Revenue Bonds	-	-	118,337	132,919	118,337	132,919
Sewer Revenue Bonds	-	-	322,056	352,680	322,056	352,680
Subtotal	1,415,762	1,554,309	1,269,905	1,044,686	2,685,667	2,598,995
Other Long-Term Obligations:						
Capital Leases	-	1,245	-	-	-	1,245
Net WRS Pension Liability	-	-	-	-	-	-
Net State OPEB Liability	38,240	38,852	12,422	12,621	50,662	51,473
Estimated Employee Leave	109,711	127,365	-	-	109,711	127,365
Total	<u>\$ 1,563,713</u>	<u>\$ 1,721,771</u>	<u>\$ 1,282,327</u>	<u>\$ 1,057,307</u>	<u>\$ 2,846,040</u>	<u>\$ 2,779,078</u>

VILLAGE OF GRANTSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

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, 2021 totaled \$1,257,347, approximately 30.9 percent of the maximum legal limit of \$4,067,465.

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 \$474,855 for its 2022 balanced budget, an increase of \$10,053 (or 2.16%) from the 2021 budget levy of \$464,802.

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
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Assets:			
Treasurer's Cash and Investments	\$ 436,571	\$ 423,835	\$ 860,406
Current Taxes Receivable	511,841	-	511,841
Customer Accounts Receivable	41,592	157,909	199,501
Special Assessments Receivable	47,476	3,000	50,476
Other Receivables	2,790	10	2,800
Delinquent Special Assessments	45,830	-	45,830
Prepaid Expenses	233	50	283
Materials and Supplies	-	17,289	17,289
Internal Balances	(16,261)	16,261	-
Restricted Assets:			
Cash and Investments	16,195	210,389	226,584
Wisconsin Retirement System Net Pension Asset	214,646	45,941	260,587
Capital Assets:			
Capital Assets Not Being Depreciated	681,124	11,217	692,341
Capital Assets Being Depreciated	12,987,541	8,871,062	21,858,603
Accumulated Depreciation	(8,540,112)	(3,817,375)	(12,357,487)
Net Capital Assets	<u>5,128,553</u>	<u>5,064,904</u>	<u>10,193,457</u>
Total Assets	<u>6,429,466</u>	<u>5,939,588</u>	<u>12,369,054</u>
Deferred Outflows of Resources:			
Wisconsin Retirement System Pension Related	351,380	75,207	426,587
Other Postemployment Benefits	18,185	5,908	24,093
Total Deferred Outflows of Resources	<u>369,565</u>	<u>81,115</u>	<u>450,680</u>

See accompanying Notes to the Basic Financial Statements.

VILLAGE OF GRANTSBURG
STATEMENT OF NET POSITION (Continued)
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Accounts Payable	\$ 8,103	\$ 38,417	\$ 46,520
Accrued Payroll	21,041	2,407	23,448
Accrued Taxes	-	54,195	54,195
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Accrued Interest	14,478	4,677	19,155
Long-Term Liabilities:			
Amounts Due Within One Year	172,550	129,569	302,119
Amounts Due in More than One Year	1,352,923	1,140,336	2,493,259
Other Postemployment Benefits Liability	38,240	12,422	50,662
Total Liabilities	<u>1,607,335</u>	<u>1,382,023</u>	<u>2,989,358</u>
Deferred Inflows of Resources:			
Succeeding Years' Property Taxes	547,544	-	547,544
Wisconsin Retirement System Pension Related	470,717	100,749	571,466
Other Postemployment Benefits	12,878	4,184	17,062
Total Deferred Inflows of Resources	<u>1,031,139</u>	<u>104,933</u>	<u>1,136,072</u>
Net Position:			
Net Investment in Capital Assets	3,712,791	3,794,999	7,507,790
Restricted for:			
Wisconsin Retirement System Net Pension Items	95,309	20,399	115,708
Asset Replacement	-	65,668	65,668
Debt Service	-	140,044	140,044
Capital Projects	250,105	-	250,105
Unrestricted	102,352	512,637	614,989
Total Net Position	<u>\$ 4,160,557</u>	<u>\$ 4,533,747</u>	<u>\$ 8,694,304</u>

See accompanying Notes to the Basic Financial Statements.

VILLAGE OF GRANTSBURG
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

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
Governmental Activities:							
General Government	\$ 232,137	\$ 15,881	\$ -	\$ -	\$ (216,256)	\$ -	\$ (216,256)
Public Safety	472,514	3,892	4,056	-	(464,566)	-	(464,566)
Public Works	576,081	122,628	99,809	-	(353,644)	-	(353,644)
Health and Human Services	13,790	18,828	-	-	5,038	-	5,038
Culture, Recreation, and Education	398,833	111,100	85,085	-	(202,648)	-	(202,648)
Conservation and Development	85,356	-	-	-	(85,356)	-	(85,356)
Interest and Fiscal Charges	38,528	-	-	-	(38,528)	-	(38,528)
Total Governmental Activities	<u>1,817,239</u>	<u>272,329</u>	<u>188,950</u>	<u>-</u>	<u>(1,355,960)</u>	<u>-</u>	<u>(1,355,960)</u>
Business-Type Activities:							
Water Utility	282,035	298,711	-	554,591	-	571,267	571,267
Stormwater Utility	56,822	78,729	-	-	-	21,907	21,907
Sewer Utility	288,126	249,631	-	16,208	-	(22,287)	(22,287)
Total Business-Type Activities	<u>626,983</u>	<u>627,071</u>	<u>-</u>	<u>570,799</u>	<u>-</u>	<u>570,887</u>	<u>570,887</u>
Total Primary Government	<u>\$ 2,444,222</u>	<u>\$ 899,400</u>	<u>\$ 188,950</u>	<u>\$ 570,799</u>	<u>(1,355,960)</u>	<u>570,887</u>	<u>(785,073)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					464,802	-	464,802
Property Taxes, Levied for TIF District Purposes					57,863	-	57,863
Property Taxes from Other Exempt Entities					15,063	-	15,063
Other Taxes					9,256	-	9,256
State/Federal Aids not Restricted to Specific Functions					454,463	-	454,463
Interest and Investments Earnings					3,910	290	4,200
Sale of Village Property					10,000	-	10,000
Miscellaneous					149,191	-	149,191
Transfers					54,195	(54,195)	-
Total General Revenues					<u>1,218,743</u>	<u>(53,905)</u>	<u>1,164,838</u>
Change in Net Position					(137,217)	516,982	379,765
Net Position - Beginning of Year					<u>4,297,774</u>	<u>4,016,765</u>	<u>8,314,539</u>
Net Position - End of Year					<u>\$ 4,160,557</u>	<u>\$ 4,533,747</u>	<u>\$ 8,694,304</u>

See accompanying Notes to the Basic Financial Statements.

VILLAGE OF GRANTSBURG
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General Fund	Library Fund	Tax Incremental District #4 Fund	Tax Incremental District #5 Fund	Tax Incremental District #6 Fund	Totals
Assets:						
Treasurer's Cash and Investments	\$ 218,563	\$ 30,886	\$ 52,488	\$ 134,634	\$ -	\$ 436,571
Current Taxes Receivable	439,357	-	63,938	8,546	-	511,841
Receivables:						
Customer Accounts	41,592	-	-	-	-	41,592
Street Special Assessments	47,476	-	-	-	-	47,476
Due from Other Governments	2,790	-	-	-	-	2,790
Due from TID #4	-	-	-	91,315	-	91,315
Due from TID #6	-	-	-	24,156	-	24,156
Delinquent Special Assessments	45,830	-	-	-	-	45,830
Prepaid Expenditures	94	139	-	-	-	233
Restricted Assets:						
Debt Service Cash	16,195	-	-	-	-	16,195
Total Assets	\$ 811,897	\$ 31,025	\$ 116,426	\$ 258,651	\$ -	\$ 1,217,999
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts Payable	\$ 6,879	\$ 1,224	\$ -	\$ -	\$ -	\$ 8,103
Payroll Deductions	7,820	1,333	-	-	-	9,153
Accrued Taxes and Benefits	11,888	-	-	-	-	11,888
Due to TID #5	-	-	91,315	-	24,156	115,471
Due to Stormwater Utility	2,468	-	-	-	-	2,468
Due to Water Utility	7,658	-	-	-	-	7,658
Due to Sewer Utility	6,135	-	-	-	-	6,135
Total Liabilities	42,848	2,557	91,315	-	24,156	160,876

See accompanying Notes to the Basic Financial Statements.

VILLAGE OF GRANTSBURG
BALANCE SHEET
GOVERNMENTAL FUNDS (Continued)
December 31, 2021

	General Fund	Library 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	\$ 475,060	\$ -	\$ 63,938	\$ 8,546	\$ -	\$ 547,544
Fund Balances:						
Nonspendable	45,924	-	-	-	-	45,924
Restricted for Capital Projects	-	-	-	250,105	-	250,105
Assigned for:						
Library	-	28,468	-	-	-	28,468
Campground	87,000	-	-	-	-	87,000
Unassigned	161,065	-	(38,827)	-	(24,156)	98,082
Total Fund Balances	<u>293,989</u>	<u>28,468</u>	<u>(38,827)</u>	<u>250,105</u>	<u>(24,156)</u>	<u>509,579</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 811,897</u>	<u>\$ 31,025</u>	<u>\$ 116,426</u>	<u>\$ 258,651</u>	<u>\$ -</u>	<u>\$ 1,217,999</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, 2021

Total Fund Balances for Governmental Funds:		\$ 509,579
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	1,376,151	
Property in the Open	291,710	
Infrastructure	8,322,722	
Accumulated Depreciation	<u>(8,540,112)</u>	5,128,553
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)	214,646	
Deferred Outflows of Resources	351,380	
Deferred Inflows of Resources	<u>(470,717)</u>	95,309
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	(38,240)	
Deferred Outflows of Resources	18,185	
Deferred Inflows of Resources	<u>(12,878)</u>	(32,933)
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	(735,134)	
General Obligation Bonds Payable	(330,628)	
State Trust Fund Loans	(350,000)	
Accrued Interest on Long-Term Debt	(14,478)	
Vacation and Sick Leave Liabilities	<u>(109,711)</u>	(1,539,951)
Total Net Position of Governmental Activities		<u><u>\$ 4,160,557</u></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, 2021

	General Fund	Library Fund	Tax Incremental District #4 Fund	Tax Incremental District #5 Fund	Tax Incremental District #6 Fund	Totals
Revenues:						
Taxes	\$ 489,121	\$ -	\$ 56,531	\$ 1,332	\$ -	\$ 546,984
Intergovernmental	550,188	85,085	8,140	-	-	643,413
Licenses and Permits	13,869	-	-	-	-	13,869
Fines and Forfeits	3,772	-	-	-	-	3,772
Public Charges for Services	250,625	4,063	-	-	-	254,688
Miscellaneous	140,344	12,757	-	-	-	153,101
Total Revenues	<u>1,447,919</u>	<u>101,905</u>	<u>64,671</u>	<u>1,332</u>	<u>-</u>	<u>1,615,827</u>
Expenditures:						
General Government	217,029	-	-	-	-	217,029
Public Safety	473,571	-	-	-	-	473,571
Public Works	457,619	-	-	-	-	457,619
Health and Human Services	13,790	-	-	-	-	13,790
Culture, Recreation, and Education	174,918	168,904	-	-	-	343,822
Conservation and Development	-	-	12,498	48,734	24,124	85,356
Debt Service:						
Principal Retirement	120,128	-	-	19,664	-	139,792
Interest and Fiscal Charges	28,687	-	-	11,978	-	40,665
Total Expenditures	<u>1,485,742</u>	<u>168,904</u>	<u>12,498</u>	<u>80,376</u>	<u>24,124</u>	<u>1,771,644</u>
Excess (Deficiency) of Revenues Over Expenditures	(37,823)	(66,999)	52,173	(79,044)	(24,124)	(155,817)

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, 2021

	General Fund	Library 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	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Transfer In	54,195	83,000	-	-	-	137,195
Transfer Out	(83,000)	-	-	-	-	(83,000)
Total Other Financing Sources (Uses)	<u>(18,805)</u>	<u>83,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,195</u>
Net Change in Fund Balances	(56,628)	16,001	52,173	(79,044)	(24,124)	(91,622)
Fund Balance, January 1	350,617	12,467	(91,000)	329,149	(32)	601,201
Fund Balances (Deficits), December 31	<u>\$ 293,989</u>	<u>\$ 28,468</u>	<u>\$ (38,827)</u>	<u>\$ 250,105</u>	<u>\$ (24,156)</u>	<u>\$ 509,579</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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (91,622)

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	\$ 119,196	
Depreciation Expense Reported in the Statement of Activities	<u>(360,456)</u>	(241,260)

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of capital assets disposed of during the year. (17,983)

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. 57,907

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. (3,842)

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	57,797	
General Obligation Bonds Payable	22,750	
State Trust Fund Loans	58,000	
Capital Lease	<u>1,245</u>	139,792

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	2,137	
Net Change in Vacation and Sick Leave Liabilities	<u>17,654</u>	19,791

Change in Net Position of Governmental Activities \$ (137,217)

VILLAGE OF GRANTSBURG
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Business-Type Activities - Enterprise Funds			
	Water Utility	Stormwater Utility	Sewer Utility	Totals
Assets:				
Current Assets:				
Cash and Investments	\$ 338,752	\$ 35,069	\$ 50,014	\$ 423,835
Customer Receivables	76,931	15,866	65,112	157,909
Special Assessments Receivables	3,000	-	-	3,000
Other Receivables	10	-	-	10
Due from Other Funds	11,445	2,468	6,135	20,048
Prepaid Expenditures	23	4	23	50
Materials and Supplies	14,466	-	2,823	17,289
Total Current Assets	444,627	53,407	124,107	622,141
Restricted Assets:				
Replacement Fund Cash	-	-	65,668	65,668
Debt Service Cash	83,892	23,080	37,749	144,721
Wisconsin Retirement System Pension Plan Asset	24,182	3,414	18,345	45,941
Total Restricted Assets	108,074	26,494	121,762	256,330
Capital Assets:				
Utility Plant in Service	4,553,434	934,879	3,393,966	8,882,279
Less: Accumulated Depreciation	(1,489,724)	(366,894)	(1,960,757)	(3,817,375)
Net Utility Plant in Service	3,063,710	567,985	1,433,209	5,064,904
Total Assets	3,616,411	647,886	1,679,078	5,943,375
Deferred Outflows of Resources:				
Wisconsin Retirement System Pension Related	39,587	5,588	30,032	75,207
Other Postemployment Benefits	2,913	212	2,783	5,908
Total Deferred Outflows of Resources	42,500	5,800	32,815	81,115

See accompanying Notes to the Basic Financial Statements.

VILLAGE OF GRANTSBURG
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (Continued)
December 31, 2021

	Business-Type Activities - Enterprise Funds			
	Water Utility	Stormwater Utility	Sewer Utility	Totals
Liabilities:				
Current Liabilities:				
Vouchers Payable	\$ 36,655	\$ 415	\$ 1,347	\$ 38,417
Accrued Interest	3,350	337	990	4,677
Accrued Payroll	1,002	114	1,291	2,407
Due to Other Funds	-	-	3,787	3,787
Accrued Taxes	54,195	-	-	54,195
Current Portion of Long-Term Debt	64,297	19,683	45,589	129,569
Total Current Liabilities	159,499	20,549	53,004	233,052
Long-Term Liabilities:				
Long-Term Debt	620,032	173,372	346,932	1,140,336
Other Postemployment Benefits Liability	6,125	446	5,851	12,422
Total Long-Term Liabilities	626,157	173,818	352,783	1,152,758
Total Liabilities	785,656	194,367	405,787	1,385,810
Deferred Inflows of Resources:				
Wisconsin Retirement System Pension Related	53,032	7,486	40,231	100,749
Other Postemployment Benefits	2,063	150	1,971	4,184
Total Deferred Inflows of Resources	55,095	7,636	42,202	104,933
Net Position:				
Net Investment in Capital Assets	2,379,381	374,930	1,040,688	3,794,999
Restricted for:				
Asset Replacement	-	-	65,668	65,668
Debt Service	80,542	22,743	36,759	140,044
Wisconsin Retirement System Pension Plan Items	10,737	1,516	8,146	20,399
Unrestricted	347,500	52,494	112,643	512,637
Total Net Position	\$ 2,818,160	\$ 451,683	\$ 1,263,904	\$ 4,533,747

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, 2021

	Business-Type Activities - Enterprise Funds			
	Water Utility	Stormwater Utility	Sewer Utility	Totals
Operating Revenues:				
Sales of Water/Sewerage Services:				
Residential	\$ 94,387	\$ 12,362	\$ 167,335	\$ 274,084
Commercial	30,134	32,575	40,716	103,425
Industrial	18,153	10,352	18,731	47,236
Multi-Family	7,678	2,350	8,966	18,994
Public Authorities	20,488	13,511	11,753	45,752
Fire Protection	115,296	-	-	115,296
Total Sales of Water/Sewerage Services	<u>286,136</u>	<u>71,150</u>	<u>247,501</u>	<u>604,787</u>
Other Operating Revenues:				
Forfeited Discounts	1,184	276	1,093	2,553
Other Revenues	11,391	7,303	1,037	19,731
Total Other Operating Revenues	<u>12,575</u>	<u>7,579</u>	<u>2,130</u>	<u>22,284</u>
Total Operating Revenues	<u>298,711</u>	<u>78,729</u>	<u>249,631</u>	<u>627,071</u>
Operating Expenses:				
Operation	108,684	4,335	128,975	241,994
Maintenance	7,267	-	1,697	8,964
Administrative and General	77,084	14,234	67,100	158,418
Total Operation and Maintenance	<u>193,035</u>	<u>18,569</u>	<u>197,772</u>	<u>409,376</u>
Depreciation	76,972	32,098	77,152	186,222
Total Operating Expenses	<u>270,007</u>	<u>50,667</u>	<u>274,924</u>	<u>595,598</u>
Operating Income	<u>28,704</u>	<u>28,062</u>	<u>(25,293)</u>	<u>31,473</u>
Nonoperating Revenues (Expenses):				
Interest Income	85	10	195	290
Interest on Long-Term Debt	(12,028)	(6,155)	(13,202)	(31,385)
Total Nonoperating Revenues (Expenses)	<u>(11,943)</u>	<u>(6,145)</u>	<u>(13,007)</u>	<u>(31,095)</u>
Income (Loss) Before Transfers	16,761	21,917	(38,300)	378
Capital Contributions and Transfers:				
Capital Contributions	554,591	-	16,208	570,799
Transfer Out - In Lieu of Taxes	(54,195)	-	-	(54,195)
Total Capital Contributions and Transfers	<u>500,396</u>	<u>-</u>	<u>16,208</u>	<u>516,604</u>
Change in Net Position	517,157	21,917	(22,092)	516,982
Net Position, January 1	2,301,003	429,766	1,285,996	4,016,765
Net Position, December 31	<u>\$ 2,818,160</u>	<u>\$ 451,683</u>	<u>\$ 1,263,904</u>	<u>\$ 4,533,747</u>

See accompanying Notes to the Basic Financial Statements.

VILLAGE OF GRANTSBURG
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			
	Water Utility	Stormwater Utility	Sewer Utility	Totals
Cash Flows from Operating Activities:				
Cash Received from Utility Customers	\$ 178,453	\$ 76,385	\$ 240,748	\$ 495,586
Cash Received from Public Fire Protection	115,296	-	-	115,296
Cash Received (Paid) for Sewer Utility Share of Meter Related and Other Expenses	4,581	-	(4,581)	-
Cash Paid to Suppliers for Goods and Services	(63,186)	(7,112)	(121,326)	(191,624)
Cash Paid for Employee Services	(98,778)	(13,617)	(73,187)	(185,582)
Net Cash Provided by (Used for) Operating Activities	<u>136,366</u>	<u>55,656</u>	<u>41,654</u>	<u>233,676</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	-	-	(1,077)	(1,077)
Cash Received (Repaid) for Working Capital Purposes - Sewer Utility	-	-	(901)	(901)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(54,195)</u>	<u>-</u>	<u>(1,978)</u>	<u>(56,173)</u>
Cash Flows from Capital and Related Financing Activities:				
Federal Grant Received	-	-	16,208	16,208
Cash Paid for Acquisition of Plant Assets	(824,949)	-	-	(824,949)
Cash Received from Federal Grant	554,591	-	-	554,591
Cash Received from Issuance of Long-Term Debt	338,248	-	-	338,248
Principal Paid on Long-Term Debt	(48,621)	(19,561)	(44,847)	(113,029)
Interest Paid on Long-Term Debt	(12,066)	(6,174)	(13,131)	(31,371)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>7,203</u>	<u>(25,735)</u>	<u>(41,770)</u>	<u>(60,302)</u>
Cash Flows from Investing Activities:				
Interest on Investments	85	10	195	290
Net Increase (Decrease) in Cash and Cash Equivalents	89,459	29,931	(1,899)	117,491
Cash and Cash Equivalents, January 1	<u>333,185</u>	<u>28,218</u>	<u>155,330</u>	<u>516,733</u>
Cash and Cash Equivalents, December 31	<u>\$ 422,644</u>	<u>\$ 58,149</u>	<u>\$ 153,431</u>	<u>\$ 634,224</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, 2021

	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)	\$ 28,704	\$ 28,062	\$ (25,293)	\$ 31,473
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided by Operating Activities:				
Depreciation	76,972	32,098	77,152	186,222
Change in WRS Pension Related Items	(6,524)	(921)	(4,950)	(12,395)
Change in Life Insurance Postemployment Benefit Related Items	616	45	588	1,249
(Increase) Decrease in Assets:				
Customer Accounts Receivable	(381)	(2,344)	(8,883)	(11,608)
Other Accounts Receivable	-	-	-	-
Due from Other Funds	-	(1,712)	1,587	(125)
Prepaid Expenses	1,422	206	87	1,715
Inventory	33	-	-	33
Increase (Decrease) in Liabilities:				
Accounts Payable	35,195	194	914	36,303
Accrued Payroll	329	28	452	809
Net Cash Provided by (Used for) Operating Activities	<u>\$ 136,366</u>	<u>\$ 55,656</u>	<u>\$ 41,654</u>	<u>\$ 233,676</u>
Reconciliation of Cash and Investments				
to Cash and Cash Equivalents:				
Cash and Investments per Statement of Net Position:				
Cash and Investments	\$ 338,752	\$ 35,069	\$ 50,014	\$ 423,835
Cash and Investments - Restricted	83,892	23,080	103,417	210,389
Cash and Cash Equivalents	<u>\$ 422,644</u>	<u>\$ 58,149</u>	<u>\$ 153,431</u>	<u>\$ 634,224</u>

See accompanying Notes to the Basic Financial Statements.

VILLAGE OF GRANTSBURG
STATEMENT OF NET POSITION
FIDUCIARY FUND
December 31, 2021

	Custodial Fund
	Tax Collection Fund
Assets:	
Cash and Investments	\$ 90,139
Taxes Receivable	799,444
Total Assets	889,583
Liabilities:	
Due to Other Governments	889,583
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, 2021

	Custodial Fund
	Tax Collection Fund
Additions:	
Taxes Collected on Behalf of Other Taxing Entities	\$ 544,528
Deductions:	
Taxes Remitted to Other Taxing Entities	544,528
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, 2021

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, 2021

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 #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 #6).

Transactions of all TID Funds are further discussed in Note 7.

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, 2021

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, 2021

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

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, 2021

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, 2021

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, 2021

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 Postemployment 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 2021 and 2022 budget years, Wisconsin statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2021 budget was 0.436%. The actual limit for the Village for the 2022 budget was 1.087%. 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, 2021

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, 2021 are reflected in the financial statements as follows:

Governmental Funds	\$	452,766
Proprietary Funds		90,139
Fiduciary Funds		634,224
Total		\$ 1,177,129

Deposits in Financial Institutions	\$	231,970
Deposits in Local Government Investment Pool		945,159
Total		\$ 1,177,129

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 2 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in 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. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund’s total coverage, total recovery of insured losses may not be available. This coverage has not been considered in determining custodial credit risk.

The Village’s deposits were insured and undercollateralized at December 31, 2021 as follows:

	Demand Deposit Accounts
FDIC Insured	\$ 265,339
Undercollateralized	227,260
Total	\$ 492,599

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, 2021

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments

The Village's investments at December 31, 2021 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 2021 was 63 days.

NOTE 3 – CAPITAL ASSETS

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

	Balance 1/1/21	Additions	Disposal	Balance 12/31/21
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	2,266,522	-	-	2,266,522
Equipment and Vehicles	1,351,218	119,196	(94,263)	1,376,151
Property in the Open	291,710	-	-	291,710
Infrastructure	8,322,722	-	-	8,322,722
Total Capital Assets Being Depreciated	12,962,608	119,196	(94,263)	12,987,541
Total Capital Assets	13,643,732	119,196	(94,263)	13,668,665
Accumulated Depreciation	(8,255,936)	(360,456)	76,280	(8,540,112)
Total Governmental Activities Capital Assets	\$ 5,387,796	\$ (241,260)	\$ (17,983)	\$ 5,128,553

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 3 – CAPITAL ASSETS (Continued)

Depreciation was charged to governmental activities as follows:

General Government	\$ 18,808
Public Safety	17,160
Public Works	269,477
Culture, Recreation, and Education	55,011
	<u>\$ 360,456</u>

The following is a summary of the proprietary fund's property, plant, and equipment at December 31, 2021:

	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>76,747</u>	<u>-</u>	<u>(66,871)</u>	<u>9,876</u>
Capital Assets Being Depreciated:				
Source of Supply	30,161	-	-	30,161
Pumping Plant	147,738	288,802	(6,553)	429,987
Water Treatment	45,933	590,085	-	636,018
Transmission and Distribution	3,394,477	12,932	(4,537)	3,402,872
General Plant	44,520	-	-	44,520
Total Capital Assets Being Depreciated	<u>3,662,829</u>	<u>891,819</u>	<u>(11,090)</u>	<u>4,543,558</u>
Total Capital Assets	<u>3,739,576</u>	<u>891,819</u>	<u>(77,961)</u>	<u>4,553,434</u>
Less: Accumulated Depreciation	<u>(1,423,843)</u>	<u>(76,972)</u>	<u>11,091</u>	<u>(1,489,724)</u>
Net Capital Assets - Water Department	<u>2,315,733</u>	<u>814,847</u>	<u>(66,870)</u>	<u>3,063,710</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	<u>934,879</u>	<u>-</u>	<u>-</u>	<u>934,879</u>
Less: Accumulated Depreciation	<u>(334,796)</u>	<u>(32,098)</u>	<u>-</u>	<u>(366,894)</u>
Net Capital Assets - Stormwater Department	<u>600,083</u>	<u>(32,098)</u>	<u>-</u>	<u>567,985</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	<u>3,393,966</u>	<u>-</u>	<u>-</u>	<u>3,393,966</u>
Less: Accumulated Depreciation	<u>(1,883,605)</u>	<u>(77,152)</u>	<u>-</u>	<u>(1,960,757)</u>
Net Capital Assets - Sewer Department	<u>1,510,361</u>	<u>(77,152)</u>	<u>-</u>	<u>1,433,209</u>
Net Capital Assets - Business-Type Activities	<u>\$ 4,426,177</u>	<u>\$ 705,597</u>	<u>\$ (66,870)</u>	<u>\$ 5,064,904</u>

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2021 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	24,156	Cashflow Purposes
Water Utility	Sewer Utility	3,787	Operation Items
Water Utility	General Fund	7,658	Delinquent Utility on Tax Roll
Sewer Utility	General Fund	6,135	Delinquent Utility on Tax Roll
Stormwater Utility	General Fund	2,468	Delinquent Utility on Tax Roll
		<u>\$ 135,519</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
		<u>\$ 137,195</u>	

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

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, 2021:

	Balances 12/31/20	Additions	Reductions	Balances 12/31/21	Amounts Due Within One Year
Long-Term Debt:					
Governmental Activities:					
General Obligation Notes	\$ 792,931	\$ -	\$ (57,797)	\$ 735,134	\$ 58,756
Revenue Bonds	353,378	-	(22,750)	330,628	23,020
State Trust Fund Loans	408,000	-	(58,000)	350,000	58,000
Total Governmental Activities	<u>1,554,309</u>	<u>-</u>	<u>(138,547)</u>	<u>1,415,762</u>	<u>139,776</u>
Business-Type Activities:					
General Obligation Notes	192,584	-	(20,370)	172,214	20,855
Water Utility Revenue Bonds	366,503	338,248	(47,453)	657,298	63,099
Stormwater Utility Revenue Bonds	132,919	-	(14,582)	118,337	14,582
Sewer Utility Revenue Bonds	352,680	-	(30,624)	322,056	31,033
Total Business-Type Activities	<u>1,044,686</u>	<u>338,248</u>	<u>(113,029)</u>	<u>1,269,905</u>	<u>129,569</u>
Total Long-Term Debt	<u>\$ 2,598,995</u>	<u>\$ 338,248</u>	<u>\$ (251,576)</u>	<u>\$ 2,685,667</u>	<u>\$ 269,345</u>
Other Long-Term Obligations:					
Governmental Activities:					
Capital Lease	\$ 1,245	\$ -	\$ (1,245)	\$ -	\$ -
Net State OPEB Liability	38,852	-	(612)	38,240	-
Employee Vacation and Sick Leave Liability	127,365	36,086	(53,740)	109,711	32,774
Total Other Liabilities	<u>\$ 167,462</u>	<u>\$ 36,086</u>	<u>\$ (55,597)</u>	<u>\$ 147,951</u>	<u>\$ 32,774</u>
Business-Type Activities:					
Net State OPEB Liability	<u>\$ 12,621</u>	<u>\$ -</u>	<u>\$ (199)</u>	<u>\$ 12,422</u>	<u>\$ -</u>

All debt issues are direct borrowing or direct placement.

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, 2021, the Village's debt limit amounted to \$3,703,170 and indebtedness subject to the limitation totaled \$1,393,515.

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, 2021

NOTE 5 – LONG-TERM OBLIGATIONS (Continued)

General Obligation Long-Term Debt

Annual Requirements for Retirement – Individual debt issues outstanding at December 31, 2021 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%	2022	\$ 13,256	\$ 1,181	\$ 14,437
	2023	13,694	741	14,435
	2024	14,145	289	14,434
		<u>41,095</u>	<u>2,211</u>	<u>43,306</u>
General Obligation Promissory Note \$162,000, dated 12/18/2017, due 3/18/2027, interest at 3.46%	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>108,000</u>	<u>11,352</u>	<u>119,352</u>
General Obligation Promissory Note \$247,250, dated 9/16/2019, due 9/12/2029, interest at 2.259%	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	25,683	2,056	27,739
	2027-2029	73,643	2,553	76,196
		<u>196,376</u>	<u>18,507</u>	<u>214,883</u>
General Obligation Promissory Note \$610,000, dated 10/28/2019, due 10/27/2029, interest at 2.56%	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	27,594	11,472	39,066
	2027-2029	430,686	30,063	460,749
		<u>561,877</u>	<u>94,214</u>	<u>656,091</u>
State Trust Fund Loan \$853,000, dated 7/13/2012, due 3/15/2027, interest at 4.0%	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>350,000</u>	<u>48,866</u>	<u>398,866</u>
Total General Obligation Debt		<u>\$ 1,257,348</u>	<u>\$ 175,150</u>	<u>\$ 1,432,498</u>

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 5 – LONG-TERM OBLIGATIONS (Continued)

Water Revenue Bonds

Annual Requirements for Retirement – Individual debt issues outstanding at December 31, 2021 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%	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
			<u>145,800</u>	<u>18,113</u>
Water Utility Mortgage Revenue Bonds, \$209,674, dated 6/13/2012, due 5/1/2032, interest at 1.32%	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	10,945	980	11,925
	2027-2031	56,929	2,680	59,609
	2032	11,841	78	11,919
		<u>122,086</u>	<u>9,074</u>	<u>131,160</u>
Water Utility Mortgage Revenue Bonds, \$447,557, dated 9/24/2014, due 5/1/2034, interest at 1.155%	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	22,789	2,350	25,139
	2027-2031	117,954	7,715	125,669
	2032-2034	74,094	1,290	75,384
		<u>303,420</u>	<u>23,342</u>	<u>326,762</u>
Water Utility Mortgage Revenue Bonds, \$138,072, dated 12/16/2018, due 5/1/2038, interest at 1.122%	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	6,699	1,008	7,707
	2027-2031	34,644	3,890	38,534
	2032-2036	36,632	1,890	38,522
	2037-2038	15,235	171	15,406
		<u>119,273</u>	<u>11,731</u>	<u>131,004</u>
Water Utility Mortgage Revenue Bonds, \$338,248, dated 6/23/2021, due 5/1/2041, interest at 0.891%	2022	15,525	2,948	18,473
	2023	15,664	2,806	18,470
	2024	15,803	2,666	18,469
	2025	15,944	2,525	18,469
	2026	16,086	2,382	18,468
	2027-2031	82,606	9,724	92,330
	2032-2036	86,352	5,957	92,309
	2037-2041	90,268	2,022	92,290
		<u>338,248</u>	<u>31,030</u>	<u>369,278</u>
Total Water Utility Revenue Bonds		<u>\$ 1,028,827</u>	<u>\$ 93,290</u>	<u>\$ 1,122,117</u>

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

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 \$1,720,351 in revenue bonds issued in 2005, 2012, 2014, 2018, and 2021. 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, 2038, and 2041. 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 \$1,028,827. Principal and interest paid for the year and total customer gross revenues were \$88,978 and \$1,825,359, respectively.

Sewer Revenue Bonds

Annual Requirements for Retirement – Individual debt issues outstanding at December 31, 2021 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%	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	17,763	3,859	21,622
	2027-2031	96,059	11,953	108,012
	2032-2033	42,047	1,112	43,159
		222,493	36,844	259,337
Sewer Utility Mortgage Revenue Bonds, \$480,000, dated 3/1/2008, due 1/1/2028, interest at 4.44%	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	1,199	88	1,287
		176,999	26,636	203,635
Total Sewer Utility Mortgage Revenue Bonds		\$ 399,492	\$ 63,480	\$ 462,972

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 17.3% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$462,972. Principal and interest paid for the year and total customer gross revenues were \$56,952 and \$328,360, 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, 2021

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, 2021:

	Balances 1/1/21	Additions	Retirements	Balances 12/31/21
State of WI-Bd of Comm of Public Lands Note, 4% Interest, Principal & Interest Due 3/15	\$ 408,000	\$ -	\$ 58,000	\$ 350,000
WI DNR Revenue Bond, 1.32% Interest, Principal due 5/1, Interest Due 5/1 & 11/1	68,748	-	5,325	63,423
WI DNR Revenue Bond, 1.155% Interest, Principal due 5/1, Interest Due 5/1 & 11/1	194,441	-	12,876	181,565
Bremer Bank Note, 3.46% Interest, Principal due 3/18, Interest Due 3/18 & 9/18	126,000	-	18,000	108,000
WI DNR Revenue Bond, 1.12% Interest, Principal Due 5/1, Interest 5/1 & 11/1	90,188	-	4,549	85,639
Bremer Bank Note, 2.56% Interest, Principal & Interest Due Quarterly	474,367	-	19,680	454,687
Community Bank Note, 2.259% Interest, Principal & Interest Due Quarterly	192,565	-	20,117	172,448
Total General Fund Debt	<u>\$ 1,554,309</u>	<u>\$ -</u>	<u>\$ 138,547</u>	<u>\$ 1,415,762</u>

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

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, 2021:

	Balances 1/1/21	Additions	Retirements	Balances 12/31/21
Water Utility:				
W-1 Revenue Bonds/Refunding 2005	\$ 180,800	\$ -	\$ (35,000)	\$ 145,800
W-2 Revenue Bonds/St. Projects 2012	63,588	-	(4,925)	58,663
W-3 WI DNR Bond Payable 2021	-	338,248	-	338,248
W-4 Revenue Bonds/St. Project 2014	86,693	-	(5,741)	80,952
W-5 Revenue Bonds/St. Project 2018	35,422	-	(1,787)	33,635
W-6 GO/St. Project 2019	28,199	-	(1,168)	27,031
Total Water Utility	<u>394,702</u>	<u>338,248</u>	<u>(48,621)</u>	<u>684,329</u>
Stormwater Utility:				
SW-3 Revenue Bonds/St. Project 2007	89,119	-	(11,681)	77,438
SW-5 Revenue Bonds/St. Project 2014	43,801	-	(2,901)	40,900
SW-6 GO/St. Project 2019	53,104	-	(2,200)	50,904
SW-7 GO/Sweeper 2019	26,592	-	(2,779)	23,813
Total Stormwater Utility	<u>212,616</u>	<u>-</u>	<u>(19,561)</u>	<u>193,055</u>
Sewer Utility:				
S-1 Revenue Bonds/St. Project 2007	114,581	-	(15,019)	99,562
S-3 GO/St. Project 2014	54,080	-	(12,985)	41,095
S-4 Revenue Bonds/Diffusors 2014	238,097	-	(15,605)	222,492
S-5 GO/St. Project 2019	30,610	-	(1,238)	29,372
Total Sewer Utility	<u>437,368</u>	<u>-</u>	<u>(44,847)</u>	<u>392,521</u>
Total Proprietary Fund Long-Term Debt	<u><u>\$ 1,044,686</u></u>	<u><u>\$ 338,248</u></u>	<u><u>\$ (113,029)</u></u>	<u><u>\$ 1,269,905</u></u>

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.

W-3 – Water System Mortgage Revenue Bonds were issued for the well Manganese Project in 2021. The bonds carried varying maturities at a constant interest rate of 0.891%, with principal due May 1 and interest due May 1 and November 1 of each year and are set to be paid off in 2041.

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, 2021

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.

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 6 – GOVERNMENTAL FUND BALANCES

The governmental fund balances at December 31, 2021 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	\$ 45,830	\$ 45,830	\$ -	\$ -	\$ -
Prepaid Expenditures	94	94	-	-	-
Campground	87,000	-	-	87,000	-
Unassigned	<u>161,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,065</u>
Sub-Total General Fund	293,989	45,924	-	87,000	161,065
Library Fund	28,468	-	-	28,468	-
Tax Incremental District #4 Fund	(38,827)	-	-	-	(38,827)
Tax Incremental District #5 Fund	250,105	-	250,105	-	-
Tax Incremental District #6 Fund	<u>(24,156)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,156)</u>
Total Government Fund Balances at December 31, 2021	<u>\$ 509,579</u>	<u>\$ 45,924</u>	<u>\$ 250,105</u>	<u>\$ 115,468</u>	<u>\$ 98,082</u>

NOTE 7 – TAX INCREMENTAL DISTRICTS

The Village had three tax incremental district (TID #4, TID #5 and TID #6) in existence during 2021. Additionally, it started the planning phase to start TID #6 as well. District #4 was created January 1, 2005 for construction, capital costs, and real property assembly costs; District #5 was created January 1, 2008 to facilitate rehabilitation costs; District #6 was created January 1, 2021 as a mixed-use district. 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, 2021

NOTE 7 – TAX INCREMENTAL DISTRICTS (Continued)

The following is a summary of TID #4, TID #5, and TID #6 project costs and revenues through December 31, 2021:

	<u>TID #4</u>	<u>TID #5</u>	<u>TID #6</u>
Accumulated Project Costs (from inception to December 31, 2021):			
Capital Expenditures	\$ 524,683	\$ 69,839	\$ -
Administrative Costs	150	68,548	24,156
Transfers to Other TIDs	-	-	-
Interest Charges	<u>158,136</u>	<u>11,978</u>	<u>-</u>
Total Project Costs	682,969	150,365	24,156
Accumulated Project Revenues:			
Tax Increments	636,002	1,332	-
Intergovernmental Aids	8,140	-	-
Exempt Computer Aid	-	-	-
Special Assessments	-	-	-
Interest Income	-	-	-
Transfers from Other TIDs	-	399,138	-
Other	-	-	-
Property Sales	-	-	-
Total Project Revenues	<u>644,142</u>	<u>400,470</u>	<u>-</u>
Unrecovered Project Costs at December 31, 2021	<u>\$ (38,827)</u>	<u>\$ 250,105</u>	<u>\$ (24,156)</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. Expected termination dates by district are estimated below:

	<u>Termination Year</u>
District 4	2025
District 5	2034
District 6	2041

For each district, the growth in equalized value from the date of inception through January 1, 2021 is as follows:

	<u>Inception</u>	<u>01-01-2021</u>	<u>Growth</u>
District 4	\$ 1,091,000	\$ 4,769,600	\$ 3,678,600
District 5	212,600	637,600	425,000
District 6	3,173,000	3,173,000	-

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 8 – 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 issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting

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

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, 2021

NOTE 8 – 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>
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)
2020	1.7	21

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, 2021 through December 31, 2021, the WRS recognized \$48,546 in contributions from the employer. Contribution rates as of December 31, 2021 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, 2021

NOTE 8 – 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, 2021, the Village of Grantsburg reported an asset of \$260,587 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension 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, 2020, the Village's proportion was 0.00417399% which was decrease of 0.00004995% from its proportion measured as of December 31, 2019.

For the years ended December 31, 2021, the Village recognized pension expense of (\$28,495).

At December 31, 2021, 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	\$ 377,150	\$ 81,237
Changes in Assumptions	5,910	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	489,232
Changes in Proportion and Differences Between Village Contributions and Proportionate Share of Contributions	45	997
Village Contributions Subsequent to the Measurement Date	43,482	-
Total	<u>\$ 426,587</u>	<u>\$ 571,466</u>

The \$43,482 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows and (Inflows) of Resources
2022	\$ (48,480)
2023	(13,425)
2024	(88,871)
2025	(37,585)
	<u>\$ (188,361)</u>

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 8 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (Continued)

Actuarial Assumptions

The Total Pension Liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age 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, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 8 – 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, 2020:

<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	51.0%	7.2%	4.7%
Fixed Income	25.0%	3.2%	0.8%
Inflation Sensitive Assets	16.0%	2.0%	-0.4%
Real Estate	8.0%	5.6%	3.1%
Private Equity/Debt	11.0%	10.2%	7.6%
Multi-Asset	4.0%	5.8%	3.3%
Total Core Fund	115.0%	6.6%	4.1%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0%	6.6%	4.1%
International Equities	30.0%	7.4%	4.9%
Total Variable Fund	100.0%	7.1%	4.6%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

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, 2021

NOTE 8 – 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 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Village 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)	\$ 248,043	\$ (260,587)	\$ (634,174)

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, 2021, the Village reported a payable to the pension plan of \$9,339, 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, 2021

NOTE 9 – 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 Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Benefits Provided

The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired 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, 2021 are:

Coverage Type	Employer Contribution
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, 2021

NOTE 9 – 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, 2020 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 \$183 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, 2021, the Village of Grantsburg reported a liability of \$50,662 for its proportionate share of the Net OPEB Liability. The Net OPEB Liability was measured as of December 31, 2020, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or 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, 2020, the Village's proportion was 0.00921000%, which was a decrease of 0.002878% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the Village recognized OPEB expense of \$5,238.

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (Continued)

At December 31, 2021, 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	\$ -	\$ 2,417
Changes of Assumptions or Other Input	19,708	3,476
Net Difference Between Projected and Actual Earnings on OPEB Investments	737	-
Change in proportion and differences between employer contributions and proportionate share of contributions	3,465	11,169
Village Contributions Subsequent to the Measurement Date	183	-
Total	\$ 24,093	\$ 17,062

\$183 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, 2022. 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
2022	\$ 1,763
2023	1,683
2024	1,601
2025	893
2026	1,018
Thereafter	(110)
	\$ 6,848

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (Continued)

Actuarial Assumptions

The Total OPEB Liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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

Long-Term Expected Return on Plan Assets

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. Credit Bonds	Barclays Credit	50%	1.47%
U.S. Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

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

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (Continued)

Single Discount Rate

A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the Village's Proportionate Share of 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 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Village's Share of Proportionate Share of the Net OPEB Liability	\$ 68,914	\$ 50,662	\$ 36,858

NOTE 10 – 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. \$12,829 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 \$65,668. 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 \$36,892. 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 \$16,195.

VILLAGE OF GRANTSBURG
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 11 – 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 12 – EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Private Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*
- Statement No. 98, *The Annual Comprehensive Financial Report*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87, which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF GRANTSBURG
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 489,702	\$ 479,802	\$ 489,121	\$ 9,319
Intergovernmental	652,629	550,637	550,188	(449)
Licenses and Permits	12,250	12,250	13,869	1,619
Fines and Forfeits	2,500	2,500	3,772	1,272
Public Charges for Services	207,400	237,928	250,625	12,697
Miscellaneous	60,200	101,561	140,344	38,783
Total Revenues	<u>1,424,681</u>	<u>1,384,678</u>	<u>1,447,919</u>	<u>63,241</u>
Expenditures:				
General Government	224,291	210,122	217,029	(6,907)
Public Safety	471,626	473,855	473,571	284
Public Works	360,180	411,370	457,619	(46,249)
Health and Human Services	12,617	10,723	13,790	(3,067)
Culture, Recreation, and Education	145,737	178,332	174,918	3,414
Conservation and Development	12,800	-	-	-
Debt Service				
Principal Retirement	145,934	145,934	120,128	25,806
Interest and Fiscal Charges	40,864	40,864	28,687	12,177
Total Expenditures	<u>1,414,049</u>	<u>1,471,200</u>	<u>1,485,742</u>	<u>(14,542)</u>
Excess (Deficiency) of Revenues Over Expenditures	10,632	(86,522)	(37,823)	48,699
Other Financing Sources (Uses):				
Sale of Village Property	-	10,000	10,000	-
Transfer In - Tax Equivalent	54,195	54,195	54,195	-
Transfer In - TID #3 Closeout	87,616	-	-	-
Transfer Out	(83,000)	(83,000)	(83,000)	-
Total Other Financing Sources (Uses)	<u>58,811</u>	<u>(18,805)</u>	<u>(18,805)</u>	<u>-</u>
Net Change in Fund Balance	69,443	(105,327)	(56,628)	48,699
Fund Balance, January 1	350,617	350,617	350,617	-
Fund Balance, December 31	<u>\$ 420,060</u>	<u>\$ 245,290</u>	<u>\$ 293,989</u>	<u>\$ 48,699</u>

See accompanying Notes to Required Supplementary Information.

VILLAGE OF GRANTSBURG
BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 77,937	\$ 77,937	\$ 85,085	\$ 7,148
Public Charge for Services	7,000	7,000	4,063	(2,937)
Miscellaneous:				
Interest Income	-	-	1	1
Donations and Contributions	2,000	2,000	12,756	10,756
Total Revenues	<u>86,937</u>	<u>86,937</u>	<u>101,905</u>	<u>14,968</u>
Expenditures:				
Culture, Recreation, and Education	<u>169,937</u>	<u>169,937</u>	<u>168,904</u>	<u>1,033</u>
Excess Revenues Over (Expenditures)	(83,000)	(83,000)	(66,999)	16,001
Other Financing Sources:				
Operating Transfer	<u>83,000</u>	<u>83,000</u>	<u>83,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	16,001	16,001
Fund Balance, Beginning of Year	<u>12,467</u>	<u>12,467</u>	<u>12,467</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 12,467</u></u>	<u><u>\$ 12,467</u></u>	<u><u>\$ 28,468</u></u>	<u><u>\$ 16,001</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
12/31/2020	0.00417399%	\$ (260,587)	\$ 567,144	-45.95%	105.26%
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 for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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
12/31/2021	\$ 43,482	\$ 43,482	\$ -	\$ 514,161	8.46%
12/31/2020	46,794	46,794	-	567,144	8.25%
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
12/31/2020	0.00921000%	\$ 50,662	\$ 473,000	10.71%	31.36%
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
12/31/2021	\$ 183	\$ 183	\$ -	\$ 468,000	0.04%
12/31/2020	183	183	-	473,000	0.04%
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, 2021

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

	2021		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes:			
General Property Taxes	\$ 464,802	\$ 464,802	\$ -
In Lieu of Taxes - Housing Authority	5,000	5,163	163
In Lieu of Taxes - Other	9,900	9,900	-
Other Taxes	-	9,162	9,162
Interest on Delinquent Taxes	100	94	(6)
Total Taxes	<u>479,802</u>	<u>489,121</u>	<u>9,319</u>
Intergovernmental:			
Routes to Recovery Grant - COVID 19	-	-	-
State Shared Revenues	433,114	432,255	(859)
Personal Property Aids	-	-	-
Fire Insurance Tax	3,200	3,256	56
State Grant - Computer Aid	3,849	3,534	(315)
State Grant - Law Enforcement	-	800	800
General Transportation Aids	99,940	99,809	(131)
Local Transportation Improvement Aids	5,773	5,773	-
Municipal Services Aid	4,342	4,342	-
State Grant - Election Aid	-	-	-
In Lieu of Taxes - DNR	419	419	-
Total Intergovernmental	<u>550,637</u>	<u>550,188</u>	<u>(449)</u>
Licenses and Permits:			
Liquor and Malt Beverages	10,500	11,520	1,020
Dog Licenses	700	771	71
Building Permits	750	953	203
Zoning Permits	300	625	325
Total Licenses and Permits	<u>12,250</u>	<u>13,869</u>	<u>1,619</u>
Fines and Forfeitures:			
Ordinance and Municipal Citations	2,500	3,772	1,272
Public Charges for Services:			
Clerk's Fees	2,000	2,012	12
Law Enforcement Fees	100	120	20
Street Department Services	4,000	3,771	(229)
Airport Services	5,300	4,016	(1,284)
Campground Fees	75,700	77,728	2,028
Pool	24,000	29,309	5,309
Trash Collection	108,000	114,704	6,704
Recycling	-	137	137
Riverside Cemetery	18,828	18,828	-
Total Public Charges for Services	<u>237,928</u>	<u>250,625</u>	<u>12,697</u>
Miscellaneous:			
Interest on Investments	1,500	1,714	214
Interest on Special Assessments	4,000	2,195	(1,805)
Rent Income	4,500	8,698	4,198
Donations and Contributions	87,988	124,164	36,176
Other Revenues	3,573	3,573	-
Total Miscellaneous	<u>101,561</u>	<u>140,344</u>	<u>38,783</u>
Total Revenues	<u>1,384,678</u>	<u>1,447,919</u>	<u>63,241</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

	2021		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures:			
General Government:			
Village Board	\$ 9,691	\$ 11,361	\$ (1,670)
Legal	12,500	10,169	2,331
Clerk-Treasurer	117,048	117,061	(13)
Elections	4,000	2,974	1,026
IT Services	2,650	3,012	(362)
Assessor	7,300	7,300	-
Village Office Building	25,100	24,481	619
Insurance	24,874	21,882	2,992
Other General Expenses	6,959	18,789	(11,830)
Total General Government	<u>210,122</u>	<u>217,029</u>	<u>(6,907)</u>
Public Safety:			
Law Enforcement	334,424	334,078	346
Fire Protection	60,431	60,487	(56)
Ambulance	79,000	79,006	(6)
Other Public Safety	-	-	-
Total Public Safety	<u>473,855</u>	<u>473,571</u>	<u>284</u>
Public Works:			
Machinery and Equipment	113,997	111,676	2,321
Garage and Shop	16,900	20,489	(3,589)
Street Maintenance	103,908	116,698	(12,790)
Snow and Ice Control	36,850	62,953	(26,103)
Street Lighting	26,000	23,078	2,922
Capital Outlay	500	140	360
Airport	4,450	4,501	(51)
Trash Collection	107,000	115,764	(8,764)
Recycling	1,765	2,320	(555)
Total Public Works	<u>411,370</u>	<u>457,619</u>	<u>(46,249)</u>
Health and Social Services:			
Cemetery	10,723	13,790	(3,067)
Culture, Recreation, and Education:			
Community Center	27,847	9,819	18,028
Community Events	10,850	11,158	(308)
Fairgrounds	800	786	14
Pool Operations	80,818	89,606	(8,788)
Golf Course	-	153	(153)
Skating Rink	600	501	99
Memory Lake Dam	3,000	3,185	(185)
Park	15,795	17,118	(1,323)
Campground	38,622	42,592	(3,970)
Total Culture, Recreation, and Education	<u>178,332</u>	<u>174,918</u>	<u>3,414</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

	2021		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures (Continued):			
Debt Service:			
Principal Long-Term	\$ 145,934	\$ 120,128	\$ 25,806
Interest	40,864	28,687	12,177
Total Debt Service	<u>186,798</u>	<u>148,815</u>	<u>37,983</u>
Total Expenditures	1,471,200	1,485,742	(14,542)
Excess (Deficiency) of Revenues			
Over Expenditures	(86,522)	(37,823)	48,699
Other Financing Sources (Uses):			
Sale of Village Property	10,000	10,000	-
Transfer In - Tax Equivalent	54,195	54,195	-
Transfer In - TID #3 Closeout	-	-	-
Transfer Out	(83,000)	(83,000)	-
Total Other Financing Sources (Uses)	<u>(18,805)</u>	<u>(18,805)</u>	<u>-</u>
Net Change in Fund Balance	(105,327)	(56,628)	48,699
Fund Balance, January 1, As Previously Stated	350,617	350,617	-
Prior Period Adjustment	-	-	-
Fund Balance, January 1, As Restated	<u>350,617</u>	<u>350,617</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 245,290</u>	<u>\$ 293,989</u>	<u>\$ 48,699</u>

VILLAGE OF GRANTSBURG
WATER UTILITY
BUDGET TO ACTUAL COMPARISON
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues	\$ 282,307	\$ 282,307	\$ 298,711	\$ 16,404
Operating Expenses:				
Operation	93,571	99,571	108,684	(9,113)
Maintenance	5,000	5,000	7,267	(2,267)
Administrative and General	63,912	72,174	77,084	(4,910)
Total Operation and Maintenance	<u>162,483</u>	<u>176,745</u>	<u>193,035</u>	<u>(16,290)</u>
Depreciation	86,862	86,862	76,972	9,890
Total Operating Expenses	<u>249,345</u>	<u>263,607</u>	<u>270,007</u>	<u>(6,400)</u>
Operating Income	32,962	18,700	28,704	10,004
Nonoperating Revenues (Expenses):				
Interest Income	300	300	85	(215)
Interest on Long-Term Debt	(11,690)	(11,690)	(12,028)	(338)
Total Nonoperating Revenues (Expenses)	<u>(11,390)</u>	<u>(11,390)</u>	<u>(11,943)</u>	<u>(553)</u>
Income Before Capital Contributions and Transfers	21,572	7,310	16,761	9,451
Capital Contributions and Transfers:				
Transfer to General Fund - Tax Equivalents	(54,195)	(54,195)	(54,195)	-
Capital Contributions	-	-	554,591	554,591
Total Capital Contributions and Transfers	<u>(54,195)</u>	<u>(54,195)</u>	<u>500,396</u>	<u>554,591</u>
Change in Net Position	(32,623)	(46,885)	517,157	564,042
Net Position, January 1	<u>2,253,061</u>	<u>2,253,061</u>	<u>2,253,061</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,220,438</u>	<u>\$ 2,206,176</u>	<u>\$ 2,770,218</u>	<u>\$ 564,042</u>

VILLAGE OF GRANTSBURG
STORMWATER UTILITY
BUDGET TO ACTUAL COMPARISON
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues	\$ 71,880	\$ 71,880	\$ 78,729	\$ 6,849
Operating Expenses:				
Operation	5,025	6,637	4,335	2,302
Maintenance	1,100	1,100	-	1,100
Administrative and General	17,313	16,686	14,234	2,452
Total Operation and Maintenance	<u>23,438</u>	<u>24,423</u>	<u>18,569</u>	<u>5,854</u>
Depreciation	32,098	32,098	32,098	-
Total Operating Expenses	<u>55,536</u>	<u>56,521</u>	<u>50,667</u>	<u>5,854</u>
Operating Income	16,344	15,359	28,062	12,703
Nonoperating Revenues (Expenses):				
Interest Income	100	100	10	(90)
Interest on Long-Term Debt	(6,177)	(6,177)	(6,155)	22
Total Nonoperating Revenues (Expenses)	<u>(6,077)</u>	<u>(6,077)</u>	<u>(6,145)</u>	<u>(68)</u>
Change in Net Position	10,267	9,282	21,917	12,635
Net Position, January 1	<u>429,766</u>	<u>429,766</u>	<u>429,766</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 440,033</u>	<u>\$ 439,048</u>	<u>\$ 451,683</u>	<u>\$ 12,635</u>

VILLAGE OF GRANTSBURG
SEWER UTILITY
BUDGET TO ACTUAL COMPARISON
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues	\$ 232,950	\$ 232,950	\$ 249,631	\$ 16,681
Operating Expenses:				
Operation	114,995	114,995	128,975	(13,980)
Maintenance	5,000	5,000	1,697	3,303
Administrative and General	59,294	65,667	67,100	(1,433)
Total Operation and Maintenance	<u>179,289</u>	<u>185,662</u>	<u>197,772</u>	<u>(12,110)</u>
Depreciation	76,367	76,367	77,152	(785)
Total Operating Expenses	<u>255,656</u>	<u>262,029</u>	<u>274,924</u>	<u>(12,895)</u>
Operating Income	(22,706)	(29,079)	(25,293)	3,786
Nonoperating Revenues (Expenses):				
Interest Income	800	800	195	(605)
Interest on Long-Term Debt	(13,260)	(13,260)	(13,202)	58
Total Nonoperating Revenues (Expenses)	<u>(12,460)</u>	<u>(12,460)</u>	<u>(13,007)</u>	<u>(547)</u>
Income Before Capital Contributions	(35,166)	(41,539)	(38,300)	3,239
Capital Contributions:				
Federal Grant	<u>-</u>	<u>-</u>	<u>16,208</u>	<u>16,208</u>
Change in Net Position	(35,166)	(41,539)	(22,092)	19,447
Net Position, January 1	<u>1,285,996</u>	<u>1,285,996</u>	<u>1,285,996</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,250,830</u>	<u>\$ 1,244,457</u>	<u>\$ 1,263,904</u>	<u>\$ 19,447</u>