

Village of Mount Horeb

Financial Statements and
Supplementary Information

December 31, 2021

Village of Mount Horeb

Table of Contents
December 31, 2021

	<u>Page</u>
Independent Auditors' Report	i
Required Supplementary Information	
Management's Discussion and Analysis	iv
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet, Governmental Funds	3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statement of Net Position, Proprietary Funds	7
Statement of Revenues, Expenses and Change in Net Position - Proprietary Funds	9
Statement of Cash Flows, Proprietary Funds	10
Statement of Net Position, Custodial Fund	12
Statement of Changes in Net Position, Custodial Fund	13
Index to Notes to Financial Statements	14
Notes to Financial Statements	15

Village of Mount Horeb

Table of Contents
December 31, 2021

	<u>Page</u>
Required Supplementary Information	
General Fund	
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	53
Special Revenue Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Library Fund	56
Schedule of Proportionate Share of the Net Position (Asset) Liability	57
Schedule of Employer Contributions	57
Notes to Required Supplementary Information	58
Supplementary Information	
Combining Balance Sheet, Nonmajor Governmental Funds	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	61

Independent Auditors' Report

To the Village Board of
Village of Mount Horeb

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, net position as of December 30, 2020 has been restated to correct a material misstatement due to customer bills not being properly accrued at year end. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
May 12, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Mount Horeb

Management's Discussion and Analysis

December 31, 2021

(Unaudited)

The management of the Village of Mount Horeb (Village) offers all persons interested in the financial position of the Village this narrative overview and analysis of the Village's financial performance during the fiscal year ended December 31, 2021. You are invited to read this narrative in conjunction with the Village's financial statements.

Financial Highlights

- The assets of the Village of Mount Horeb exceeded its liabilities by \$59,925,739 (net position). Of this amount, \$7,171,396 is considered unrestricted net position, \$4,674,405 is restricted for specific purposes (restricted net position) and \$48,079,938 is the net investment in capital assets.
- The Village's total net position increased by \$3,014,059. Governmental activities net position increased by \$1,397,257 while business-type net position increased by \$1,616,802.
- On December 31, 2021, the Village's governmental funds reported combined fund balances of \$4,117,516, an increase of \$227,522 from 2020. Unassigned fund balance was \$(548,642) at year-end, primarily due to the deficit position of TIF District No. 5 and TIF District No. 3 Amendment.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the Village:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of Village government, reporting the Village's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Village of Mount Horeb

Management's Discussion and Analysis

December 31, 2021

(Unaudited)

Government-Wide Statements

The government-wide statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows, liabilities, deferred inflows and net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Village's net position and how they have changed. Net Position – the difference between the Village's assets, deferred outflows, liabilities and deferred inflows – is one way to measure the Village's financial health or position. Over time, increases or decreases in the Village's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the Village you need to consider additional nonfinancial factors such as changes in the Village's property tax base and the condition of the Village's roads.

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 the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with 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 maintains twenty (20) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, library fund, general debt service fund, TID debt service fund, general capital projects fund and TIF District No. 5 fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Village of Mount Horeb

Management's Discussion and Analysis

December 31, 2021

(Unaudited)

The Village adopts an annual appropriated budget. A budgetary comparison statement has been provided for the general fund and the major special revenue fund to demonstrate compliance with this budget.

Proprietary Funds – The Village maintains three different types of proprietary funds, all of which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

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 statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the general fund and the major special revenue fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Financial Analysis of the Village as a Whole

An analysis of the Village's financial position begins with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the Village's net position and changes therein. It should be noted that the financial position can also be affected by nonfinancial factors, including economic conditions, population growth and new regulations.

Village of Mount Horeb

Management's Discussion and Analysis

December 31, 2021

(Unaudited)

A summary of the Village's Statement of Net Position is presented below in Table 1.

Table 1
Condensed Statements of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 13,276,091	\$ 11,918,565	\$ 9,512,002	\$ 7,593,623	\$ 22,788,093	\$ 19,512,188
Capital assets	42,032,675	41,515,123	42,841,829	43,043,411	84,874,504	84,558,534
Total assets	55,308,766	53,433,688	52,353,831	50,637,034	107,662,597	104,070,722
Deferred outflows of resources	1,934,988	1,424,354	703,600	496,849	2,638,588	1,921,203
Long-term obligations outstanding	22,323,538	22,696,703	15,869,896	16,958,231	38,193,434	39,654,934
Other liabilities	1,035,072	580,823	852,050	660,438	1,887,122	1,214,261
Total liabilities	23,358,610	23,277,526	16,721,946	17,618,669	40,080,556	40,896,195
Deferred inflows of resources	9,376,347	8,468,976	918,543	631,945	10,294,890	9,100,921
Net investment in capital*	21,633,665	20,704,953	27,136,273	26,249,186	48,079,938	46,159,139
Restricted	2,531,927	1,950,075	2,142,478	3,537,937	4,674,405	5,488,012
Unrestricted	343,205	456,512	6,138,191	3,096,146	7,171,396	4,347,658
Total net position	\$ 24,508,797	\$ 23,111,540	\$ 35,416,942	\$ 32,883,269	\$ 59,927,539	\$ 55,994,809

* Includes adjustment for utility assets financed with governmental activities debt. See Note 1.

The largest portion of the Village's net position (80%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment and infrastructure), less any debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (12%) may be used to meet the government's ongoing obligation to citizens and creditors.

Village of Mount Horeb

Management's Discussion and Analysis

December 31, 2021

(Unaudited)

Table 2
Condensed Statement of Revenues,
Expenses and Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 1,035,085	\$ 890,879	\$ 10,022,990	\$ 9,720,874	\$ 11,058,075	\$ 10,611,753
Operating grants and contributions	973,123	908,326	-	-	973,123	908,326
Capital grants and contributions	13,776	11,247	1,232,520	160,597	1,246,296	171,844
General revenues:						
Property taxes	6,837,414	6,819,989	-	-	6,837,414	6,819,989
Intergovernmental	353,663	447,349	-	-	353,663	447,349
Other	594,384	583,092	25,853	67,266	505,977	650,358
Total revenues	<u>9,807,446</u>	<u>9,660,882</u>	<u>11,281,363</u>	<u>9,948,737</u>	<u>21,088,809</u>	<u>19,609,619</u>
Expenses						
General government	888,417	949,701	-	-	888,417	949,701
Public safety	2,672,164	2,772,976	-	-	2,672,164	2,772,976
Public works	1,849,953	2,066,368	-	-	1,849,953	2,066,368
Health and human services	164,776	178,873	-	-	164,776	178,873
Culture, recreation and education	1,819,923	1,450,354	-	-	1,819,923	1,450,354
Conservation and development	353,668	378,228	-	-	353,668	378,228
Electric	-	-	6,182,238	5,893,591	6,182,238	5,893,591
Water	-	-	920,369	918,162	920,369	918,162
Sewer	-	-	2,427,286	2,299,071	2,427,286	2,299,071
Interest and fiscal charges	795,955	715,334	-	-	795,955	715,334
Total expenses	<u>8,544,856</u>	<u>8,511,834</u>	<u>9,529,893</u>	<u>9,110,824</u>	<u>18,074,749</u>	<u>17,622,658</u>
Income (loss) before transfers	1,262,589	1,149,048	1,751,470	837,913	3,014,059	1,986,961
Transfers	<u>134,668</u>	<u>56,387</u>	<u>(134,668)</u>	<u>(56,387)</u>	<u>-</u>	<u>-</u>
Changes in net position	1,397,257	1,205,435	1,616,802	781,076	3,014,059	1,986,961
Beginning Net Position, as Restated	<u>23,111,540</u>	<u>21,906,105</u>	<u>33,800,140</u>	<u>32,101,743</u>	<u>56,911,680</u>	<u>54,007,848</u>
Ending Net Position, as Restated	<u>\$ 24,508,797</u>	<u>\$ 23,111,540</u>	<u>\$ 35,416,942</u>	<u>\$ 32,883,269</u>	<u>\$ 59,925,739</u>	<u>\$ 55,994,809</u>

As previously noted, the Statement of Net Position shows the change in net position. The specific nature or source of these changes then becomes more evident in the Statement of Revenues, Expenses and Changes in Net Position as shown above in Table 2.

Village of Mount Horeb

Management's Discussion and Analysis
December 31, 2021
(Unaudited)

Governmental Activities

Governmental activities net position increased \$1,397,257 or approximately 6.05 percent.

Business-Type Activities

Net position of the business-type activities increased \$1,616,802 or approximately 4.78 percent.

Financial Analysis of the Village's Funds

Governmental Funds

The focus of the Village of Mount Horeb'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, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At December 31, 2021, the Village's governmental funds reported combined fund balances of \$4,117,516. Approximately 48.79 percent of this amount, \$2,008,817, is restricted for specific projects or expenditures. An additional \$(548,642) constitutes unassigned fund balance, which would be available to meet the Village's current and future needs if it was positive. Another \$1,041,906 is committed and \$348,672 is assigned. The remaining \$1,266,763 is considered to be nonspendable due to noncurrent asset balances such as advances to other funds.

General Fund

The Village's general fund is the chief operating fund of the Village. Total fund balance in the general fund increased \$48,547 or approximately 1.94 percent. Unassigned fund balance increased \$234,337. The amount currently assigned to the 2021 budget is reported as assigned fund balance and totals \$145,488. In addition, nonspendable fund balances decreased \$234,085. Overall, the general fund balance was budgeted to decrease by \$93,746, but as previously noted, increased \$48,547. This was primarily due to higher than expected revenue, for building permits, recreation programs, donations and insurance recoveries.

The Village evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the subsequent year's general fund budget. The Village's fund balance policy indicates the Village's desired level of fund balance should fall within 20 percent to 25 percent of the subsequent year's budgeted expenditures. Unassigned fund balance is \$1,142,642 and the 2022 general fund expenditure budget is \$5,312,336 resulting in an unassigned fund balance of 22 percent, which is within the Village's policy.

Library

The Village's library fund accounts for the activities of the library. The fund balance is \$240,884, an increase of \$19,807 from the prior year.

General Debt Service Fund

The Village's debt service fund accounts for the accumulation of resources for and payment of, general long-term debt principal, interest and related costs. The fund balance is \$142,215, an increase of \$24,764 from the prior year.

Village of Mount Horeb

Management's Discussion and Analysis

December 31, 2021

(Unaudited)

TID Debt Service Fund

The Village's TID debt service fund accounts for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs for the Village's tax incremental financing districts. Fund balance at year end increased to \$550,071.

General Capital Projects

The Village's general capital projects fund accounts for funding of general Village projects. The fund balance is \$438,221, a decrease of \$12,853 from the prior year as 2020 bond proceeds were used on 2021 projects.

TIF District No. 5

The Village's TIF District No.5 fund accounts for the activities of TIF District No. 5. The fund balance (deficit) is (\$950,844) an increase of \$141,512 from the prior year.

Nonmajor Governmental Funds

Fund balance of all other governmental funds is \$1,142,076 and is comprised of restricted, committed and unassigned (deficit) balances.

Proprietary Funds

The Village of Mount Horeb's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. At December 31, 2021, the Village's proprietary funds reported combined net position of \$35,416,942.

Electric Utility

The electric utility net position increased \$241,283 or 2.60%. Operating revenues increased \$348,612 or 5.85%. Operating expenses increased \$298,234 or 5.07%

Water Utility

The water utility net position increased \$853,567 or 9.29%. Operating revenues increased \$14,685 or 1.18%. Operating expenses increased \$5,640 or 0.63%.

Sewer Utility

The sewer utility net position increased \$521,952 or 3.41%. Operating revenues decreased \$61,181 or 2.43%. Operating expenses increased \$137,840 or 6.86%.

General Fund Budgetary Highlights

Total expenditure appropriations were \$5,088,798 and actual was \$5,181,665 resulting in a \$92,867 unfavorable variance. The primary reason for this was:

- General government expenditures exceeded the budget by \$22,572.
- Public safety expenditures exceeded the budget by \$58,974.
- Culture, recreation and education expenditures exceeded the budget by \$22,091.
- Conservation and development expenditures exceeded the budget by \$9,334.

Village of Mount Horeb

Management's Discussion and Analysis
December 31, 2021
(Unaudited)

Total revenues were \$4,814,897, \$282,511 more than the budget. The primary reason for this was:

- Intergovernmental revenues exceeded the budget by \$32,376.
- Licenses and permits revenue exceeded the budget by \$50,603.
- Public charges for services exceeded the budget by \$74,661.
- Miscellaneous revenues exceeded the budget by \$120,233.

Capital Assets

At the end of 2021, the Village had invested a total of \$84,874,504 in capital assets. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, intangibles, infrastructure and utility plant.

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and other assets not being depreciated	\$ 7,310,950	\$ 7,310,950	\$ 1,084,841	\$ 1,084,841	\$ 8,395,791	\$ 8,395,791
Land improvements	1,417,342	1,417,342	-	-	1,417,342	1,417,342
Buildings	11,185,857	11,175,231	-	-	11,185,857	11,175,231
Machinery and equipment	3,263,646	2,795,138	-	-	3,263,646	2,795,138
Intangibles	73,760	-	-	-	73,760	-
Infrastructure	36,349,966	35,609,020	-	-	36,349,966	35,609,020
Utility plant	-	-	68,674,230	66,846,517	68,674,230	66,846,517
Total capital assets	59,601,522	58,307,681	69,759,071	67,931,358	129,360,593	126,239,039
Less accumulated depreciation	(17,568,847)	(16,792,558)	(26,917,242)	(24,887,947)	(44,483,089)	(41,680,505)
Net capital assets	<u>\$ 42,032,675</u>	<u>\$ 41,515,123</u>	<u>\$ 42,841,829</u>	<u>\$ 43,043,411</u>	<u>\$ 84,874,504</u>	<u>\$ 84,558,534</u>

See Note 3. for additional information.

Long-Term Debt

At December 31, 2021, the Village had \$36,800,904 of long-term bonds and notes outstanding. \$15,864,181 of this is revenue debt and \$20,936,723 relates to general obligation issues.

At the end of the year, the Village was at 45.8% of its general obligation debt capacity.

See Note 3 for additional information.

Currently Known Facts/Economic Conditions

All currently known facts and economic conditions were considered in preparing the 2022 Village budget. None of these conditions are anticipated to change the overall financial position of the Village.

Village of Mount Horeb

Management's Discussion and Analysis

December 31, 2021

(Unaudited)

Requests for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. If you have questions about this report or need any additional information, contact Nic Owen, Administrator at 608 437 9409 or Nic.Owen@mounthorebwi.info.

Village of Mount Horeb

Statement of Net Position

December 31, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and investments	\$ 4,393,262	\$ 6,067,504	\$ 10,460,766
Receivables (net):			
Taxes	6,979,584	-	6,979,584
Delinquent personal property taxes	410	-	410
Accounts	50,541	1,188,696	1,239,237
Loan	170,384	-	170,384
Special assessments	14,355	-	14,355
Internal balances	484,350	(484,350)	-
Inventories and prepaid items	78,990	276,939	355,929
Property held for future use	-	107,042	107,042
Restricted assets:			
Cash and investments	-	1,944,614	1,944,614
Net pension asset	1,104,215	411,557	1,515,772
Capital assets:			
Land	7,310,950	1,084,841	8,395,791
Construction in progress	-	37,234	37,234
Other capital assets, net of depreciation	34,721,725	41,719,754	76,441,479
Total assets	<u>55,308,766</u>	<u>52,353,831</u>	<u>107,662,597</u>
Deferred Outflows of Resources			
Unamortized loss on refunding	85,575	-	85,575
Pension related amounts	1,849,413	703,600	2,553,013
Total deferred outflows of resources	<u>1,934,988</u>	<u>703,600</u>	<u>2,638,588</u>
Liabilities			
Accounts payable and accrued expenses	638,183	830,807	1,468,990
Deposits	2,603	21,243	23,846
Unearned revenue	394,286	-	394,286
Noncurrent liabilities:			
Due within one year	2,172,675	1,000,900	3,173,575
Due in more than one year	20,150,863	14,868,996	35,019,859
Total liabilities	<u>23,358,610</u>	<u>16,721,946</u>	<u>40,080,556</u>
Deferred Inflows of Resources			
Unearned revenues	6,975,838	-	6,975,838
Pension related amounts	2,400,509	918,543	3,319,052
Total deferred inflows of resources	<u>9,376,347</u>	<u>918,543</u>	<u>10,294,890</u>
Net Position			
Net investment in capital assets	21,633,665	27,136,273	48,079,938
Restricted for:			
Debt service	375,422	668,342	1,043,764
Library	497,830	-	497,830
TIF activities	423,809	-	423,809
Depreciation	-	1,062,579	1,062,579
Revolving loans	130,651	-	130,651
Pension	1,104,215	411,557	1,515,772
Unrestricted	343,205	6,138,191	7,171,396
Total net position	<u>\$ 24,508,797</u>	<u>\$ 35,416,942</u>	<u>\$ 59,925,739</u>

See notes to financial statements

Village of Mount Horeb

Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 888,417	\$ 85,045	\$ 269	\$ -	\$ (803,103)	\$ -	\$ (803,103)
Public safety	2,672,164	49,173	34,756	-	(2,588,235)	-	(2,588,235)
Public works	1,849,953	577,178	555,616	13,776	(703,383)	-	(703,383)
Health and human services	164,776	-	121,432	-	(43,344)	-	(43,344)
Culture, recreation and education	1,819,923	312,349	261,050	-	(1,246,524)	-	(1,246,524)
Conservation and development	353,668	11,340	-	-	(342,328)	-	(342,328)
Interest and fiscal charges	795,955	-	-	-	(795,955)	-	(795,955)
Total governmental activities	<u>8,544,856</u>	<u>1,035,085</u>	<u>973,123</u>	<u>13,776</u>	<u>(6,522,872)</u>	<u>-</u>	<u>(6,522,872)</u>
Business-type activities:							
Electric	6,182,238	6,308,358	-	299,782	-	425,902	425,902
Water	920,369	1,260,200	-	602,421	-	942,252	942,252
Sewer	2,427,286	2,454,432	-	330,317	-	357,463	357,463
Total business-type activities	<u>9,529,893</u>	<u>10,022,990</u>	<u>-</u>	<u>1,232,520</u>	<u>-</u>	<u>1,725,617</u>	<u>1,725,617</u>
Total	<u>\$ 18,074,749</u>	<u>\$ 11,058,075</u>	<u>\$ 973,123</u>	<u>\$ 1,246,296</u>	<u>\$ (6,522,872)</u>	<u>\$ 1,725,617</u>	<u>\$ (4,797,255)</u>
General revenues:							
Taxes:							
					\$ 3,722,588	\$ -	\$ 3,722,588
Property taxes, levied for general purposes					1,600,000	-	1,600,000
Property taxes, levied for debt service					1,514,826	-	1,514,826
Property taxes, levied for TIF purposes					114,261	-	114,261
Other taxes					353,663	-	353,663
Intergovernmental revenues not restricted to specific programs					47,196	23,204	70,400
Investment income					121,287	-	121,287
Gain on sale of assets					311,640	2,649	314,289
Miscellaneous							
Total general revenues					<u>7,785,461</u>	<u>25,853</u>	<u>7,811,314</u>
Transfers					134,668	(134,668)	-
Total general revenues and transfers					<u>7,920,129</u>	<u>(108,815)</u>	<u>7,811,314</u>
Change in net position					1,397,257	1,616,802	3,014,059
Net Position, Beginning (as Restated)					<u>23,111,540</u>	<u>33,800,140</u>	<u>56,911,680</u>
Net Position, Ending					<u>\$ 24,508,797</u>	<u>\$ 35,416,942</u>	<u>\$ 59,925,739</u>

See notes to financial statements

Village of Mount Horeb

Balance Sheet, Governmental Funds

December 31, 2021

	General Fund	Library	General Debt Service	TID Debt Service	General Capital Projects	TIF District No. 5	Nonmajor Governmental Funds	Total Governmental Funds
Assets								
Cash and investments	\$ 1,155,831	\$ 273,407	\$ 142,215	\$ 45,575	\$ 460,606	\$ -	\$ 2,315,628	\$ 4,393,262
Receivables:								
Ensuuing year levy	2,890,577	498,992	1,603,746	52,160	270,000	687,937	976,172	6,979,584
Delinquent personal property taxes	410	-	-	-	-	-	-	410
Other	26,358	794	-	-	-	-	23,389	50,541
Loans	-	-	-	-	-	-	170,384	170,384
Special assessments	-	-	14,355	-	-	-	-	14,355
Due from other funds	512,022	-	-	-	-	-	1,264	513,286
Prepayments	78,990	-	-	-	-	-	-	78,990
Advances to other funds	1,187,363	-	-	504,496	-	-	-	1,691,859
Total assets	\$ 5,851,551	\$ 773,193	\$ 1,760,316	\$ 602,231	\$ 730,606	\$ 687,937	\$ 3,486,837	\$ 13,892,671
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 251,088	\$ 18,125	\$ -	\$ -	\$ 22,385	\$ 3,213	\$ 39,643	\$ 334,454
Accrued liabilities	134,550	15,192	-	-	-	-	6,812	156,554
Deposits	2,603	-	-	-	-	-	-	2,603
Due to other funds	15,700	-	-	-	-	-	13,236	28,936
Unearned revenues	-	-	-	-	-	-	394,286	394,286
Advances from other funds	-	-	-	-	-	947,631	744,228	1,691,859
Total liabilities	403,941	33,317	-	-	22,385	950,844	1,198,205	2,608,692
Deferred Inflows of Resources								
Unearned revenues	2,890,577	498,992	1,600,000	52,160	270,000	687,937	976,172	6,975,838
Unavailable revenues	2,140	-	18,101	-	-	-	170,384	190,625
Total deferred inflows of resources	2,892,717	498,992	1,618,101	52,160	270,000	687,937	1,146,556	7,166,463
Fund Balances (Deficit)								
Nonspendable	1,266,763	-	-	-	-	-	-	1,266,763
Restricted	-	240,884	142,215	550,071	235,037	-	840,610	2,008,817
Committed	-	-	-	-	-	-	1,041,906	1,041,906
Assigned	145,488	-	-	-	203,184	-	-	348,672
Unassigned (deficit)	1,142,642	-	-	-	-	(950,844)	(740,440)	(548,642)
Total fund balances (deficit)	2,554,893	240,884	142,215	550,071	438,221	(950,844)	1,142,076	4,117,516
Total liabilities, deferred inflows of resources and fund balances	\$ 5,851,551	\$ 773,193	\$ 1,760,316	\$ 602,231	\$ 730,606	\$ 687,937	\$ 3,486,837	\$ 13,892,671

See notes to financial statements

Village of Mount Horeb

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2021

Total Fund Balances, Governmental Funds \$ 4,117,516

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Land	7,310,950
Other capital assets	52,290,572
Less, accumulated depreciation	(17,568,847)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 190,625

The net pension asset does not relate to current financial resources and is not reported in the governmental funds. 1,104,215

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. 1,849,413

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (2,400,509)

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	(20,936,723)
Compensated absences	(473,255)
Compensated absences, retirees	(117,261)
Accrued interest	(147,175)
Unamortized debt premium	(796,299)

A deferred charge on refunding represents a consumption of net position that applies to a future period and, therefore, is not reported in the funds. 85,575

Net Position of Governmental Activities \$ 24,508,797

Village of Mount Horeb

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended December 31, 2021

	General Fund	Library	General Debt Service	TID Debt Service	General Capital Projects	TIF District No. 5	Nonmajor Governmental Funds	Total
Revenues								
Taxes	\$ 2,883,406	\$ 491,618	\$ 1,600,008	\$ 54,422	\$ 270,000	\$ 648,987	\$ 929,294	\$ 6,877,735
Other taxes	-	-	-	-	-	-	74,347	74,347
Intergovernmental	769,265	231,568	-	-	128,145	10,896	39,548	1,179,422
Licenses and permits	124,778	-	-	-	-	-	-	124,778
Fines, forfeitures and penalties	42,936	-	-	-	-	-	-	42,936
Public charges for services	703,811	7,939	-	-	-	-	94,784	806,534
Intergovernmental charges for services	-	-	-	-	-	-	121,060	121,060
Special assessments	-	-	16,351	-	-	-	-	16,351
Investment income	14,026	73	395	-	-	1,530	38,248	54,272
Miscellaneous revenues	276,675	3,931	-	-	6,098	-	112,872	399,576
Total revenues	4,814,897	735,129	1,616,754	54,422	404,243	661,413	1,410,153	9,697,011
Expenditures								
Current:								
General government	802,408	-	-	-	-	6,748	78,855	888,011
Public safety	2,513,582	-	152,516	-	-	-	-	2,666,098
Public works	1,220,583	-	-	-	-	-	-	1,220,583
Health and human services	-	-	-	-	-	-	166,040	166,040
Culture, recreation and education	512,610	679,191	-	-	-	-	218,299	1,410,100
Conservation and development	132,482	-	-	-	-	213,135	11,971	357,588
Capital outlay	-	36,131	-	-	2,122,642	-	11,913	2,170,686
Debt service:								
Principal	-	-	3,410,141	1,166,642	-	-	-	4,576,783
Interest and fiscal charges	-	-	463,180	325,126	36,582	-	-	824,888
Total expenditures	5,181,665	715,322	4,025,837	1,491,768	2,159,224	219,883	487,078	14,280,777
Excess (deficiency) of revenues over expenditures	(366,768)	19,807	(2,409,083)	(1,437,346)	(1,754,981)	441,530	923,075	(4,583,766)
Other Financing Sources (Uses)								
Property sales	60	-	-	-	129,500	-	-	129,560
General obligation debt issued	-	-	-	-	1,500,000	-	-	1,500,000
General obligation refunding debt issued	-	-	2,408,500	256,500	-	-	-	2,665,000
Premium on debt issued	-	-	25,347	12,420	72,628	-	-	110,395
Transfers in	415,255	-	-	1,225,224	40,000	-	-	1,680,479
Transfers out	-	-	-	-	-	(300,018)	(974,128)	(1,274,146)
Total other financing sources (uses)	415,315	-	2,433,847	1,494,144	1,742,128	(300,018)	(974,128)	4,811,288
Net change in fund balance	48,547	19,807	24,764	56,798	(12,853)	141,512	(51,053)	227,522
Fund Balances (Deficit), Beginning	2,506,346	221,077	117,451	493,273	451,074	(1,092,356)	1,193,129	3,889,994
Fund Balances (Deficit), Ending	\$ 2,554,893	\$ 240,884	\$ 142,215	\$ 550,071	\$ 438,221	\$ (950,844)	\$ 1,142,076	\$ 4,117,516

See notes to financial statements

Village of Mount Horeb

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2021

Net Change in Fund Balances, Total Governmental Funds \$ 227,522

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

Governmental funds report capital outlays as expenditures. However, in the
statement of net position the cost of these assets is capitalized and they are
depreciated over their estimated useful lives and reported as depreciation
expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,170,686
Some items reported as capital outlay were not capitalized	(253,212)
Some items reported as capital outlay in the fund statements were capitalized by the business-type activities	(271,665)
Depreciation is reported in the government-wide statements	(1,114,983)
Net book value of assets retired	(13,274)

Receivables not currently available are reported as revenue when collected or currently
available in the fund financial statements but are recognized as revenue when earned in
the government-wide financial statements.

Special assessments	(2,575)
Loans	(16,551)

Debt issued provides current financial resources to governmental funds, but issuing debt
increases long-term liabilities in the statement of net position. Repayment of debt principal
is an expenditure in the governmental funds, but the repayment reduces long-term
liabilities in the statement of net position.

Debt issued	(4,165,000)
Principal repaid	4,576,783

Governmental funds report debt premiums and discounts as other financing sources (uses)
or expenditures. However, in the statement of net position, these are reported as
additions to or deductions from long-term debt. These are allocated over the period the
debt is outstanding in the statement of activities and are reported as interest expense.

Premium on debt issued	(110,395)
Amortization of premium	76,518
Loss on advance refunding	(47,783)

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

Compensated absences	26,648
Compensated absences, retirees	(31,389)
Accrued interest on debt	348
Net pension asset/liability	556,109
Deferred outflows of resources related to pensions	558,417
Deferred inflows of resources related to pensions	(768,947)

Change in Net Position of Governmental Activities \$ 1,397,257

Village of Mount HorebStatement of Net Position, Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Assets				
Current assets:				
Cash and investments	\$ 722,101	\$ 1,383,527	\$ 1,193,517	\$ 3,299,145
Receivables:				
Accounts receivable	784,377	126,255	278,064	1,188,696
Due from other funds	13,203	69,979	7,494	90,676
Inventories	241,791	35,148	-	276,939
Restricted assets:				
Redemption account	-	111,313	606,382	717,695
Total current assets	<u>1,761,472</u>	<u>1,726,222</u>	<u>2,085,457</u>	<u>5,573,151</u>
Noncurrent assets:				
Restricted assets:				
Reserve account	-	164,340	-	164,340
Depreciation account	-	228,150	-	228,150
Net pension asset	202,174	74,889	134,494	411,557
Replacement account	-	-	834,429	834,429
Other assets:				
Property held for future use	107,042	-	-	107,042
Depreciation account	2,021,164	-	747,195	2,768,359
Capital assets:				
Land	52,269	62,950	969,622	1,084,841
Construction work in progress	5,402	4,692	27,140	37,234
Property and equipment	16,594,327	15,310,249	36,732,420	68,636,996
Less accumulated depreciation	<u>(10,124,144)</u>	<u>(6,370,182)</u>	<u>(10,422,916)</u>	<u>(26,917,242)</u>
Total noncurrent assets	<u>8,858,234</u>	<u>9,475,088</u>	<u>29,022,384</u>	<u>47,355,706</u>
Total assets	<u>10,619,706</u>	<u>11,201,310</u>	<u>31,107,841</u>	<u>52,928,857</u>
Deferred Outflows of Resources				
Pension related amounts	<u>344,721</u>	<u>131,173</u>	<u>227,706</u>	<u>703,600</u>
Total deferred outflows of resources	<u>\$ 344,721</u>	<u>\$ 131,173</u>	<u>\$ 227,706</u>	<u>\$ 703,600</u>

See notes to financial statements

Village of Mount HorebStatement of Net Position, Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Liabilities				
Current liabilities:				
Accounts payable	\$ 639,861	\$ 17,420	\$ 44,000	\$ 701,281
Accrued liabilities	25,902	9,508	16,563	51,973
Commitment to community	28,200	-	-	28,200
Due to other funds	286,053	217,178	71,795	575,026
Liabilities payable from restricted assets:				
Current portion of revenue bonds	-	160,000	840,900	1,000,900
Accrued interest	-	3,708	45,645	49,353
Total current liabilities	980,016	407,814	1,018,903	2,406,733
Noncurrent liabilities:				
Long-term debt:				
Revenue bonds (including unamortized premium)	-	695,715	14,173,281	14,868,996
Customer deposits	8,217	13,026	-	21,243
Total noncurrent liabilities	8,217	708,741	14,173,281	14,890,239
Total liabilities	988,233	1,116,555	15,192,184	17,296,972
Deferred Inflows of Resources				
Pension related amounts	447,978	177,102	293,463	918,543
Total deferred inflows of resources	447,978	177,102	293,463	918,543
Net Position				
Net investment in capital assets	6,527,854	8,316,334	12,292,085	27,136,273
Restricted for:				
Debt service	-	107,605	560,737	668,342
Depreciation	-	228,150	834,429	1,062,579
Pension	202,174	74,889	134,494	411,557
Unrestricted net position	2,798,188	1,311,848	2,028,155	6,138,191
Total net position	\$ 9,528,216	\$ 10,038,826	\$ 15,849,900	\$ 35,416,942

See notes to financial statements

Village of Mount HorebStatement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Operating Revenues				
Public charges for services	\$ 6,231,495	\$ 1,193,687	\$ 2,440,152	\$ 9,865,334
Other operating revenue	76,863	66,513	14,280	157,656
Total operating revenues	<u>6,308,358</u>	<u>1,260,200</u>	<u>2,454,432</u>	<u>10,022,990</u>
Operating Expenses				
Operations and maintenance	5,692,925	527,857	992,320	7,213,102
Depreciation	487,088	369,062	1,156,026	2,012,176
Total operating expenses	<u>6,180,013</u>	<u>896,919</u>	<u>2,148,346</u>	<u>9,225,278</u>
Operating income	<u>128,345</u>	<u>363,281</u>	<u>306,086</u>	<u>797,712</u>
Nonoperating Revenues (Expenses)				
Investment income	8,274	5,346	9,584	23,204
Interest expense	(625)	(23,450)	(278,940)	(303,015)
Amortization of debt premium	432	2,217	-	2,649
Amortization of loss on advance refunding	(178)	-	-	(178)
Miscellaneous expense	(1,422)	-	-	(1,422)
Total nonoperating revenues (expenses)	<u>6,481</u>	<u>(15,887)</u>	<u>(269,356)</u>	<u>(278,762)</u>
Income before contributions and transfers	134,826	347,394	36,730	518,950
Contributions and Transfers				
Capital contributions, fees	-	47,792	53,542	101,334
Capital contributions, developer	299,782	554,629	276,775	1,131,186
Capital contributions, municipality	-	116,760	154,905	271,665
Transfers in (out)	(193,325)	(213,008)	-	(406,333)
Total contributions and transfers	<u>106,457</u>	<u>506,173</u>	<u>485,222</u>	<u>1,097,852</u>
Change in net position	241,283	853,567	521,952	1,616,802
Total Net Position, Beginning (as Restated)	<u>9,286,933</u>	<u>9,185,259</u>	<u>15,327,948</u>	<u>33,800,140</u>
Total Net Position, Ending	<u>\$ 9,528,216</u>	<u>\$ 10,038,826</u>	<u>\$ 15,849,900</u>	<u>\$ 35,416,942</u>

See notes to financial statements

Village of Mount HorebStatement of Cash Flows, Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Cash Flows From Operating Activities				
Received from customers	\$ 6,434,413	\$ 1,365,789	\$ 2,657,514	\$ 10,457,716
Received from other funds for services	116,684	-	-	116,684
Paid to suppliers for goods and services	(5,025,656)	(368,681)	(633,831)	(6,028,168)
Paid to employees for services	(568,655)	(199,367)	(395,030)	(1,163,052)
Net cash flows from operating activities	<u>956,786</u>	<u>797,741</u>	<u>1,628,653</u>	<u>3,383,180</u>
Cash Flows From Investing Activities				
Investment income	8,274	5,346	9,584	23,204
Net cash flows from investing activities	<u>8,274</u>	<u>5,346</u>	<u>9,584</u>	<u>23,204</u>
Cash Flows From Noncapital Financing Activities				
Paid to municipality for tax equivalent	(196,805)	(224,039)	-	(420,844)
Net cash flows from noncapital financing activities	<u>(196,805)</u>	<u>(224,039)</u>	<u>-</u>	<u>(420,844)</u>
Cash Flows From Capital and Related Financing Activities				
Debt retired	(100,000)	(160,000)	(825,686)	(1,085,686)
Interest paid	(1,250)	(24,050)	(281,474)	(306,774)
Acquisition of and construction of capital assets	(840,662)	(78,302)	-	(918,964)
Capital contributions received	295,926	47,792	53,542	397,260
Net cash flows from capital and related financing activities	<u>(645,986)</u>	<u>(214,560)</u>	<u>(1,053,618)</u>	<u>(1,914,164)</u>
Net increase (decrease) in cash and cash equivalents	122,269	364,488	584,619	1,071,376
Cash and Cash Equivalents, Beginning	<u>2,620,996</u>	<u>1,522,842</u>	<u>2,796,904</u>	<u>6,940,742</u>
Cash and Cash Equivalents, Ending	<u>\$ 2,743,265</u>	<u>\$ 1,887,330</u>	<u>\$ 3,381,523</u>	<u>\$ 8,012,118</u>

See notes to financial statements

Village of Mount HorebStatement of Cash Flows, Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash From Operating Activities				
Operating income	\$ 128,345	\$ 363,281	\$ 306,086	\$ 797,712
Nonoperating income	(1,422)	-	-	-
Adjustments to reconcile operating income to net cash provided from operating activities:				
Depreciation	487,088	369,062	1,156,026	2,012,176
Depreciation charged to other funds	76,271	29,036	-	105,307
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
Accounts receivable	243,286	82,644	191,962	517,892
Due from other funds	(9,460)	(6,132)	11,120	(4,472)
Inventories	(55,096)	(21,115)	-	(76,211)
Accounts payable	176,364	(755)	6,681	182,290
Due to other funds	(34,763)	(252)	(411)	(35,426)
Customer deposits	-	41	-	41
Commitment to community	10,335	-	-	10,335
Pension related deferrals and liabilities	(64,162)	(18,069)	(42,811)	(125,042)
Net cash flows from operating activities	<u>\$ 956,786</u>	<u>\$ 797,741</u>	<u>\$ 1,628,653</u>	<u>\$ 3,383,180</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds				
Cash and investments	\$ 722,101	\$ 1,383,527	\$ 1,193,517	\$ 3,299,145
Redemption account	-	111,313	606,382	717,695
Reserve account	-	164,340	834,429	998,769
Depreciation account	2,021,164	228,150	747,195	2,996,509
Total cash and investments	<u>2,743,265</u>	<u>1,887,330</u>	<u>3,381,523</u>	<u>8,012,118</u>
Cash and cash equivalents, ending	<u>\$ 2,743,265</u>	<u>\$ 1,887,330</u>	<u>\$ 3,381,523</u>	<u>\$ 8,012,118</u>
Noncash Capital and Related Financing Activities				
Developer and customer financed additions to utility plant	<u>\$ -</u>	<u>\$ 554,629</u>	<u>\$ 276,775</u>	<u>\$ 831,404</u>
Muni financed additions to utility plant	<u>\$ -</u>	<u>\$ 153,880</u>	<u>\$ 154,905</u>	<u>\$ 308,785</u>

See notes to financial statements

Village of Mount Horeb

Statement of Fiduciary Net Position, Custodial Fund
December 31, 2021

	Tax Collection Fund
Assets	
Cash and investments	\$ 6,938,530
Taxes receivable	<u>3,040,665</u>
Total assets	<u>9,979,195</u>
Liabilities	
Accounts payable	1,856
Due to other governmental units	<u>9,977,339</u>
Total liabilities	<u>9,979,195</u>
Net Position	<u><u>\$ -</u></u>

See notes to financial statements

Village of Mount Horeb

Statement of Changes in Fiduciary Net Position, Custodial Fund
Year Ended December 31, 2021

	Tax Collection Fund
Additions	
Property taxes collected for other governments	\$ 7,062,698
Total additions	<u>7,062,698</u>
Deductions	
Distributions to other governments	<u>7,062,698</u>
Total deductions	<u>7,062,698</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

Village of Mount Horeb

Index to Notes to Financial Statements

December 31, 2021

	<u>Page</u>
1. Summary of Significant Accounting Policies	15
Reporting Entity	15
Government Wide and Fund Financial Statements	15
Measurement Focus, Basis of Accounting and Financial Statement Presentation	18
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	19
Deposits and Investments	19
Receivables	20
Inventories and Prepaid Items	21
Restricted Assets	21
Capital Assets	21
Deferred Outflows of Resources	22
Compensated Absences	22
Long-Term Obligations/Conduit Debt	23
Deferred Inflows of Resources	23
Equity Classifications	23
Pension	25
Basis for Existing Rates	25
2. Stewardship, Compliance and Accountability	25
Excess Expenditures and Other Financing Uses Over Appropriations	25
Deficit Balances	26
Limitations on the Village's Tax Levy	26
3. Detailed Notes on All Funds	26
Deposits and Investments	26
Receivables	28
Restricted Assets	29
Capital Assets	31
Interfund Receivables/Payables, Advances and Transfers	35
Long-Term Obligations	37
Net Position/Fund Balances	41
Restatement of Net Position	43
4. Other Information	44
Employees' Retirement System	44
Risk Management	48
Commitments and Contingencies	49
Joint Ventures	51
Effect of New Accounting Standards on Current Period Financial Statements	52

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Mount Horeb, Wisconsin (Village) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents, (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt or the component unit will be paid entirely or almost entirely from resources of the primary government.

Component Unit Not Presented

Community Development Authority of the Village of Mount Horeb

The Community Development Authority of the Village of Mount Horeb (CDA) is part of the reporting entity of the Village of Mount Horeb. However, the CDA had no financial transactions during 2021. Also, the CDA does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

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

Fund Financial Statements

Financial statements of the Village 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 balance, revenues and expenditures/expenses.

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

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

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

The Village reports the following major governmental funds:

General Fund

General Fund accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Library

Library accounts for resources legally restricted to supporting expenditures for the library program.

General Debt Service

General Debt Service are used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs, other than TID or enterprise debt.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

TID Debt Service

TID Debt Service are used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of TID long-term debt principal, interest and related costs.

General Capital Projects

General Capital Projects accounts for resources that are restricted, committed or assigned for general capital projects, excluding those funded by the TIF districts or developers.

Tax Incremental District (TID) No. 5 Capital Projects Fund

Tax Incremental District (TID) No. 5 Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

The Village reports the following major enterprise funds:

Electric Utility

Electric Utility accounts for operations of the electric system

Water Utility

Water Utility accounts for operations of the water system

Sewer Utility

Sewer Utility accounts for operations of the sewer system

The Village reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Subdividers Park Deposits	Library Special Projects
Terrace Trees	Swimming Pool
Future Streets	Public Broadcasting
Outreach/Nutrition	Tourism Promotion Fund
Employee Retirement Fund	American Rescue Plan
Revolving Loan Fund	

Capital Projects Funds

Capital Project Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TIF District No. 3

TIF District No. 3 Amendment

TIF District No. 4

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

In addition, the Village reports the following fund type:

Custodial Fund

Custodial Funds are used to account for and report assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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. 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 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 Village's electric, water and sewer utilities 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.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The 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 utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. 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.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of Village funds is restricted by Wisconsin state statutes. Available investments are limited to:

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

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

The Village has adopted an investment policy. That policy follows the state statute for allowable investments.

The Village's investment policy generally addresses custodial credit risk, credit risk and concentration of credit risk by limiting investments to those allowed by state statute and requiring either FDIC or other insurance coverage of deposits. In relation to interest rate risk, the Village will generally not allow investments with maturities over three years unless matched to a specific cash flow. The policy will allow up to 50% of the general fund unassigned fund balance to be invested in accounts with maturities between one and three years. The remaining operating funds must be invested in accounts with maturities of less than one year.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note 3. for further information.

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale, 2021 delinquent real estate taxes	October 2024

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The Village has received federal and state grant funds for economic development loan programs to various businesses and individuals. The Village records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development loans receivable has not been reduced by an allowance for uncollectible accounts.

It is the Village's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used.

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.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets, and \$20,000 for infrastructure assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The 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.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Buildings	20-40
Land improvements	20-40
Machinery and equipment	2-15
Utility system	4-107
Infrastructure	40-60

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 the same way as in the government-wide statements.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

Compensated Absences

Under terms of employment, employees are granted sick leave, vacations and comp time in varying amounts. Only benefits considered to be vested are disclosed in these statements. The amount of accumulated sick leave that will not be repaid with expendable available resources is recorded as a long-term liability in the government-wide financial statements.

Vested vacation pay and comp time are also recorded as a liability. Vacation pay and comp time expected to be paid with expendable available financial resources is shown as a current liability of the particular fund. The balance of the liabilities is shown as long-term liabilities in the government-wide financial statements.

The Village also provides postemployment health insurance benefits for all eligible employees. Eligibility occurs once an employee retires with the Village and has reached the age of 55. The actual benefits are dependent on the age of the employee at the time of retirement.

Employees may accrue a maximum of 1,040 hours of sick leave that may be used to pay health care premiums upon retirement. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the Village. Funding for those costs is provided out of the current operating budget of the Village. Total expenditures for such premiums during the year were \$62,124. The number of participants currently eligible to receive benefits is seven. The total amount outstanding at year end is \$117,261 and is recorded in the government-wide statement of net position.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

The Village has created an Employee Retirement Insurance fund to accumulate resources for future funding of these benefits.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

The Village has approved the issuance of an industrial revenue bond (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects and do not constitute indebtedness of the Village. Accordingly, the bond is not reported as a liability in the accompanying financial statements. The total amount of IRB outstanding at the end of the year is approximately \$2,775,702.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Financial Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

The net position section includes an adjustment for capital assets owned by the business-type activities column but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Net investment in capital assets	\$ 21,633,665	\$ 27,136,273	\$ (690,000)	\$ 48,079,938
Unrestricted	343,205	6,138,191	690,000	7,171,396

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.

Fund Financial Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The board or management may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

The Village has a formal fund balance policy. That policy is to maintain unassigned general fund balance between 20% and 25% of budgeted general fund expenditures for the subsequent year. Unassigned general fund balance that exceeds this range shall be transferred to the capital improvement projects fund to reduce future borrowing needs. The balance at year end was \$1,142,642 or 22% of budgeted expenditures for the subsequent year.

See Note 3. for further information.

Pension

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Basis for Existing Rates

Electric Utility

Current electric rates were approved by the Public Service Commission of Wisconsin (PSCW) in April of 2009. The rates were designed to provide a 7.00% return on the rate base.

Water Utility

Current water rates were approved by the PSCW effective June of 2016 and are designed to provide a 5.25% return on the rate base.

Sewer Utility

Current sewer rates were approved by the utility commission and became effective in May of 2018.

2. Stewardship, Compliance and Accountability

Excess Expenditures and Other Financing Uses Over Appropriations

	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
Funds:			
General capital projects	\$ 1,737,045	\$ 2,159,224	\$ 422,179
TIF District No. 5	396,535	519,901	123,366
General debt service	1,597,804	4,025,837	2,428,033
TID debt service	1,225,223	1,491,768	266,545
Library special projects	5,900	17,416	11,516
Employee retirement	63,046	71,565	8,519
Tourism promotion	41,000	74,347	33,347

The Village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end.

As of December 31, 2021, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Reason</u>	<u>Amount</u>
TIF District No. 3 Amendment	Expenditures exceeding funding	\$ 740,440
TIF District No. 5	Expenditures exceeding funding	950,844

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

Limitations on the Village's Tax Levy

Wisconsin law limits the Village's future tax levies. Generally the Village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

3. Detailed Notes on All Funds

Deposits and Investments

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the Village's funds.

The Village's deposits and investments at year-end were comprised of the following:

	<u>Associated Risks</u>	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>
Deposits	Custodial credit	\$ 19,098,876	\$ 19,198,682
Mutual funds, other than bonds	N/A	175,756	175,756
Mutual funds, bond funds	Credit, interest rate custodial credit, credit, concentration of credit, interest rate	67,582	67,582
Petty cash	N/A	<u>1,696</u>	<u>-</u>
Total deposits and investments		<u>\$ 19,343,910</u>	<u>\$ 19,442,020</u>

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Reconciliation to financial statements:

Per statement of net position:	
Unrestricted cash and investments	\$ 10,460,766
Restricted cash and investments	1,944,614
Per statement of fiduciary net position:	
Custodial fund	<u>6,938,530</u>
Total deposits and investments	<u>\$ 19,343,910</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The Village is a beneficiary of an irrevocable letter of credit in the amount of \$25,000,000.

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Quoted market prices

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Investment type:				
Mutual funds, bond funds	\$ 67,582	\$ -	\$ -	\$ 67,582
Mutual funds, other than bonds	<u>175,756</u>	<u>-</u>	<u>-</u>	<u>175,756</u>
Total	<u>\$ 243,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,338</u>

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

The Village does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2021, the Village had a variety of mutual fund - bond funds for which ratings by Standard & Poors and Moody's were not available. These mutual fund - bond funds were rated A, B and BB by MorningStar.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2021, the Village's investments were as follows:

	Fair Value	Maturity (In Months)		
		Less Than 12	12 - 60	Greater Than 60
Investment type:				
Mutual funds, bond funds	\$ 67,582	\$ 32,764	\$ 19,270	\$ 15,548
Total	\$ 67,582	\$ 32,764	\$ 19,270	\$ 15,548

See Note 1 for further information on deposit and investment policies.

Receivables

Receivables as of year-end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Debt		Total
	Service	Revolving Loan	
Amounts not expected to be collected within one year	\$ 14,355	\$ 152,508	\$ 166,863

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 6,975,838	\$ -
Accounts receivable	-	170,384
Special assessments not yet due	-	18,101
Grant revenue	394,286	-
Miscellaneous receivables	-	2,140
	<u> </u>	<u> </u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 7,370,124</u>	<u>\$ 190,625</u>
Unearned revenue included in liabilities	\$ 394,286	
Unearned revenue included in deferred inflows	<u>6,975,838</u>	
Total unearned revenue for governmental funds	<u>\$ 7,370,124</u>	

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months

Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account

Depreciation - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Equipment Replacement Account

The water utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Following is a list of restricted assets reported in the business-type activities at December 31, 2021:

Restricted assets:	
Redemption account	\$ 717,695
Reserve account	164,340
Depreciation account	228,150
Replacement account	834,429
Net pension asset	<u>411,557</u>
Total restricted assets	<u>\$ 2,356,171</u>

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 7,310,950	\$ -	\$ -	\$ 7,310,950
Total capital assets not being depreciated	<u>7,310,950</u>	<u>-</u>	<u>-</u>	<u>7,310,950</u>
Capital assets being depreciated:				
Land improvements	1,417,342	-	-	1,417,342
Buildings	11,175,231	10,626	-	11,185,857
Machinery and equipment	2,795,138	690,275	221,766	3,263,647
Intangibles	-	73,760	-	73,760
Streets	26,284,010	871,148	130,202	27,024,956
Storm sewers	5,991,366	-	-	5,991,366
Street lighting	583,728	-	-	583,728
Sidewalks	2,749,916	-	-	2,749,916
Total capital assets being depreciated	<u>50,996,731</u>	<u>1,645,809</u>	<u>351,968</u>	<u>52,290,572</u>
Total capital assets	<u>58,307,681</u>	<u>1,645,809</u>	<u>351,968</u>	<u>59,601,522</u>
Less accumulated depreciation for:				
Land improvements	(817,892)	(56,463)	-	(874,355)
Buildings	(2,412,413)	(294,080)	-	(2,706,493)
Machinery and equipment	(1,366,452)	(167,266)	208,492	(1,325,226)
Intangibles	-	(7,376)	-	(7,376)
Streets	(8,919,406)	(427,402)	130,202	(9,216,608)
Storm sewers	(1,660,681)	(99,856)	-	(1,760,537)
Street lighting	(106,159)	(7,764)	-	(113,923)
Sidewalks	(1,509,555)	(54,776)	-	(1,546,331)
Total accumulated depreciation	<u>(16,792,558)</u>	<u>(1,114,983)</u>	<u>338,694</u>	<u>(17,568,847)</u>
Net capital assets being depreciated	<u>34,204,173</u>	<u>530,826</u>	<u>13,274</u>	<u>34,721,725</u>
Total governmental activities, capital assets, net of accumulated depreciation	<u>\$ 41,515,123</u>	<u>\$ 530,826</u>	<u>\$ 13,274</u>	<u>\$ 42,032,675</u>

Village of Mount Horeb

Notes to Financial Statements

December 31, 2021

Depreciation expense was charged to functions as follows:

Governmental activities

General government	\$ 30,963
Public safety	188,166
Public works, which includes the depreciation of infrastructure	670,201
Culture, recreation and education	<u>225,653</u>

Total governmental activities depreciation expense	<u>\$ 1,114,983</u>
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Business-Type activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Electric				
Capital assets not being depreciated:				
Land and land rights	\$ 52,269	\$ -	\$ -	\$ 52,269
Construction in progress	<u>-</u>	<u>5,402</u>	<u>-</u>	<u>5,402</u>
Total capital assets not being depreciated	<u>52,269</u>	<u>5,402</u>	<u>-</u>	<u>57,671</u>
Capital assets being depreciated:				
Distribution	13,052,468	696,168	19,367	13,729,269
General	<u>2,841,854</u>	<u>48,046</u>	<u>24,842</u>	<u>2,865,058</u>
Total capital assets being depreciated	<u>15,894,322</u>	<u>744,214</u>	<u>44,209</u>	<u>16,594,327</u>
Total capital assets	<u>15,946,591</u>	<u>749,616</u>	<u>44,209</u>	<u>16,651,998</u>
Less accumulated depreciation for:				
Electric plant	<u>(9,591,605)</u>	<u>(576,748)</u>	<u>44,209</u>	<u>(10,124,144)</u>
Total accumulated depreciation	<u>(9,591,605)</u>	<u>(576,748)</u>	<u>44,209</u>	<u>(10,121,144)</u>
Net capital assets being depreciated	<u>6,302,717</u>	<u>167,466</u>	<u>-</u>	<u>6,470,183</u>
Net electric capital assets	<u>\$ 6,354,986</u>	<u>\$ 172,868</u>	<u>\$ -</u>	<u>\$ 6,527,854</u>

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water				
Capital assets not being depreciated:				
Land and land rights	\$ 62,950	\$ -	\$ -	\$ 62,950
Construction in progress	-	4,692	-	4,692
Total capital assets not being depreciated	<u>62,950</u>	<u>4,692</u>	<u>-</u>	<u>67,642</u>
Capital assets being depreciated:				
Source of supply	583,486	-	-	583,486
Pumping	1,860,895	-	-	1,860,895
Water treatment	29,959	-	-	29,959
Transmission and distribution	11,220,268	731,735	52,441	11,899,562
General	<u>925,923</u>	<u>18,704</u>	<u>8,280</u>	<u>936,347</u>
Total capital assets being depreciated	<u>14,620,531</u>	<u>750,439</u>	<u>60,721</u>	<u>15,310,249</u>
Total capital assets	<u>14,683,481</u>	<u>755,131</u>	<u>60,721</u>	<u>15,377,891</u>
Less accumulated depreciation for:				
Water plant	<u>(6,025,669)</u>	<u>(405,234)</u>	<u>60,721</u>	<u>(6,370,182)</u>
Total accumulated depreciation	<u>(6,025,669)</u>	<u>(405,234)</u>	<u>60,721</u>	<u>(6,370,182)</u>
Net capital assets being depreciated	<u>8,594,862</u>	<u>345,205</u>	<u>-</u>	<u>8,940,067</u>
Net water capital assets	<u>\$ 8,657,812</u>	<u>\$ 349,897</u>	<u>\$ -</u>	<u>\$ 9,007,709</u>

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Sewer				
Capital assets not being depreciated:				
Land and land rights	\$ 969,622	\$ -	\$ -	\$ 969,622
Construction in progress	27,140	-	-	27,140
Total capital assets not being depreciated	<u>996,762</u>	<u>-</u>	<u>-</u>	<u>996,762</u>
Capital assets being depreciated:				
Collecting system	9,138,101	431,679	3,783	9,565,997
Collecting system pumping	2,308,708	-	-	2,308,708
Treatment and disposal	23,622,521	-	-	23,622,521
General	1,235,194	-	-	1,235,194
Total capital assets being depreciated	<u>36,304,524</u>	<u>431,679</u>	<u>3,783</u>	<u>36,732,420</u>
Total capital assets	<u>37,301,286</u>	<u>431,679</u>	<u>3,783</u>	<u>37,729,182</u>
Less accumulated depreciation for:				
Sewer plant	<u>(9,270,673)</u>	<u>(1,156,026)</u>	<u>3,783</u>	<u>(10,422,916)</u>
Total accumulated depreciation	<u>(9,270,673)</u>	<u>(1,156,026)</u>	<u>3,783</u>	<u>(10,422,916)</u>
Net capital assets being depreciated	<u>27,033,851</u>	<u>(724,347)</u>	<u>-</u>	<u>26,309,504</u>
Net sewer capital assets	<u>\$ 28,030,613</u>	<u>\$ (724,347)</u>	<u>\$ -</u>	<u>\$ 27,306,266</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 43,043,411</u>	<u>\$ (201,582)</u>	<u>\$ -</u>	<u>\$ 42,841,829</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Electric	\$ 487,088
Water	369,062
Sewer	<u>1,156,026</u>

Total business-type activities depreciation expense \$ 2,012,176

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations or costs associated with the disposal of assets.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General fund	Electric utility	\$ 286,053
General fund	Water utility	217,178
General fund	Sewer utility	6,406
General fund	Tourism promotion	2,385
Water utility	Swimming pool	145
Water utility	General fund	3,030
Sewer utility	General fund	7,494
Water utility	Employee retirement fund	2,679
Electric utility	Employee retirement fund	8,027
Electric utility	General fund	5,176
Employee retirement fund	Sewer utility	1,264
Water utility	Sewer utility	64,125
		<hr/>
Total, fund financial statements		603,962
Less fund eliminations		(66,510)
Less government-wide eliminations		(1,021,802)
Total internal balances, government-wide statement of net position		<u>\$ (484,350)</u>
Receivable Fund	Payable Fund	Amount
Governmental activities	Business-Type activities	\$ 510,901
Business-Type activities	Governmental activities	(26,551)
		<hr/>
Total government-wide financial statements		<u>\$ 484,350</u>

All amounts are due within one year.

The interfunds are to account for timing differences in the revenues and expenditures owed between funds and the payment in lieu of taxes owed from the electric and water utilities to the general fund.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Advances

The general fund is advancing funds to TIF District No. 3 Amendment and TIF District No. 5. The TIF Debt Service Fund is advancing funds to TIF District No. 3 Amendment. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources. No repayment schedule has been established for these advances.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	TIF District No. 5	\$ 947,631	\$ 947,631
General fund	TIF District No. 3 amendment	239,732	239,732
TIF debt service	TIF District No. 3 amendment	504,496	504,496
Total fund financial statements		<u>1,691,859</u>	
Less fund eliminations		<u>(1,691,859)</u>	
Total interfund advances, government-wide statement of net position		<u>\$ -</u>	

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
TIF debt service	TIF District No. 5	\$ 300,018	TIF share of debt payments
TIF debt service	TIF District No. 3	848,463	TIF share of debt payments
TIF debt service	TIF District No. 3 amendment	54,422	TIF share of debt payments
TIF debt service	TIF District No. 4	22,321	TIF share of debt payments
General fund	Electric utility	193,325	Payment in lieu of taxes
General fund	Water utility	213,008	Payment in lieu of taxes
General capital projects fund	Terrace trees	40,000	Capital asset purchase
General fund	Tourism promotion	8,922	Transfer tax revenue
Total, fund financial statements		1,680,479	
Less fund eliminations		(1,274,146)	
Less transfers to utility reported as contributed		<u>(271,665)</u>	
Total transfers, government-wide statement of activities		<u>\$ 134,668</u>	
Fund Transferred To	Fund Transferred From	Amount	
Governmental activities	Business-type activities	\$ 406,333	
Business-type activities	Governmental activities	<u>(271,665)</u>	
Total government-wide financial statements		<u>\$ 134,668</u>	

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Generally, transfers are used to: (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 19,110,000	\$ 4,165,000	\$ 2,360,000	\$ 20,915,000	\$ 2,000,000
General obligation debt from direct borrowings and direct placements	2,238,506	-	2,216,783	21,723	21,723
Unamortized premiums	<u>762,422</u>	<u>110,395</u>	<u>76,518</u>	<u>796,299</u>	<u>-</u>
Subtotal	<u>22,110,928</u>	<u>4,275,395</u>	<u>4,653,301</u>	<u>21,733,022</u>	<u>2,021,723</u>
Other liabilities:					
Vested compensated absences	499,903	124,304	150,952	473,255	150,952
Vested compensated absences, retirees	<u>85,872</u>	<u>31,389</u>	<u>-</u>	<u>117,261</u>	<u>-</u>
Total other liabilities	<u>585,775</u>	<u>155,693</u>	<u>150,952</u>	<u>590,516</u>	<u>150,952</u>
Total governmental activities long-term liabilities	<u>\$ 22,696,703</u>	<u>\$ 4,431,088</u>	<u>\$ 4,804,253</u>	<u>\$ 22,323,538</u>	<u>\$ 2,172,675</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -
Revenue bonds	1,010,000	-	160,000	850,000	160,000
Revenue bonds from direct borrowings and direct placements	15,839,867	-	825,686	15,014,181	840,900
Unamortized premiums	<u>8,364</u>	<u>-</u>	<u>2,649</u>	<u>5,715</u>	<u>-</u>
Subtotal	<u>16,958,231</u>	<u>-</u>	<u>1,088,335</u>	<u>15,869,896</u>	<u>1,000,900</u>
Total business-type activities long-term liabilities	<u>\$ 16,958,231</u>	<u>\$ -</u>	<u>\$ 1,088,335</u>	<u>\$ 15,869,896</u>	<u>\$ 1,000,900</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2021, was \$45,619,590. Total general obligation debt outstanding at year-end was \$20,936,723.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental activities:

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
2013 state trust fund loan, direct borrowing/placement	1/10/13	3/15/22	2.75 %	\$ 175,000	\$ 21,723
2014 bonds	2/3/14	2/1/24	1.00-3.00	2,875,000	950,000
2014 refunding bonds	8/28/14	4/1/27	2.00-3.00	3,035,000	2,300,000
2017 refunding bonds	11/1/17	4/1/27	2.00-4.00	3,055,000	2,310,000
2018 refunding bonds	7/2/18	10/1/38	4.00-4.25	3,765,000	3,575,000
2018 refunding bonds	7/2/18	10/1/38	3.00-4.00	6,470,000	5,815,000
2019 promissory notes	6/13/19	10/1/29	3.00-4.00	2,000,000	1,800,000
2021 promissory notes	4/5/21	10/1/31	2.00	2,280,000	2,280,000
2021 refunding bonds	4/5/21	10/1/35	0.30-2.25	1,885,000	1,885,000
Total governmental activities, general obligation debt					<u>\$ 20,936,723</u>

Debt service requirements to maturity are as follows:

	Governmental Activities General Obligation Debt	
	Principal	Interest
Years:		
2022	\$ 2,000,000	\$ 700,467
2023	2,100,000	604,838
2024	2,090,000	541,120
2025	1,945,000	482,043
2026	2,000,000	419,781
2027-2031	6,175,000	1,320,161
2032-2036	3,265,000	583,689
2037-2038	1,340,000	55,855
Total	<u>\$ 20,915,000</u>	<u>\$ 4,707,954</u>

	Governmental Activities General Obligation Debt From Direct Placement or Borrowing	
	Principal	Interest
Years:		
2022	\$ 21,723	\$ 597
Total	<u>\$ 21,723</u>	<u>\$ 597</u>

Village of Mount Horeb

Notes to Financial Statements

December 31, 2021

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the electric, water and sewer utilities.

The water utility has pledged future utility revenues to repay revenue bonds issued in 2015. Proceeds from the bonds provided financing for the utility plant. The bonds are payable solely from utility revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 14% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$911,975. Principal and interest paid for the current year and total customer gross revenues were \$184,050 and \$1,313,338, respectively.

The sewer has pledged future utility revenues to repay revenue bonds issued in 2013 and 2017. Proceeds from the bonds provided financing for the utility. The bonds are payable solely from utility revenues and are payable through 2037. Annual principal and interest payments on the bonds are expected to require 37% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$17,243,588. Principal and interest paid for the current year and total customer gross revenues were \$1,107,161 and \$2,517,558, respectively.

Revenue debt payable at December 31, 2021, consists of the following:

Business-type activities revenue debt:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
Water Utility					
2015 revenue refunding bonds	6/17/15	5/1/26	2.00-3.00 %	\$ 1,765,000	<u>\$ 850,000</u>
Sewer Utility					
2013 clean water fund loan, direct borrowing/placement	9/25/13	5/1/33	2.63	1,685,220	\$ 1,159,981 (1)
2017 clean water fund loan, direct borrowing/placement	12/31/17	5/1/37	1.76	3,663,264	<u>13,854,200 (2)</u>
Total sewer utility					<u>\$ 15,014,181</u>

(1) - During 2013, the utility was authorized to issue \$1,744,300 of system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2021. The repayment schedule is for the amount issued.

(2) - During 2017, the utility was authorized to issue \$16,750,650 of system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2021. The repayment schedule is for the amount issued.

Village of Mount Horeb

Notes to Financial Statements

December 31, 2021

Debt service requirements to maturity are as follows:

Years:	Business-Type Activities		Business-Type Activities	
	Revenue Debt		Revenue Debt From Direct Placement or Borrowing	
	Principal	Interest	Principal	Interest
2022	\$ 160,000	\$ 20,650	\$ 840,900	\$ 266,118
2023	165,000	17,400	856,399	250,473
2024	170,000	13,200	872,190	234,534
2025	175,000	8,025	888,278	218,294
2026	180,000	2,700	904,668	201,750
2027-2031	-	-	4,780,205	749,467
2032-2036	-	-	4,887,995	300,130
2037	-	-	983,546	8,640
Total	<u>\$ 850,000</u>	<u>\$ 61,975</u>	<u>\$ 15,014,181</u>	<u>\$ 2,229,406</u>

Other Debt Information

Estimated payments of vested compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the employee retiree fund.

The Village's outstanding State Trust Fund Loan from direct borrowings related to governmental activities of \$21,723 contain clauses that any delinquent payments are subject to a penalty of 1% per month and shall be deducted from any state payments that are due to the Village.

Current Refunding

On April 5, 2021 the Village issued \$1,885,000 in taxable general obligation refunding bonds to refund the outstanding 2016 bank note of \$1,839,913 with an average coupon rate of 3.5%. On the same day the Village issued \$2,280,000 in general obligation promissory notes of which \$780,000 was used to refund the outstanding 2012 general obligation refunding bonds of \$590,000 and a 2015 bank note of \$213,482 with an average coupon rate of 2% and 2.23%, respectively. The net proceeds along with existing funds of the Village were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the general obligation current refundings was \$2,292,618 and \$855,580, respectively, from 2021 through 2026. The cash flow requirements on the current refunding bonds and notes are \$2,142,145 from 2021 through 2035 and \$825,540 from 2021 through 2026. The current refundings resulted in total savings of \$150,474 and \$30,040 and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$104,946 and \$23,474.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2021, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 7,310,950
Other capital assets, net of accumulated depreciation	34,721,725
Less long-term debt outstanding	(20,936,723)
Plus noncapital debt proceeds	1,013,400
Plus unamortized loss on refunding	85,575
Less unamortized debt premium	(796,299)
Plus unspent proceeds of capital-related debt	<u>235,037</u>
Total net investment in capital assets	<u><u>\$ 21,633,665</u></u>

Village of Mount Horeb

Notes to Financial Statements

December 31, 2021

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

	General Fund	Library	TIF District No. 5	General Debt Service	TID Debt Service	General Capital Projects	Nonmajor Funds	Total
Fund Balances								
Nonspendable:								
Prepaid items	\$ 78,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,990
Noncurrent receivables	410	-	-	-	-	-	-	410
Advances	1,187,363	-	-	-	-	-	-	1,187,363
Subtotal	1,266,763	-	-	-	-	-	-	1,266,763
Restricted for:								
Capital projects	-	-	-	-	-	235,037	-	235,037
Library operations	-	218,306	-	-	-	-	-	218,306
Library future technology	-	22,578	-	-	-	-	-	22,578
Library special projects	-	-	-	-	-	-	256,946	256,946
Debt service	-	-	-	142,215	550,071	-	-	692,286
TIF District No. 3	-	-	-	-	-	-	28,641	28,641
TIF District No. 4	-	-	-	-	-	-	423,809	423,809
American rescue plan	-	-	-	-	-	-	563	563
Revolving loan	-	-	-	-	-	-	130,651	130,651
Subtotal	-	240,884	-	142,215	550,071	235,037	840,610	2,008,817
Committed to:								
Subdividers park deposits	-	-	-	-	-	-	258,663	258,663
Terrace trees	-	-	-	-	-	-	119,900	119,900
Future streets	-	-	-	-	-	-	87,239	87,239
Public broadcasting	-	-	-	-	-	-	115,536	115,536
Outreach/nutrition	-	-	-	-	-	-	168,181	168,181
Employee retirement	-	-	-	-	-	-	268,155	268,155
Swimming pool	-	-	-	-	-	-	24,232	24,232
Subtotal	-	-	-	-	-	-	1,041,906	1,041,906
Assigned to:								
Capital projects	-	-	-	-	-	203,184	-	203,184
Subsequent year's budget	145,488	-	-	-	-	-	-	145,488
Subtotal	145,488	-	-	-	-	203,184	-	348,672
Unassigned (Deficit)	1,142,642	-	(950,844)	-	-	-	(740,440)	(548,642)
Total fund balances (deficit)	\$ 2,554,893	\$ 240,884	\$ (950,844)	\$ 142,215	\$ 550,071	\$ 438,221	\$ 1,142,076	\$ 4,117,516

Village of Mount Horeb

Notes to Financial Statements

December 31, 2021

Business-Type Activities

Net investment in capital assets:	
Land	\$ 1,084,841
Construction in progress	37,234
Other capital assets, net of accumulated depreciation	41,719,754
Less long-term debt outstanding	(15,864,181)
Plus reserve from borrowing	164,340
Less unamortized debt premium	<u>(5,715)</u>
Total net investment in capital assets	<u>\$ 27,136,273</u>

Restatement of Net Position

Net position has been restated to correct an error in accounts receivable to correctly account for unbilled revenue. In the current year, the Utilities changed processes for the timing of customer collections. During this process, it was determined the December bills were not properly accrued in prior years.

Electric Utility

Net position, January 1, 2021 (as reported)	\$ 8,684,614
Unbilled revenue	<u>602,319</u>
Net position, January 1, 2021 (as restated)	<u>\$ 9,286,933</u>

Net income for the year ended December 31, 2020 increased by \$119,861 from the amount previously reported.

Water Utility

Net position, January 1, 2021 (as reported)	\$ 9,087,896
Unbilled revenue	<u>97,363</u>
Net position, January 1, 2021 (as restated)	<u>\$ 9,185,259</u>

Net income for the year ended December 31, 2020 would have been increased by \$4,850 from the amount previously reported.

Sewer Utility

Net position, January 1, 2021 (as reported)	\$ 15,110,759
Unbilled revenue	<u>217,189</u>
Net position, January 1, 2021 (as restated)	<u>\$ 15,327,948</u>

Net income for the year ended December 31, 2020 would have been increased by \$14,027 from the amount previously reported.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

Business-Type Activities

Net position, January 1, 2021 (as reported)	\$ 32,883,269
Unbilled revenue	<u>916,871</u>
Net position, January 1, 2021 (as restated)	<u>\$ 33,800,140</u>

Net income for the year ended December 31, 2020 would have been increased by \$138,738 from the amount previously reported.

4. Other Information

Employees' Retirement System

Plan Description

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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 occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. 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 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.

Village of Mount Horeb

Notes to Financial Statements

December 31, 2021

The WRS also provides death and disability benefits for employees.

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>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
Years Ending December 31:		
2011	(1.2) %	11.0 %
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

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 and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$288,832 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (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 Mount Horeb

Notes to Financial Statements

December 31, 2021

Pension Liability/(Asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Village reported an asset of (\$1,515,772) for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Village's proportion was 0.02427901%, which was an increase of 0.00086567% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized pension expense of \$180,841.

At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,193,787	\$ 472,537
Changes in assumptions	34,380	-
Net differences between projected and actual earnings on pension plan investments	-	2,845,739
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,655	776
Employer contributions subsequent to the measurement date	309,191	-
Total	<u>\$ 2,553,013</u>	<u>\$ 3,319,052</u>

\$309,191 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 (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
Years ending December 31:	
2022	\$ (276,091)
2023	(71,223)
2024	(511,740)
2025	(216,176)
2026	-

Village of Mount Horeb

Notes to Financial Statements

December 31, 2021

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.

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:

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
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
Variable Fund Asset Class			
U.S. Equities	70.0	6.6	4.1
International Equities	30.0	7.4	4.9
Total Variable Fund	100.0	7.1	4.6

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

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

Village of Mount Horeb

Notes to Financial Statements

December 31, 2021

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 was 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. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Village's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.00%, as well as what the Village's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
Village's proportionate share of the net pension liability/(asset)	\$ 1,442,805	\$ (1,515,772)	\$ (3,688,825)

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>.

At December 31, 2021, the Village reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Village of Mount Horeb

Notes to Financial Statements

December 31, 2021

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

The Village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The Village has active construction projects as of December 31, 2021. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Long-Term Contracts, WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the State of Wisconsin, Michigan and Iowa. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

Fifty members, representing approximately 99.8% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$291 million as of December 31, 2021.

Economic Development Incentives

The Village has agreed to provide an economic development incentive in the amount of \$3,500,000 to Duluth Holdings, Inc. to help pay costs associated with this development. The development is within Tax Incremental District No. 5. The Village borrowed for this payment, placing the proceeds in a segregated third party escrow account.

Village of Mount Horeb

Notes to Financial Statements

December 31, 2021

If the developed property does not have a property tax assessment of at least \$18,000,000 in any tax year commencing in the 2020 tax year, Duluth Holdings, Inc. shall pay to the Village the difference between what the property taxes would have been if the property had a property tax assessment of \$18,000,000 and the actual property taxes paid by the developer (the shortfall payment) in the corresponding revenue year, commencing in revenue year 2020 and through year 2043.

Further, under any and all circumstances, Duluth Holdings, Inc. agrees to guarantee, on an annual basis, full payment of the bond repayments.

The Village has agreed to provide an economic development incentive in the amount of \$87,500 to Botham Investments, LLC, to help pay for costs associated with development of property. Beginning in 2022 through the year 2036 the developer shall annually make a payment of \$7,198 to the Village to pay back the Village the principal and interest associated with the incentive payment. To the extent that any tax increment is not sufficient, Botham Investments, LLC, is obligated to make shortfall payments.

As of December 31, 2021, the Village has the following municipal revenue obligations outstanding, as part of development agreements:

Duluth Holdings Inc.

In 2019, the Village issued a municipal revenue obligations as part of a development agreement. The amount of the obligation to be paid is the lesser of the percentages of the available tax increment to be paid or \$3,000,000. The obligation is payable solely from available tax increment generated by the property. As of December 31, 2021 the Village has made total payments of \$106,627.

Artisan Food Emporium

The amount to be paid to the developer shall be the lesser of the percentages of the available tax increment or \$35,000 and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 5. Interest on the municipal revenue obligation is not being charged.

Payments were scheduled to commence in 2019 through the year 2043 however the prerequisite terms of the agreement have not yet been met. The balance of the commitment outstanding at year end was \$35,000.

Hoff Mall Project, Bus

In 2017, the Village issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$626,000 and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 5.

Payments are scheduled through the year 2043 and carry an interest rate of 4.0%. The obligation does not constitute a charge upon any funds of the Village. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the Village. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. As of December 31, 2021, the Village has made total payments of \$120,213.

Village of Mount Horeb

Notes to Financial Statements

December 31, 2021

SSMS Investments, LLC

The Village has entered into an agreement with SSMS Investments, LLC to issue a municipal revenue obligation to pay the developer the lesser of the percentage of the available tax increment, as defined within the agreement, or \$300,000 plus interest. The amount paid to the developer shall not exceed \$538,330. The obligation shall be structured as a variable rate of 5.25% remaining in effect unless the developer exercises its right to have the rate adjusted under conditions found within the agreement. As of December 31, 2021, no amounts have been paid.

Wyser Properties, LLC

In 2021, the Village issued a municipal revenue obligations as part of a development agreement. The amount of the obligation to be paid is the lesser of the percentage of the available tax increment to be paid or \$59,958. The obligation is payable solely from available tax increment generated by the property. As of December 31, 2021, no amounts have been paid.

Joint Ventures

Mount Horeb Area Joint Fire Department

The Village of Mount Horeb and the Village of Blue Mounds and the Townships of Blue Mounds, Cross Plains, Perry, Primrose, Vermont and Springdale jointly operate the fire and EMS services, which is called the Mount Horeb Area Joint Fire Department (district) and provides fire and emergency medical services.

The governing body is made up of citizens from each community. Local representatives are appointed by the Village president. The governing body has authority to adopt its own budget and control the financial affairs of the district. The Village is obligated by the joint venture agreement to remit an amount annually to the district. The Village made a payment to the district of \$680,030 in 2021. Part of this payment is for the Village's portion of the district's debt service payment for the public safety facility. In 2021, the Village's portion of this debt service payment was \$152,516.

In 2018, the Village and the Mount Horeb Area Joint Fire Department (MHAJFD) entered into an intergovernmental agreement for the construction, ownership, administration and operation of a public safety facility. The facility is jointly owned by each party at an estimate percentage of 57.31% to MHAJFD and 42.69% to the Village. A Public Safety Building Committee has been established to decide all construction, administration, operation and management decisions of the facility. The committee shall have at least five but no more than 10 members as appointed by the president of the MHAJFD and the Village president. The agreement expires December 31, 2024 unless terminated earlier. The Village is reporting its share of the facility as a capital asset.

Financial information of the district as of December 31, 2021 is available directly from the district's office.

The Village does not have an equity interest in the district.

Village of Mount Horeb

Notes to Financial Statements
December 31, 2021

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. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public 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 – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

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

REQUIRED SUPPLEMENTARY INFORMATION

Village of Mount Horeb

General Fund - Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Budget		
Revenues				
Taxes:				
General property tax	\$ 2,843,094	\$ 2,843,094	\$ 2,843,093	\$ (1)
Other taxes	269	269	269	-
Interest and penalties on taxes	150	150	114	(36)
Taxes from other tax exempt entities	42,717	42,717	39,930	(2,787)
Total taxes	2,886,230	2,886,230	2,883,406	(2,824)
Intergovernmental revenues:				
State shared revenues	145,656	145,656	181,725	36,069
Fire insurance tax (2% fire dues)	29,000	29,000	31,581	2,581
State aid, law enforcement improvement	2,000	2,000	-	(2,000)
State aid, general transportation aids	533,284	533,284	532,585	(699)
State aid, emergency government	7,600	7,600	3,175	(4,425)
State aid, recycling	17,000	17,000	17,850	850
Other state shared taxes	2,349	2,349	2,349	-
Total intergovernmental revenues	736,889	736,889	769,265	32,376
Licenses and permits:				
Liquor and malt beverage licenses	10,000	10,000	20,337	10,337
Operators' licenses	3,000	3,000	2,810	(190)
Cigarette licenses	175	175	165	(10)
Bicycle licenses	-	-	16	16
Dog and cat licenses	3,000	3,000	3,713	713
Building permits	50,000	50,000	79,177	29,177
Zoning permits	4,000	4,000	2,550	(1,450)
Other permits	4,000	4,000	16,010	12,010
Total licenses and permits	74,175	74,175	124,778	50,603
Fines, forfeitures and penalties:				
Court penalties and costs	30,000	30,000	36,715	6,715
Parking violations	7,500	7,500	6,221	(1,279)
Total fines, forfeitures and penalties	37,500	37,500	42,936	5,436
Public charges for services:				
Publication fees	150	150	-	(150)
General government	5,000	5,000	5,640	640
Law enforcement fees	250	250	6,237	5,987
Community center	300	300	145	(155)
Culture, recreation and education	185,000	185,000	209,827	24,827
Swimming areas	250	250	1,064	814
Recreation programs	700	700	692	(8)
Parks	2,500	2,500	5,652	3,152
Refuse and garbage collection	435,000	435,000	474,554	39,554
Total public charges for services	629,150	629,150	703,811	74,661
Investment income:				
Interest on investments	12,000	12,000	14,026	2,026
Miscellaneous revenues:				
Rent	33,804	33,804	33,804	-
Insurance recoveries	1,500	1,500	400	(1,100)
Donations	-	-	55,539	55,539
Franchise fees	28,908	28,908	26,569	(2,339)
Other miscellaneous	85,030	85,030	151,593	66,563
Refund of prior year expenditures	-	-	1,570	1,570
Lease revenue	7,200	7,200	7,200	-
Total miscellaneous revenues	156,442	156,442	276,675	120,233
Total revenues	4,532,386	4,532,386	4,814,897	282,511

See notes to required supplementary information

Village of Mount Horeb

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Budget		
Expenditures				
General government:				
Village Board	\$ 12,092	\$ 12,092	\$ 12,945	\$ (853)
Municipal court	36,804	36,804	42,201	(5,397)
Legal counseling	27,500	27,500	40,115	(12,615)
Codification of ordinances	3,500	3,500	5,417	(1,917)
Village president	25,283	25,283	23,825	1,458
Administrator	147,927	147,927	140,571	7,356
Clerk	116,128	116,128	92,395	23,733
Elections	14,084	14,084	14,579	(495)
Treasury	118,063	118,063	156,538	(38,475)
Assessment of property	16,475	16,475	13,114	3,361
Independent auditing	44,290	44,290	39,678	4,612
Municipal building	47,373	47,373	53,279	(5,906)
Illegal taxes and refunds	-	-	58	(58)
Property and liability insurance	114,367	114,367	107,895	6,472
Other insurance	1,000	1,000	2,853	(1,853)
Other general government	54,950	54,950	56,945	(1,995)
Total general government	779,836	779,836	802,408	(22,572)
Public safety:				
Police	614,271	614,271	625,025	(10,754)
Patrol	1,223,327	1,223,327	1,266,770	(43,443)
Criminal investigation	1,000	1,000	1,268	(268)
Training	22,513	22,513	18,042	4,471
Crossing guards	6,459	6,459	4,854	1,605
Fire protection	530,961	527,514	527,514	-
Inspection	44,400	44,400	55,624	(11,224)
Emergency government	1,000	1,000	-	1,000
Emergency communication (911)	14,124	14,124	14,485	(361)
Total public safety	2,458,055	2,454,608	2,513,582	(58,974)
Public works:				
Engineering	81,787	81,787	104,778	(22,991)
Machinery operation and maintenance	118,091	118,091	137,569	(19,478)
Highway and street maintenance	150,804	150,804	115,002	35,802
Garages and sheds	52,529	52,529	54,390	(1,861)
Traffic control	17,625	17,625	16,997	628
Street cleaning	27,113	27,113	21,145	5,968
Snow and ice control	150,614	150,614	122,111	28,503
Street lighting	125,000	125,000	114,235	10,765
Sidewalks	15,224	15,224	15,250	(26)
Storm sewer maintenance	28,684	28,684	30,760	(2,076)
Refuse and garbage collection	284,343	284,343	287,952	(3,609)
Recycling	184,913	184,913	194,838	(9,925)
Repairs and maintenance	3,960	3,960	5,556	(1,596)
Total public works	1,240,687	1,240,687	1,220,583	20,104
Culture, recreation and education:				
Community center	31,117	31,117	19,899	11,218
Other culture	2,000	2,000	391	1,609
Parks	206,854	206,854	210,639	(3,785)
Recreation programs and events	79,595	79,595	107,919	(28,324)
Recreation administration	170,953	170,953	173,762	(2,809)
Total culture, recreation and education	490,519	490,519	512,610	(22,091)
Conservation and development:				
Forestry	66,748	66,748	74,343	(7,595)
Planning	50,000	50,000	52,373	(2,373)
Economic development	1,000	1,000	366	634
Donation to Chamber of Commerce	5,400	5,400	5,400	-
Total conservation and development	123,148	123,148	132,482	(9,334)
Total expenditures	5,092,245	5,088,798	5,181,665	(92,867)
Excess (deficiency) of revenues over (under) expenditures	(559,859)	(556,412)	(366,768)	189,644

See notes to required supplementary information

Village of Mount Horeb

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Budget</u>		
Other financing sources:				
Property sales	\$ -	\$ -	\$ 60	\$ 60
Transfers in	4,920	4,920	8,922	4,002
Transfer in, tax equivalent	457,746	457,746	406,333	(51,413)
Total other financing uses	462,666	462,666	415,315	(47,351)
Net change in fund balance	(97,193)	(93,746)	48,547	142,293
Fund Balance, Beginning	<u>2,506,346</u>	<u>2,506,346</u>	<u>2,506,346</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,409,153</u>	<u>\$ 2,412,600</u>	<u>\$ 2,554,893</u>	<u>\$ 142,293</u>

See notes to required supplementary information

Village of Mount Horeb

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Library Fund
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes:			
General property taxes	<u>\$ 491,618</u>	<u>\$ 491,618</u>	<u>\$ -</u>
Intergovernmental revenues:			
County aid, libraries	<u>231,566</u>	<u>231,568</u>	<u>2</u>
Public charges for services:			
Library	<u>6,800</u>	<u>7,939</u>	<u>1,139</u>
Investment income:			
Interest on investments	<u>-</u>	<u>73</u>	<u>73</u>
Miscellaneous revenues:			
Donations	<u>-</u>	<u>345</u>	<u>345</u>
Other miscellaneous	<u>1,200</u>	<u>3,586</u>	<u>2,386</u>
Total miscellaneous revenues	<u>1,200</u>	<u>3,931</u>	<u>2,731</u>
Total revenues	<u>731,184</u>	<u>735,129</u>	<u>3,945</u>
Expenditures			
Culture, recreation and education:			
Library	<u>724,114</u>	<u>679,191</u>	<u>44,923</u>
Capital outlay:			
Library	<u>7,070</u>	<u>36,131</u>	<u>(29,061)</u>
Total expenditures	<u>731,184</u>	<u>715,322</u>	<u>15,862</u>
Net change in fund balance	<u>-</u>	<u>19,807</u>	<u>19,807</u>
Fund Balance, Beginning	<u>221,077</u>	<u>221,077</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 221,077</u>	<u>\$ 240,884</u>	<u>\$ 19,807</u>

See notes to required supplementary information

Village of Mount Horeb

Schedule of Proportionate Share of the Net Pension (Asset) Liability -
Wisconsin Retirement System
December 31, 2021

Fiscal Year Ending	Village's Proportion of the Net Pension (Asset) Liability	Village's Proportionate Share of the Net Pension (Asset) Liability	Village's Covered Payroll	Village's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Village's Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31, 2021	0.02427901%	\$ (1,515,772)	\$ 3,514,679	43.13%	105.26%
December 31, 2020	0.02341334%	(754,952)	3,208,577	23.53%	102.96%
December 31, 2019	0.02291230%	815,147	3,037,687	26.83%	96.45%
December 31, 2018	0.02291586%	(680,399)	2,938,087	23.16%	102.93%
December 31, 2017	0.02266274%	186,795	2,844,098	6.57%	99.12%
December 31, 2016	0.02263951%	367,888	2,954,650	12.45%	98.20%
December 31, 2015	0.02196354%	(539,485)	2,777,106	19.43%	102.74%

Schedule of Employer Contributions - Wisconsin Retirement System
December 31, 2021

Fiscal Year Ending	Village's Contractually Required Contributions	Village's Contributions in Relation to the Contractually Required Contributions	Village's Contribution Deficiency (Excess)	Village's Covered Payroll	Village's Contributions as a Percentage of Covered Payroll
December 31, 2021	\$ 309,191	\$ 309,191	\$ -	\$ 3,708,233	8.34%
December 31, 2020	289,780	289,780	-	3,517,118	8.24%
December 31, 2019	251,097	251,097	-	3,208,578	7.83%
December 31, 2018	242,165	242,165	-	3,037,687	7.97%
December 31, 2017	235,424	235,424	-	2,936,368	8.02%
December 31, 2016	212,520	212,520	-	2,844,098	7.47%
December 31, 2015	226,695	226,695	-	2,954,650	7.67%

See notes to required supplementary information

Village of Mount Horeb

Notes to Required Supplementary Information
December 31, 2021

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented include any amendments made. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The Village is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

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

SUPPLEMENTARY INFORMATION

Village of Mount Horeb

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds						
	Subdividers Park Deposits	Terrace Trees	Future Streets	Outreach/ Nutrition	Employee Retirement Fund	Revolving Loan Fund	Library Special Projects
Assets							
Cash and investments	\$ 258,663	\$ 119,719	\$ 87,239	\$ 185,380	\$ 284,795	\$ 130,651	\$ 257,002
Receivables:							
Taxes	-	-	-	39,453	35,000	-	-
Other	-	181	-	336	-	-	-
Loans	-	-	-	-	-	170,384	-
Due from other funds	-	-	-	-	1,264	-	-
Total assets	<u>\$ 258,663</u>	<u>\$ 119,900</u>	<u>\$ 87,239</u>	<u>\$ 225,169</u>	<u>\$ 321,059</u>	<u>\$ 301,035</u>	<u>\$ 257,002</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ 11,676	\$ 7,198	\$ -	\$ 56
Accrued liabilities	-	-	-	5,859	-	-	-
Due to other funds	-	-	-	-	10,706	-	-
Unearned revenues	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,535</u>	<u>17,904</u>	<u>-</u>	<u>56</u>
Deferred inflows of resources:							
Unavailable revenues	-	-	-	-	-	170,384	-
Unearned revenues	-	-	-	39,453	35,000	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,453</u>	<u>35,000</u>	<u>170,384</u>	<u>-</u>
Fund balances							
Restricted	-	-	-	-	-	130,651	256,946
Committed	258,663	119,900	87,239	168,181	268,155	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total fund balances	<u>258,663</u>	<u>119,900</u>	<u>87,239</u>	<u>168,181</u>	<u>268,155</u>	<u>130,651</u>	<u>256,946</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 258,663</u>	<u>\$ 119,900</u>	<u>\$ 87,239</u>	<u>\$ 225,169</u>	<u>\$ 321,059</u>	<u>\$ 301,035</u>	<u>\$ 257,002</u>

Village of Mount Horeb

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Swimming Pool	Public Broadcasting	Tourism Promotion Fund	American Rescue Plan	TIF District No. 3	TIF District No. 3 Amendment	TIF District No. 4	
Assets								
Cash and investments	\$ 24,573	\$ 116,519	\$ -	\$ 394,849	\$ 28,641	\$ 3,788	\$ 423,809	\$ 2,315,628
Receivables:								
Taxes	30,000	-	-	-	784,190	-	87,529	976,172
Other	3,000	-	19,872	-	-	-	-	23,389
Loans	-	-	-	-	-	-	-	170,384
Due from other funds	-	-	-	-	-	-	-	1,264
Total assets	<u>\$ 57,573</u>	<u>\$ 116,519</u>	<u>\$ 19,872</u>	<u>\$ 394,849</u>	<u>\$ 812,831</u>	<u>\$ 3,788</u>	<u>\$ 511,338</u>	<u>\$ 3,486,837</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 3,196	\$ 30	\$ 17,487	\$ -	\$ -	\$ -	\$ -	\$ 39,643
Accrued liabilities	-	953	-	-	-	-	-	6,812
Due to other funds	145	-	2,385	-	-	-	-	13,236
Unearned revenues	-	-	-	394,286	-	-	-	394,286
Advances from other funds	-	-	-	-	-	744,228	-	744,228
Total liabilities	<u>3,341</u>	<u>983</u>	<u>19,872</u>	<u>394,286</u>	<u>-</u>	<u>744,228</u>	<u>-</u>	<u>1,198,205</u>
Deferred inflows of resources								
Unavailable revenues	-	-	-	-	-	-	-	170,384
Unearned revenues	30,000	-	-	-	784,190	-	87,529	976,172
Total deferred inflows of resources	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>784,190</u>	<u>-</u>	<u>87,529</u>	<u>1,146,556</u>
Fund balances								
Restricted	-	-	-	563	28,641	-	423,809	840,610
Committed	24,232	115,536	-	-	-	-	-	1,041,906
Unassigned (deficit)	-	-	-	-	-	(740,440)	-	(740,440)
Total fund balances	<u>24,232</u>	<u>115,536</u>	<u>-</u>	<u>563</u>	<u>28,641</u>	<u>(740,440)</u>	<u>423,809</u>	<u>1,142,076</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 57,573</u>	<u>\$ 116,519</u>	<u>\$ 19,872</u>	<u>\$ 394,849</u>	<u>\$ 812,831</u>	<u>\$ 3,788</u>	<u>\$ 511,338</u>	<u>\$ 3,486,837</u>

Village of Mount Horeb

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances - Nonmajor Governmental Funds
 Year Ended December 31, 2021

	Special Revenue Funds						
	Subdividers' Park Deposits	Terrace Trees	Future Streets	Outreach / Nutrition	Employee Retirement Fund	Revolving Loan Fund	Library Special Projects
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ 32,877	\$ 35,000	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	9,000
Public charges for services	16,389	11,140	-	-	-	-	-
Intergovernmental charges for services	-	-	-	121,060	-	-	-
Investment income	622	452	282	599	974	7,573	25,448
Miscellaneous	18,062	5,157	-	21,685	-	17,176	1,450
Total revenues	35,073	16,749	282	176,221	35,974	24,749	35,898
Expenditures							
Current:							
General government	-	-	-	-	71,565	-	-
Health and human services	-	-	-	166,040	-	-	-
Culture, recreation and education	-	-	-	-	-	-	17,416
Conservation and development	-	11,971	-	-	-	-	-
Capital outlay	11,913	-	-	-	-	-	-
Total expenditures	11,913	11,971	-	166,040	71,565	-	17,416
Excess (deficiency) of revenues over expenditures	23,160	4,778	282	10,181	(35,591)	24,749	18,482
Other Financing Sources (Uses)							
Transfers (out)	-	(40,000)	-	-	-	-	-
Total other financing sources (uses)	-	(40,000)	-	-	-	-	-
Net change in fund balance	23,160	(35,222)	282	10,181	(35,591)	24,749	18,482
Fund Balance (Deficit), Beginning	235,503	155,122	86,957	158,000	303,746	105,902	238,464
Fund Balance (Deficit), Ending	\$ 258,663	\$ 119,900	\$ 87,239	\$ 168,181	\$ 268,155	\$ 130,651	\$ 256,946

Village of Mount Horeb

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2021

	Special Revenue Funds				Capital Projects Fund			Total Nonmajor Governmental Funds
	Swimming Pool	Public Broadcasting	Tourism Promotion Fund	American Rescue Plan	TIF District No. 3	TIF District No. 3 Amendment	TIF District No. 4	
Revenues								
Taxes	\$ 50,000	\$ -	\$ -	\$ -	\$ 721,871	\$ -	\$ 89,546	\$ 929,294
Other taxes	-	-	74,347	-	-	-	-	74,347
Intergovernmental	-	-	-	-	24,440	-	6,108	39,548
Public charges for services	67,255	-	-	-	-	-	-	94,784
Intergovernmental charges for services	-	-	-	-	-	-	-	121,060
Investment income	-	-	-	563	368	-	1,367	38,248
Miscellaneous	-	49,342	-	-	-	-	-	112,872
Total revenues	<u>117,255</u>	<u>49,342</u>	<u>74,347</u>	<u>563</u>	<u>746,679</u>	<u>-</u>	<u>97,021</u>	<u>1,410,153</u>
Expenditures								
Current:								
General government	-	-	-	-	3,750	-	3,540	78,855
Health and human services	-	-	-	-	-	-	-	166,040
Culture, recreation and education	103,589	31,869	65,425	-	-	-	-	218,299
Conservation and development	-	-	-	-	-	-	-	11,971
Capital outlay	-	-	-	-	-	-	-	11,913
Total expenditures	<u>103,589</u>	<u>31,869</u>	<u>65,425</u>	<u>-</u>	<u>3,750</u>	<u>-</u>	<u>3,540</u>	<u>487,078</u>
Excess (deficiency) of revenues over expenditures	<u>13,666</u>	<u>17,473</u>	<u>8,922</u>	<u>563</u>	<u>742,929</u>	<u>-</u>	<u>93,481</u>	<u>923,075</u>
Other Financing Sources (Uses)								
Transfers (out)	-	-	(8,922)	-	(848,463)	(54,422)	(22,321)	(974,128)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(8,922)</u>	<u>-</u>	<u>(848,463)</u>	<u>(54,422)</u>	<u>(22,321)</u>	<u>(974,128)</u>
Net change in fund balance	13,666	17,473	-	563	(105,534)	(54,422)	71,160	(51,053)
Fund Balance (Deficit), Beginning	<u>10,566</u>	<u>98,063</u>	<u>-</u>	<u>-</u>	<u>134,175</u>	<u>(686,018)</u>	<u>352,649</u>	<u>1,193,129</u>
Fund Balance (Deficit), Ending	<u>\$ 24,232</u>	<u>\$ 115,536</u>	<u>\$ -</u>	<u>\$ 563</u>	<u>\$ 28,641</u>	<u>\$ (740,440)</u>	<u>\$ 423,809</u>	<u>\$ 1,142,076</u>