

VILLAGE OF UNION GROVE, WISCONSIN

Annual Financial Report

December 31, 2022

 KerberRose

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VILLAGE OF UNION GROVE, WISCONSIN

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VILLAGE OF UNION GROVE, WISCONSIN

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

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

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 Union Grove, Wisconsin, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Village of Union Grove, Wisconsin'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 of Union Grove, Wisconsin, as of December 31, 2022, 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. 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 Village of Union Grove, Wisconsin, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

To the Village Board
Village of Union Grove

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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Village of Union Grove, Wisconsin's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Union Grove, Wisconsin's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, schedules of employer's proportionate share of the net OPEB liability and employer contributions – other post-employment benefits other than pensions and schedule of budgetary comparison – general fund 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.

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

To the Village Board
Village of Union Grove

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Union Grove, Wisconsin's basic financial statements. The combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures, and change in fund balances (deficits) – nonmajor governmental funds, schedule of water utility operating revenues and expenses, schedule of wastewater utility operating revenues and expenses and schedule of stormwater utility operating revenues and expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures, and change in fund balances (deficits) – nonmajor governmental funds, schedule of water utility operating revenues and expenses, schedule of wastewater utility operating revenues and expenses and schedule of stormwater utility operating revenues and expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

KerberRose SC

KerberRose SC
Certified Public Accountants
Shawano, Wisconsin
October 31, 2023

BASIC FINANCIAL STATEMENTS

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VILLAGE OF UNION GROVE, WISCONSIN

Statement of Net Position

As of December 31, 2022

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 3,655,034	\$ 7,391,554	\$ 11,046,588
Accounts Receivable	343,236	519,755	862,991
Taxes Receivable	1,520,939	-	1,520,939
Loans Receivable	825,515	-	825,515
Prepaid Items	24,142	-	24,142
Inventories	-	30,515	30,515
Total Current Assets	<u>6,368,866</u>	<u>7,997,895</u>	<u>14,366,761</u>
Noncurrent Assets			
Restricted Cash and Investments	-	1,471,312	1,471,312
Net Pension Asset	233,750	209,635	443,385
Land Held for Future Use	-	12,713	12,713
Preliminary Survey and Investigation	-	69,000	69,000
Capital Assets - Nondepreciable	200,040	280,004	480,044
Capital Assets - Depreciable, Net	8,030,590	19,109,048	27,139,638
Total Noncurrent Assets	<u>8,464,380</u>	<u>21,151,712</u>	<u>29,616,092</u>
TOTAL ASSETS	<u>14,833,246</u>	<u>29,149,607</u>	<u>43,982,853</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pension	456,010	408,966	864,976
Related to Other Post-Employment Benefits	21,802	21,082	42,884
Total Deferred Outflows of Resources	<u>477,812</u>	<u>430,048</u>	<u>907,860</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	397,353	84,866	482,219
Accrued Liabilities	177,568	16,613	194,181
Accrued Interest Payable	53,972	102,447	156,419
Unearned Revenue	508,672	754,081	1,262,753
Current Portion of Compensated Absences	47,756	68,163	115,919
Current Portion of Long-Term Obligations	829,540	603,814	1,433,354
Total Current Liabilities	<u>2,014,861</u>	<u>1,629,984</u>	<u>3,644,845</u>
Noncurrent Liabilities			
Net OPEB Liability	62,129	60,081	122,210
Noncurrent Portion of Compensated Absences	11,939	17,041	28,980
Noncurrent Portion of Long-Term Obligations	9,908,462	7,464,194	17,372,656
Total Noncurrent Liabilities	<u>9,982,530</u>	<u>7,541,316</u>	<u>17,523,846</u>
TOTAL LIABILITIES	<u>11,997,391</u>	<u>9,171,300</u>	<u>21,168,691</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Period	3,262,581	-	3,262,581
Related to Pension	550,906	494,071	1,044,977
Related to Other Post-Employment Benefits	10,083	9,749	19,832
Total Deferred Inflows of Resources	<u>3,823,570</u>	<u>503,820</u>	<u>4,327,390</u>
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	1,796,746	7,679,681	9,476,427
Restricted	423,547	1,595,842	2,019,389
Unrestricted (Deficit)	(2,730,196)	10,629,012	7,898,816
TOTAL NET POSITION (DEFICIT)	<u>\$ (509,903)</u>	<u>\$ 19,904,535</u>	<u>\$ 19,394,632</u>

See Accompanying Notes

VILLAGE OF UNION GROVE, WISCONSIN

Statement of Activities

For the Year Ended December 31, 2022

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES				
General Government	\$ 695,976	\$ 237,160	\$ -	\$ -
Public Safety	1,028,239	61,947	17,456	-
Public Works	1,103,966	-	249,415	1,398,170
Health and Human Services	11,374	-	-	-
Culture, Recreation and Education	431,125	105,922	196,776	-
Conservation and Development	116,595	-	-	-
Interest and Fiscal Charges	278,963	-	-	-
Total Governmental Activities	<u>3,666,238</u>	<u>405,029</u>	<u>463,647</u>	<u>1,398,170</u>
BUSINESS-TYPE ACTIVITIES				
Water Utility	1,322,612	1,158,862	-	283,474
Wastewater Utility	1,386,962	1,328,549	-	310,460
Stormwater Utility	304,432	285,392	-	260,160
Total Business-Type Activities	<u>3,014,006</u>	<u>2,772,803</u>	<u>-</u>	<u>854,094</u>
 TOTAL VILLAGE OF UNION GROVE	 <u>\$ 6,680,244</u>	 <u>\$ 3,177,832</u>	 <u>\$ 463,647</u>	 <u>\$ 2,252,264</u>

GENERAL REVENUES:

Taxes:

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

State and Federal Aids not Restricted to Specific Functions

Interest and Investment Earnings

Miscellaneous

Total General Revenues

TRANSFERS

CHANGE IN NET POSITION

NET POSITION (DEFICIT) - BEGINNING OF YEAR, RESTATED

NET POSITION (DEFICIT) - END OF YEAR

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

Governmental Activities	Business-Type Activities	Total
\$ (458,816)	\$ -	\$ (458,816)
(948,836)	-	(948,836)
543,619	-	543,619
(11,374)	-	(11,374)
(128,427)	-	(128,427)
(116,595)	-	(116,595)
(278,963)	-	(278,963)
<u>(1,399,392)</u>	<u>-</u>	<u>(1,399,392)</u>
-	119,724	119,724
-	252,047	252,047
-	241,120	241,120
<u>-</u>	<u>612,891</u>	<u>612,891</u>
<u>(1,399,392)</u>	<u>612,891</u>	<u>(786,501)</u>
1,381,129	-	1,381,129
53,120	-	53,120
467,885	-	467,885
551,770	-	551,770
13,022	-	13,022
483,281	-	483,281
60,491	26,109	86,600
154,633	1,027	155,660
<u>3,165,331</u>	<u>27,136</u>	<u>3,192,467</u>
<u>167,521</u>	<u>(167,521)</u>	<u>-</u>
1,933,460	472,506	2,405,966
<u>(2,443,363)</u>	<u>19,432,029</u>	<u>16,988,666</u>
<u>\$ (509,903)</u>	<u>\$ 19,904,535</u>	<u>\$ 19,394,632</u>

VILLAGE OF UNION GROVE, WISCONSIN

Balance Sheet
 Governmental Funds
 As of December 31, 2022

	General	Debt Service Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 593,918	\$ 284,693	\$ -	\$ 2,776,423	\$ 3,655,034
Accounts Receivable	313,409	-	1,255	28,572	343,236
Taxes Receivable	716,197	232,876	3,684	568,182	1,520,939
Loans Receivable	650,075	-	-	175,440	825,515
Due from Other Funds	540,168	-	-	-	540,168
Prepaid Items	24,142	-	-	-	24,142
TOTAL ASSETS	\$ 2,837,909	\$ 517,569	4,939	\$ 3,548,617	\$ 6,909,034
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)					
Liabilities					
Accounts Payable	\$ 186,333	\$ -	\$ 197,745	\$ 13,275	\$ 397,353
Accrued Liabilities	169,161	-	-	8,407	177,568
Due to Other Funds	-	-	447,214	92,954	540,168
Unearned Revenues	-	-	-	508,672	508,672
Total Liabilities	355,494	-	644,959	623,308	1,623,761
DEFERRED INFLOWS OF RESOURCES					
Taxes Levied for Subsequent Period	1,528,286	497,529	22,871	1,213,895	3,262,581
FUND BALANCES (DEFICIT)					
Nonspendable	674,217	-	-	-	674,217
Restricted	-	20,040	-	1,418,247	1,438,287
Assigned	-	-	-	514,164	514,164
Unassigned (Deficits)	279,912	-	(662,891)	(220,997)	(603,976)
Total Fund Balances (Deficit)	954,129	20,040	(662,891)	1,711,414	2,022,692
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)					
	\$ 2,837,909	\$ 517,569	\$ 4,939	\$ 3,548,617	\$ 6,909,034

VILLAGE OF UNION GROVE, WISCONSIN
 Reconciliation of the Balance Sheet
 Governmental Funds to the Statement of Net Position
 As of December 31, 2022

Total Fund Balances - Governmental Funds \$ 2,022,692

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

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

Governmental Capital Assets	\$ 22,644,299	
Governmental Accumulated Depreciation	<u>(14,413,669)</u>	8,230,630

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

Net Pension Asset	233,750	
Deferred Outflows Related to Pension	456,010	
Deferred Inflows Related to Pension	<u>(550,906)</u>	138,854

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

Deferred Outflows Related to Other Post-Employment Benefits	21,802	
Deferred Inflows Related to Other Post-Employment Benefits	<u>(10,083)</u>	11,719

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

Net OPEB Liability		(62,129)
General Obligation Debt		(10,637,755)
Premium on Debt Issued		(100,247)
Accrued Interest on General Obligation Debt		(53,972)
Vested Employee Benefits		<u>(59,695)</u>

Total Net Position - Governmental Activities \$ (509,903)

VILLAGE OF UNION GROVE, WISCONSIN
Statement of Revenues, Expenditures and Change in Fund Balances (Deficit)
Governmental Funds
For the Year Ended December 31, 2022

	General	Debt Service Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 1,394,151	\$ 467,885	\$ 53,120	\$ 551,770	\$ 2,466,926
Special Assessments	12,277	-	-	-	12,277
Intergovernmental	668,138	-	-	246,157	914,295
Licenses and Permits	237,160	-	-	32,633	269,793
Fines, Forfeitures and Penalties	61,947	-	-	-	61,947
Public Charges for Services	-	-	-	75,619	75,619
Investment Income	35,625	-	-	24,866	60,491
Miscellaneous	105,516	32,179	24,025	10,939	172,659
Total Revenues	<u>2,514,814</u>	<u>500,064</u>	<u>77,145</u>	<u>941,984</u>	<u>4,034,007</u>
EXPENDITURES					
Current:					
General Government	685,135	-	1,000	1,375	687,510
Public Safety	1,028,239	-	-	-	1,028,239
Public Works	730,278	-	-	5,011	735,289
Health and Human Services	11,374	-	-	-	11,374
Culture, Recreation and Education	-	-	-	411,524	411,524
Conservation and Development	13,186	-	-	103,409	116,595
Debt Service:					
Principal Retirement	-	412,245	-	300,000	712,245
Interest and Fiscal Charges	-	137,216	-	158,558	295,774
Capital Outlay	-	-	1,500,054	53	1,500,107
Total Expenditures	<u>2,468,212</u>	<u>549,461</u>	<u>1,501,054</u>	<u>979,930</u>	<u>5,498,657</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>46,602</u>	<u>(49,397)</u>	<u>(1,423,909)</u>	<u>(37,946)</u>	<u>(1,464,650)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	167,521	62,245	-	355,319	585,085
Transfers Out	(417,564)	-	-	-	(417,564)
Total Other Financing Sources (Uses)	<u>(250,043)</u>	<u>62,245</u>	<u>-</u>	<u>355,319</u>	<u>167,521</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	(203,441)	12,848	(1,423,909)	317,373	(1,297,129)
FUND BALANCES - BEGINNING, RESTATED	<u>1,157,570</u>	<u>7,192</u>	<u>761,018</u>	<u>1,394,041</u>	<u>3,319,821</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 954,129</u>	<u>\$ 20,040</u>	<u>\$ (662,891)</u>	<u>\$ 1,711,414</u>	<u>\$ 2,022,692</u>

VILLAGE OF UNION GROVE, WISCONSIN
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances (Deficit)
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022

Net Change in Fund Balances (Deficit) - Total Governmental Funds \$ (1,297,129)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay reported in governmental fund statements	\$ 2,977,817	
Depreciation expense reported in the statement of activities	<u>(538,235)</u>	
Amount by which capital outlays are more than depreciation in the current period.		2,439,582

Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.		54,921
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Amounts related to the other post-employment benefit that affect the statement of activities but do not affect the fund financial statements.		(1,429)
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Amounts related to the net OPEB liability that affect the statement of activities but do not affect the fund financial statements.		(5,363)
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Vested employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits was less than the amount paid.		13,822
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Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:		712,245
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Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.		10,667
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Debt premiums and discounts are allocated over the period the debt is outstanding and is reported as part of interest expense in the statement of activities. The activity for the current year is as follows:		
Amortization		<u>6,144</u>

Change in Net Position - Governmental Activities		<u><u>\$ 1,933,460</u></u>
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VILLAGE OF UNION GROVE, WISCONSIN

Statement of Net Position

Proprietary Funds

As of December 31, 2022

	Enterprise Funds			
	Water Utility	Wastewater Utility	Stormwater Utility	Totals
ASSETS				
Current Assets:				
Cash and Investments	\$ 3,361,372	\$ 3,417,624	\$ 612,558	\$ 7,391,554
Accounts Receivable	210,174	229,621	79,960	519,755
Inventories	30,515	-	-	30,515
Other Accounts Receivable	-	56,071	-	56,071
Total Current Assets	3,602,061	3,703,316	692,518	7,997,895
Noncurrent Assets:				
Restricted Assets	410,752	1,060,560	-	1,471,312
Net Pension Asset	77,321	88,226	44,088	209,635
Property Held for Future Use	12,713	-	-	12,713
Preliminary Survey and Investigation	55,000	14,000	-	69,000
Land	124,315	440	100,883	225,638
Plant in Service	13,886,922	17,082,746	5,153,735	36,123,403
Accumulated Depreciation	(4,567,133)	(10,412,068)	(2,035,154)	(17,014,355)
Construction Work in Progress	-	53,800	566	54,366
Total Noncurrent Assets	9,999,890	7,887,704	3,264,118	21,151,712
TOTAL ASSETS	13,601,951	11,591,020	3,956,636	29,149,607
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension	150,841	172,115	86,010	408,966
Related to Other Post-Employment Benefits	8,466	7,952	4,664	21,082
Total Deferred Outflows of Resources	159,307	180,067	90,674	430,048
CURRENT LIABILITIES				
Accounts Payable	29,037	42,244	13,585	84,866
Accrued Liabilities	8,149	6,754	1,710	16,613
Accrued Interest	73,764	23,793	4,890	102,447
Unearned Revenue	754,081	-	-	754,081
Current Portion of Compensated Absences	26,255	29,082	12,826	68,163
Current Portion of Long-Term Obligations	338,814	255,000	10,000	603,814
Total Current Liabilities	1,230,100	356,873	43,011	1,629,984
NONCURRENT LIABILITIES				
Net Other Post-Employment Benefits Liability	24,126	22,663	13,292	60,081
Noncurrent Portion of Compensated Absences	6,564	7,270	3,207	17,041
Noncurrent Portion of Long-Term Obligations	4,742,621	2,433,815	287,758	7,464,194
Total Noncurrent Liabilities	4,773,311	2,463,748	304,257	7,541,316
TOTAL LIABILITIES	6,003,411	2,820,621	347,268	9,171,300
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	182,231	207,932	103,908	494,071
Related to Other Post-Employment Benefits	3,915	3,678	2,156	9,749
Total Deferred Inflows of Resources	186,146	211,610	106,064	503,820
NET POSITION				
Net Investment in Capital Assets	6,642,180	5,182,067	3,212,272	15,036,519
Restricted	456,683	1,112,969	26,190	1,595,842
Unrestricted	472,838	2,443,820	355,516	3,272,174
TOTAL NET POSITION	\$ 7,571,701	\$ 8,738,856	\$ 3,593,978	\$ 19,904,535

See Accompanying Notes

VILLAGE OF UNION GROVE, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Enterprise Funds			
	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Stormwater Utility</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for Service:	\$ 1,158,862	\$ 1,328,549	\$ 285,392	\$ 2,772,803
OPERATING EXPENSES				
Operation and Maintenance	655,817	734,962	148,120	1,538,899
Depreciation	347,258	523,976	138,293	1,009,527
Total Operating Expenses	<u>1,003,075</u>	<u>1,258,938</u>	<u>286,413</u>	<u>2,548,426</u>
OPERATING INCOME (LOSS)	<u>155,787</u>	<u>69,611</u>	<u>(1,021)</u>	<u>224,377</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	8,819	17,290	-	26,109
Interest Expense	(319,537)	(128,024)	(18,019)	(465,580)
Miscellaneous	1,027	-	-	1,027
Total Nonoperating Revenues (Expenses)	<u>(309,691)</u>	<u>(110,734)</u>	<u>(18,019)</u>	<u>(438,444)</u>
LOSS BEFORE TRANSFERS AND CONTRIBUTIONS	(153,904)	(41,123)	(19,040)	(214,067)
TRANSFERS OUT	(165,551)	(1,970)	-	(167,521)
CAPITAL CONTRIBUTIONS	<u>283,474</u>	<u>310,460</u>	<u>260,160</u>	<u>854,094</u>
CHANGE IN NET POSITION	(35,981)	267,367	241,120	472,506
NET POSITION - BEGINNING, RESTATED	<u>7,607,682</u>	<u>8,471,489</u>	<u>3,352,858</u>	<u>19,432,029</u>
NET POSITION - ENDING	<u>\$ 7,571,701</u>	<u>\$ 8,738,856</u>	<u>\$ 3,593,978</u>	<u>\$ 19,904,535</u>

VILLAGE OF UNION GROVE, WISCONSIN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2022

	Enterprise Funds			
	Water Utility	Wastewater Utility	Stormwater Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from User Charges	\$ 1,108,050	\$ 1,337,738	\$ 284,440	\$ 2,730,228
Paid to Suppliers for Goods and Services	(500,940)	(512,108)	(66,939)	(1,079,987)
Paid to Employees for Operating Payroll	(149,813)	(222,937)	(92,586)	(465,336)
Other Receipts	1,027	-	-	1,027
Net Cash Flows From Operating Activities	<u>458,324</u>	<u>602,693</u>	<u>124,915</u>	<u>1,185,932</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfer to Other Funds	(165,551)	(1,970)	-	(167,521)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(120,319)	(101,657)	(215,114)	(437,090)
Capital Contributions - Connection Fees	-	130,000	-	130,000
Principal Payments on Long-Term Debt	(2,110,602)	(540,405)	-	(2,651,007)
Proceeds from Long-Term Debt	4,305,000	1,285,000	290,000	5,880,000
Premium Received from Long-Term Debt	115,166	34,376	7,758	157,300
Interest and Fiscal Charges	(259,543)	(108,746)	(13,130)	(381,419)
Net Cash Flows From Capital and Related Financing Activities	<u>1,929,702</u>	<u>698,568</u>	<u>69,514</u>	<u>2,697,784</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	8,819	17,290	-	26,109
CHANGE IN CASH AND INVESTMENTS	<u>2,231,294</u>	<u>1,316,581</u>	<u>194,429</u>	<u>3,742,304</u>
CASH AND INVESTMENTS - BEGINNING	<u>1,540,830</u>	<u>3,161,603</u>	<u>418,129</u>	<u>5,120,562</u>
CASH AND INVESTMENTS - ENDING	<u>\$ 3,772,124</u>	<u>\$ 4,478,184</u>	<u>\$ 612,558</u>	<u>\$ 8,862,866</u>
RECONCILIATION OF CASH ACCOUNTS				
Cash and Investments	\$ 3,361,372	\$ 3,417,624	\$ 612,558	\$ 7,391,554
Restricted Cash	410,752	1,060,560	-	1,471,312
Total Reconciliation of Cash Accounts	<u>\$ 3,772,124</u>	<u>\$ 4,478,184</u>	<u>\$ 612,558</u>	<u>\$ 8,862,866</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Developer Financed Additions to Plant	\$ 283,474	\$ 180,460	\$ 260,160	\$ 724,094

VILLAGE OF UNION GROVE, WISCONSIN
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2022

	Enterprise Funds			
	Water Utility	Wastewater Utility	Stormwater Utility	Total
RECONCILIATION OF OPERATING INCOME (LOSS)				
TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 155,787	\$ 69,611	\$ (1,021)	\$ 224,377
Nonoperating Income	1,027	-	-	1,027
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:				
Depreciation	347,258	523,976	138,293	1,009,527
Meter Depreciation Charged to Sewer	8,465	(8,465)	-	-
Changes in Assets and Liabilities:				
Customer Accounts Receivable	(33,543)	(3,403)	(952)	(37,898)
Other Receivables	-	12,592	-	12,592
Materials and Supplies	(2,293)	-	-	(2,293)
Net Pension Asset	(10,322)	(20,058)	(15,730)	(46,110)
Deferred Outflows Related to Pension	(39,422)	(58,753)	(38,851)	(137,026)
Deferred Outflows Related to OPEB	566	668	907	2,141
Related to Loss on Refunding	5,509	-	-	5,509
Accounts and Claims Payable	1,016	22,664	9	23,689
Accrued Liabilities	2,817	1,328	(14)	4,131
Unearned Cell Tower Lease	(17,269)	-	-	(17,269)
Accrued Compensated Absences	252	1,468	497	2,217
Net OPEB Liability	3,184	2,676	372	6,232
Deferred Inflows Related to Pension	35,558	58,701	41,827	136,086
Deferred Inflows Related to OPEB	(266)	(312)	(422)	(1,000)
Net Cash Flows From Operating Activities	\$ 458,324	\$ 602,693	\$ 124,915	\$ 1,185,932

VILLAGE OF UNION GROVE, WISCONSIN

Statement of Fiduciary Net Position

Fiduciary Fund

As of December 31, 2022

	<u>Custodial</u> <u>Tax Collection</u> <u>Fund</u>
ASSETS	
Cash and Investments	\$ 2,925,977
Taxes Receivable	<u>2,574,655</u>
Total Assets	<u>5,500,632</u>
LIABILITIES	
Due to Other Taxing Entities	<u>5,500,632</u>
NET POSITION	<u>\$ -</u>

See Accompanying Notes

VILLAGE OF UNION GROVE, WISCONSIN

Statement of Change in Fiduciary Net Position

Fiduciary Fund

For the Year Ended December 31, 2022

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
ADDITIONS	
Taxes Collected on Behalf of Other Taxing Entities	\$ 4,040,459
DEDUCTIONS	
Taxes Remitted to Other Taxing Entities	<u>4,040,459</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING	<u>-</u>
NET POSITION - ENDING	<u>\$ -</u>

See Accompanying Notes

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

Accounting principles generally accepted in the United States of America require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the Village's reporting entity because of the significance of their operational or financial relationship with the Village. All significant activities and organizations with which the Village exercises oversight responsibility have been considered for inclusion in the basic financial statements. The Village has identified the Union Grove Community Development Authority as a component unit that is to be blended in the basic financial statements.

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

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

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statements Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental Funds

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

General Fund

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

Special Revenue Funds

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

Debt Service Funds

Debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

Capital Project Funds

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

Proprietary Funds

Enterprise Funds

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

Fiduciary Funds

Custodial Funds

Custodial funds are used to account for assets held by the Village as a custodian for individuals, private organizations, and/or other governmental entities.

Major Funds

The Village reports the following major governmental funds:

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

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

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

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Major Funds (Continued)

The Village reports the following major proprietary funds:

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

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

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

Non-Major Funds

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

- Revolving Loans
- Impact Fees
- Recreation and Parks
- Library
- American Rescue Plan Act

The Village reports the following non-major capital projects funds:

- Tax Incremental District No. 4
- Tax Incremental District No. 5
- Tax Incremental District No. 6
- Tax Incremental District No. 7

Fiduciary Fund

The Village reports the following custodial fund:

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

Cash and Investments

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

Restricted Cash and Investments

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

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

Prepaid Items

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

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

Inventories

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

Capital Assets

Government-Wide Statements

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$3,000 or higher and an estimated useful life in excess of two years, except for certain assets of the Water, Wastewater, and Stormwater Utilities which may be capitalized at a lower cost. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

	<u>Useful Lives</u>
Buildings	15 - 75 Years
Land Improvements	15 - 75 Years
Machinery and Equipment	3 - 20 Years
Infrastructure	25 - 60 Years

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2022, are determined on the basis of current salary rates and include salary related payments.

Deferred Outflows and Inflows of Resources

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

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

Pension and Other Post-Employment Benefits

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

Other Post-Employment Benefits (OPEB). The fiduciary net position of the local retiree life insurance fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

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

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

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

Unearned Revenue

During 2016, the Water Utility entered into an agreement that provided an easement, assignment of existing water tower lease contracts and the rights to future tower lease revenue. The Utility received \$860,573 as a lump sum payment. The Village recognizes \$17,269 in revenue annually.

Leases

The Village adopted GASB Statement No. 87 for the year ended December 31, 2022 which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. There were no material leases recorded.

Equity Classifications

Government-Wide and Proprietary Fund Statements

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

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

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

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Equity Classification (Continued)

Fund Financial Statements

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

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

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

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

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results may differ from these estimates.

Note 2 - Cash

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

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

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

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 2 - Cash (Continued)

At December 31, 2022, the Village's bank balance of cash was \$9,018,106. The Village maintains its cash accounts at three financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village does not have a deposit policy for custodial credit risk.

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

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2022, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

The following represents a summary of deposits as of December 31, 2022:

Fully Insured Deposits	\$	500,000
Collateralized		2,917,232
Uninsured and Uncollateralized		5,600,874
Total	\$	<u>9,018,106</u>

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2022.

The Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchanges Commission and does not publish credit quality ratings. An investment in the Fund is not a deposit with any bank and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation, the United States Government or any state governmental agency of the Fund. Upon demand, cash can be withdrawn with interest from the Local Government Investment Pool. Investments in the Local Government Investment Pool are valued at amortized cost. The balance in the Local Government Investment Pool at December 31, 2022 was \$5,075,040.

Note 3 - Restricted Assets

Restricted assets on December 31, 2022 consisted of cash totaling \$1,471,312 held for the following purposes:

Enterprise Funds:

Water Utility		
Redemption Account	\$	51,802
Reserve Account		228,727
Depreciation Account		130,223
Total Water Utility		<u>410,752</u>
Wastewater Utility		
Redemption Account		23,450
Replacement Account		1,037,110
Total Wastewater Utility		<u>1,060,560</u>
Total Restricted Assets	\$	<u>1,471,312</u>

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 4 - Property Taxes

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

Property taxes consist of taxes on real estate and personal property. They are levied during December and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31, or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by July 31 are assumed by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

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

Note 5 - Interfund Receivables, Payables and Transfers

Interfund receivables and payables between individual funds of the Village as of December 31, 2022 are detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Projects	\$ 447,214	Year End Cash Flow Timing
General Fund	TID #5	92,954	Year End Cash Flow Timing
		<u>\$ 540,168</u>	

The interfund account balances above are the result of various interfund activities and are expected to be repaid in 2023.

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

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Utility	\$ 165,551	Property Tax Equivalent
General Fund	Wastewater Utility	1,970	Property Tax Equivalent
Library Fund	General Fund	311,214	Operating Levy
Recreation and Parks Fund	General Fund	43,007	Transfer Funds for Future Use
Capital Projects Fund	General Fund	1,098	Transfer Funds for Future Use
Debt Service Fund	General Fund	62,245	Fire Department Debt Reimbursement
		<u>\$ 585,085</u>	

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 6 - Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Capital Assets not Being Depreciated				
Land and Improvements	\$ 109,622	\$ -	\$ -	\$ 109,622
Construction in Progress	29,766	70,552	9,900	90,418
Total Capital Assets Not Being Depreciated	<u>139,388</u>	<u>70,552</u>	<u>9,900</u>	<u>200,040</u>
Capital Assets Being Depreciated				
Buildings and Improvements	2,482,992	20,333	-	2,503,325
Machinery and Equipment	2,850,993	-	-	2,850,993
Infrastructure	14,193,109	2,896,832	-	17,089,941
Total Capital Assets Being Depreciated	<u>19,527,094</u>	<u>2,917,165</u>	<u>-</u>	<u>22,444,259</u>
Less Accumulated Depreciation For				
Buildings and Improvements	(1,511,183)	(87,368)	-	(1,598,551)
Machinery and Equipment	(2,217,881)	(116,382)	-	(2,334,263)
Infrastructure	(10,146,370)	(334,485)	-	(10,480,855)
Total Accumulated Depreciation	<u>(13,875,434)</u>	<u>(538,235)</u>	<u>-</u>	<u>(14,413,669)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>5,651,660</u>	<u>2,378,930</u>	<u>-</u>	<u>8,030,590</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 5,791,048</u>	<u>\$ 2,449,482</u>	<u>\$ 9,900</u>	<u>\$ 8,230,630</u>
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Water Utility				
Capital Assets not Being Depreciated				
Land and Land Rights	\$ 62,636	\$ -	\$ -	\$ 62,636
Intangible	61,679	-	-	61,679
Total Capital Assets Not Being Depreciated	<u>124,315</u>	<u>-</u>	<u>-</u>	<u>124,315</u>
Capital Assets Being Depreciated				
Buildings and Improvements	2,173,365	-	-	2,173,365
Machinery and Equipment	2,243,418	6,000	-	2,249,418
Infrastructure	9,090,739	397,793	24,393	9,464,139
Subtotal	13,507,522	403,793	24,393	13,886,922
Less Accumulated Depreciation	(4,235,803)	(355,723)	(24,393)	(4,567,133)
Total Capital Assets Being Depreciated, Net of Depreciation	<u>9,271,719</u>	<u>48,070</u>	<u>-</u>	<u>9,319,789</u>
Water Utility Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,396,034</u>	<u>\$ 48,070</u>	<u>\$ -</u>	<u>\$ 9,444,104</u>

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 6 - Capital Assets (Continued)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Wastewater Utility				
Capital Assets not Being Depreciated				
Land and Land Rights	\$ 440	\$ -	\$ -	\$ 440
Construction in Progress	-	53,800	-	53,800
Total Capital Assets Not Being Depreciated	<u>440</u>	<u>53,800</u>	<u>-</u>	<u>54,240</u>
Capital Assets Being Depreciated				
Buildings and Improvements	3,395,709	31,067	7,767	3,419,009
Machinery and Equipment	8,591,487	-	-	8,591,487
Infrastructure	4,879,196	197,250	4,196	5,072,250
Subtotal	16,866,392	228,317	11,963	17,082,746
Less Accumulated Depreciation	(9,908,520)	(515,511)	(11,963)	(10,412,068)
Total Capital Assets Being Depreciated, Net of Depreciation	<u>6,957,872</u>	<u>(287,194)</u>	<u>-</u>	<u>6,670,678</u>
Wastewater Utility Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,958,312</u>	<u>\$ (233,394)</u>	<u>\$ -</u>	<u>\$ 6,724,918</u>
Stormwater Utility				
Capital Assets not Being Depreciated				
Land and Land Rights	\$ 100,883	\$ -	\$ -	\$ 100,883
Construction in Progress	566	-	-	566
Total Capital Assets Not Being Depreciated	<u>101,449</u>	<u>-</u>	<u>-</u>	<u>101,449</u>
Capital Assets Being Depreciated				
Land Improvements	76,496	38,293	1,573	113,216
Machinery and Equipment	395,707	-	-	395,707
Infrastructure	4,260,036	436,981	52,205	4,644,812
Subtotal	4,732,239	475,274	53,778	5,153,735
Less Accumulated Depreciation	(1,950,639)	(138,293)	(53,778)	(2,035,154)
Total Capital Assets Being Depreciated, Net of Depreciation	<u>2,781,600</u>	<u>336,981</u>	<u>-</u>	<u>3,118,581</u>
Stormwater Utility Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,883,049</u>	<u>\$ 336,981</u>	<u>\$ -</u>	<u>\$ 3,220,030</u>

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 6 - Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 29,163
Public Works	484,377
Culture and Recreation	24,695
Total Depreciation Expense - Governmental Activities	<u>\$ 538,235</u>
Business-Type Activities:	
Water Utility Depreciation Charged to Accumulated Depreciation	\$ 355,723
Less: Share of Meter Depreciation	(8,465)
Water Utility Depreciation Expense	<u>347,258</u>
Wastewater Utility	515,511
Plus: Share of Meter Depreciation	8,465
Wastewater Utility Depreciation Expense	<u>523,976</u>
Stormwater Utility	138,293
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,009,527</u>

Note 7 - Long-Term Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2022:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
General Obligation Debt:					
G.O. Refunding Bonds	\$ 10,625,000	\$ -	\$ 650,000	\$ 9,975,000	\$ 755,000
G.O. Promissory Notes	725,000	-	62,245	662,755	74,540
Adjustments For					
Issuance Premium	106,391	-	6,144	100,247	-
Total General Obligation Debt	<u>11,456,391</u>	<u>-</u>	<u>718,389</u>	<u>10,738,002</u>	<u>829,540</u>
Compensated Absences	73,517	40,240	54,062	59,695	47,756
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 11,529,908</u>	<u>\$ 40,240</u>	<u>\$ 772,451</u>	<u>\$ 10,797,697</u>	<u>\$ 877,296</u>
	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
General Obligation Debt	\$ 1,475,000	\$ -	\$ 100,000	\$ 1,375,000	\$ 205,000
Revenue Bonds	3,212,276	5,880,000	2,551,007	6,541,269	398,814
Compensated Absences	82,986	28,476	26,258	85,204	68,163
Adjustments For					
Issuance Premium	-	157,300	-	157,300	-
Issuance Discount	(11,553)	-	(5,992)	(5,561)	-
Total Business Activity					
Long-Term Liabilities	<u>\$ 4,758,709</u>	<u>\$ 6,065,776</u>	<u>\$ 2,671,273</u>	<u>\$ 8,153,212</u>	<u>\$ 671,977</u>

Interest paid on long-term debt was \$295,774 and \$381,902 for governmental activities and business-type activities, respectively.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 7 - Long-Term Obligations (Continued)

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

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

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balances 12/31/22</u>
Governmental Activities					
Long-Term Obligations					
2012 G.O Refunding Bonds	03/29/12	12/01/28	2.00-3.10%	4,065,000	\$ 1,680,000
2015 G.O. Refunding Bonds	06/24/15	04/01/30	0.55-3.40%	2,645,000	1,595,000
2019 G.O. Bonds	06/05/19	06/01/37	3.00%	1,080,000	1,030,000
2020 G.O. Bonds	02/16/20	06/01/38	1.85-2.75%	1,755,000	1,730,000
2020 G.O. Bonds	02/19/20	02/01/37	2.00-2.25%	1,315,000	1,315,000
2020 State Trust Fund Loan	05/19/20	03/15/30	3.00%	725,000	662,755
2020 G.O. Bonds	11/05/20	06/01/40	3.85-4.00%	2,800,000	2,625,000
Total Governmental Activities Long-Term Obligations					<u>\$ 10,637,755</u>

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balances 12/31/22</u>
Business Type Activities					
Long-Term Obligations					
2012 G.O. Refunding Bonds	03/26/12	12/01/28	2.00-3.10%	\$ 1,995,000	\$ 1,375,000
2005 Water Revenue Bonds	11/01/05	05/01/25	2.37%	1,486,390	270,980
2007 Water Revenue Bonds	04/25/07	05/01/26	2.48%	516,994	129,630
2009 Water Revenue Bonds	12/09/09	05/01/29	2.67%	652,175	260,659
2022 Utility Revenue Bonds	06/01/22	05/01/42	3.00-4.00%	5,880,000	5,880,000
Total Business Type Activities Long-Term Obligations					<u>\$ 7,916,269</u>

Debt service requirements to maturity are as follows:

	<u>Governmental Funds</u>		<u>Enterprise Funds</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 829,540	\$ 266,155	\$ 603,814	\$ 268,939	\$ 1,433,354	\$ 535,094
2024	896,728	244,962	637,590	193,435	1,534,318	438,397
2025	874,078	222,182	651,459	179,744	1,525,537	401,926
2026	906,451	198,592	665,790	164,400	1,572,241	362,992
2027	918,894	173,821	668,177	148,979	1,587,071	322,800
2028-2032	3,137,064	536,883	2,344,439	559,084	5,481,503	1,095,967
2033-2037	2,280,000	238,453	1,180,000	339,715	3,460,000	578,168
2038-2042	795,000	21,546	1,165,000	117,100	1,960,000	138,646
	<u>\$ 10,637,755</u>	<u>\$ 1,902,594</u>	<u>\$ 7,916,269</u>	<u>\$ 1,971,396</u>	<u>\$ 18,554,024</u>	<u>\$ 3,873,990</u>

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

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 7 - Long-Term Obligations (Continued)

Current Refunding

The Utility issued \$5,880,000 Combined Utility Revenue Bonds and used a portion to retire the remaining maturities of the 2012 Waterworks System Revenue Bonds totaling \$1,805,000. The refunding reduced total debt service payments by \$62,326 and present value savings of \$47,304.

The 2022 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$504,610,300. The legal debt limit and margin of indebtedness as of December 31, 2022, in accordance with Wisconsin Statutes follows:

Debt Limit (5% of \$504,610,300)	\$ 25,230,515
Deduct Long-Term Debt Applicable to Debt Margin	<u>(12,012,755)</u>
Legal Margin Available for New Debt	<u><u>\$ 13,217,760</u></u>

Utility Revenues Pledged

The Village has pledged future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the utility. The bonds are payable from water customer net revenues and are payable through 2025, 2026, 2029 and 2042. The total principal and interest remaining to be paid on the bonds is \$6,129,311. Principal and interest paid for the current year and total customer net revenues were \$168,541 and \$512,891, respectively.

The Village has pledged future wastewater customer revenues, net of specified operating expenses, to repay the wastewater system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the utility. The bonds are payable from wastewater customer net revenues and are payable through 2042. The total principal and interest remaining to be paid on the bonds is \$1,817,245. Principal and interest paid for the current year and total customer net revenues were \$447,283 and \$610,877 respectively.

The Village has pledged future stormwater customer revenues, net of specified operating expenses, to repay the stormwater system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the utility. The bonds are payable from stormwater customer net revenues and are payable through 2042. The total principal and interest remaining to be paid on the bonds is \$415,666. The stormwater utility did not have any principal or interest payments for the year ended December 31, 2022, and net revenues were \$137,272.

Debt Coverage

	Water	Wastewater	Stormwater
Operating Revenues	\$ 1,158,862	\$ 1,328,549	\$ 285,392
Investment Income	8,819	17,290	-
Miscellaneous Revenues	1,027	-	-
Less: Operations and Maintenance Expenses	<u>(655,817)</u>	<u>(734,962)</u>	<u>(148,120)</u>
Net Customer Revenues	<u><u>\$ 512,891</u></u>	<u><u>\$ 610,877</u></u>	<u><u>\$ 137,272</u></u>
Minimum Required Earnings per Resolution			
Highest Annual Debt Service	\$ 485,789	\$ 115,805	\$ 24,966
Coverage Factor	<u>1.25</u>	<u>1.25</u>	<u>1.25</u>
Minimum Required Earnings	<u><u>\$ 607,236</u></u>	<u><u>\$ 144,756</u></u>	<u><u>\$ 31,208</u></u>
Actual Debt Coverage	<u><u>0.84</u></u>	<u><u>4.22</u></u>	<u><u>4.40</u></u>

The Village is in not in compliance with the water revenue bond debt coverage ratio for the year ended December 31, 2022. The Village has been authorized by the Public Service Commission to raise water rates effective April 1, 2023.

The Village is in compliance with the wastewater and stormwater revenue bond debt coverage ratios for the year ended December 31, 2022.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 8 - Fund Balance (Deficit) and Net Position

Fund Balances

Fund balance reported in the governmental funds includes the following:

Nonspendable	
General Fund	
Loan Receivable	\$ 650,075
Prepaid Items	24,142
	<hr/>
Total Nonspendable Fund Balance	\$ 674,217
	<hr/>
Assigned	
Special Revenue Funds:	
Recreation and Parks	\$ 74,638
Library	439,526
	<hr/>
Total Assigned Fund Balance	\$ 514,164
	<hr/>
Restricted	
Loans:	
Revolving Loans	\$ 387,520
	<hr/>
Impact Fees	222,207
	<hr/>
Tax Incremental Districts:	
TID #4	634,454
TID #6	174,066
	<hr/>
	808,520
	<hr/>
Debt Service	20,040
	<hr/>
Total Restricted Fund Balance	\$ 1,438,287
	<hr/>
Unassigned (Deficit)	
General Fund	\$ 279,912
Capital Projects	(662,891)
TID #5	(213,246)
TID #7	(7,751)
	<hr/>
Total Unassigned (Deficit)	\$ (603,976)
	<hr/>

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

The Village's policy indicates that the General Fund will maintain unassigned fund balance at 20% of operating expenditures of the General Fund. As of December 31, 2022, the Village's unassigned General Fund balance compared to the total general expenditures at 11% does not meet the policy requirements put in place by the Village.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 8 - Fund Balance (Deficit) and Net Position (Continued)

Proprietary Funds

Net position reported on the proprietary funds statement of net position at December 31, 2022 includes the following:

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Stormwater Utility</u>	<u>Total</u>
Net Investment in Capital Assets				
Net Capital Assets	\$ 9,444,104	\$ 6,724,918	\$ 3,220,030	\$ 19,389,052
Less: Related Long-Term Debt	(4,966,269)	(2,660,000)	(290,000)	(7,916,269)
Less: Issuance Premium	(115,166)	(34,376)	(7,758)	(157,300)
Plus: Issuance Discount	-	5,561	-	5,561
Plus: Unspent Proceeds	2,279,511	1,145,964	290,000	3,715,475
Total Net Investment in Capital Assets	<u>6,642,180</u>	<u>5,182,067</u>	<u>3,212,272</u>	<u>15,036,519</u>
Restricted				
Debt Redemption	51,802	23,450	-	75,252
Debt Reserve	228,727	-	-	228,727
Equipment Replacement	130,223	1,037,110	-	1,167,333
Pension	45,931	52,409	26,190	124,530
Total Restricted	<u>456,683</u>	<u>1,112,969</u>	<u>26,190</u>	<u>1,595,842</u>
Unrestricted	<u>472,838</u>	<u>2,443,820</u>	<u>355,516</u>	<u>3,272,174</u>
Total Proprietary Funds Net Position	<u>\$ 7,571,701</u>	<u>\$ 8,738,856</u>	<u>\$ 3,593,978</u>	<u>\$ 19,904,535</u>

Government-Wide Statements

Net position reported on the government-wide statement of net position at December 31, 2022 includes the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Investment in Capital Assets			
Net Capital Assets	\$ 8,230,630	\$ 19,389,052	\$ 27,619,682
Less: Related Long-Term Debt	(10,637,755)	(7,916,269)	(18,554,024)
Less: Issuance Premium	(100,247)	(157,300)	(257,547)
Plus: Issuance Discount	-	5,561	5,561
Plus: Unspent Proceeds	-	3,715,475	3,715,475
Fire Department Asset	662,755	-	662,755
Allocated to BT Activities	3,641,363	(3,641,363)	-
Total Net Investment in Capital Assets	<u>1,796,746</u>	<u>11,395,156</u>	<u>13,191,902</u>
Restricted			
Water Utility			
Debt Redemption	-	51,802	51,802
Debt Reserve	-	228,727	228,727
Equipment Replacement	-	130,223	130,223
Wastewater Utility			
Debt Reserve	-	23,450	23,450
Equipment Replacement	-	1,037,110	1,037,110
Pension	138,854	124,530	263,384
Total Restricted	<u>138,854</u>	<u>1,595,842</u>	<u>1,734,696</u>
Unrestricted (Deficit)	<u>(2,445,503)</u>	<u>6,913,537</u>	<u>4,468,034</u>
Total Government-Wide Net Position	<u>\$ (509,903)</u>	<u>\$ 19,904,535</u>	<u>\$ 19,394,632</u>

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 9 - Defined Benefit Pension Plan

General Information About the Pension Plan

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

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 9 - Defined Benefit Pension Plan (Continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2012	(7.0)%	(7)%
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$64,511 in contributions from the Village.

Contribution rates as of December 31, 2022 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.50%	6.50%

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

At December 31, 2022, the Village reported an asset of \$443,385 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Village's proportion was 0.00550094%, which was an increase of 0.00004419% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized a reduction of pension expense of \$37,361.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 9 - Defined Benefit Pension Plan (Continued)

At December 31, 2022, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experiences	\$ 716,267	\$ 51,650
Changes in assumptions	82,719	-
Net differences between projected and actual earnings on pension plan investments	-	991,891
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,479	1,436
Employer contributions subsequent to the measurement date	<u>64,511</u>	<u>-</u>
Total	<u><u>\$ 864,976</u></u>	<u><u>\$ 1,044,977</u></u>

The \$64,511 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability (asset) in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (20,028)
2024	(120,221)
2025	(53,285)
2026	(50,978)
	<u><u>\$ (244,512)</u></u>

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 9 - Defined Benefit Pension Plan (Continued)

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

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

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% 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 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

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

Asset Allocation Targets and Expected Returns¹ As of December 31, 2021

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Global Equities	52%	6.8%	4.2%
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund ³	115% *	6.6%	4.0%
Variable Fund Asset Class			
U.S. Equities	70%	6.3%	4.1%
International Equities	30	7.2	4.9
Total Variable Fund	100%	6.8%	4.6%

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 9 - Defined Benefit Pension Plan (Continued)

Single Discount Rate. A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Village’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Village’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Village’s Proportionate Share of the Net Pension Liability (Asset)	\$ 314,613	\$ (443,385)	\$ (989,004)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payables to the Pension Plan. The Village is required to remit the monthly required contribution for both the employee and Village portions by the last day of the following month. At December 31, 2022, there were no outstanding payables to WRS.

Note 10 - Post-Employment Benefits Other Than Pension Benefits

General Information About the OPEB Plan

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

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

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

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

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

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

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2022 are:

<u>Coverage Type</u>	<u>Employee</u>
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2021 are as listed below:

**Life Insurance
Member Contribution Rates *
For the Year Ended December 31, 2021**

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

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

During the reporting period, the LRLIF recognized \$426 in contributions from the Village.

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

At December 31, 2022, the Village reported a liability of \$122,210 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the Village's proportion was 0.020677%, which was an increase of 0.000568% from its proportion measured as of December 31, 2020.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

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

For the year ended December 31, 2022, the Village recognized OPEB expense of \$14,599.

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experiences	\$ 1,589	\$ 6,217
Changes in assumptions	36,923	5,924
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,946	7,691
Employer contributions subsequent to the measurement date	426	-
Total	\$ 42,884	\$ 19,832

The \$426 reported as deferred outflows related to OPEB resulting from the Village's contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ 5,399
2024	5,214
2025	4,586
2026	5,618
2027	1,581
Thereafter	228
	\$ 22,626

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

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

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

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

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

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

**State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	45%	1.68%
U.S. Long Credit Bonds	Bloomberg U.S. Long Credit	5	1.82
U.S. Mortgages	Bloomberg U.S. MBS	50	1.94
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

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

Single Discount Rate. A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the Villages Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 2.17 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
Village's Proportionate Share of the Net OPEB Liability	\$ 165,793	\$ 122,210	\$ 89,413

Payables to the OPEB Plan. As of December 31, 2022, the Village had no outstanding payables to the OPEB plan.

Note 11 - Risk Management

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

Note 12 - Commitments and Contingencies

From time to time the Village is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of Village management, these issues, and any other proceedings known to exist at December 31, 2022, are not likely to have a material adverse impact on the Village's financial position.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 12 - Commitments and Contingencies (Continued)

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

In 2012, the Village issued \$3,150,000 Waterworks System Revenue Bonds, Series 2012A (2012A Bonds). The 2012A Bonds were issued to pay-off a portion of the 2007 Bond Anticipation Notes (2007 BANS) in 2012. A portion of the original proceeds from the 2007 BANS were recorded in TIF No. 4 and were used to finance TIF eligible water projects. Due to the uncertainty of TIF No. 4 being able to pay the principal and interest payments on the 2012A Bonds, the 2012A Bonds were recorded in the water utility. The water utility is making the principal and interest payments on the 2012A Bonds. However, if future tax increments in TIF No. 4 are sufficient, TIF No. 4 will reimburse the water utility for the principal and interest payments that have been made on the 2012A Bonds as well as any issuance costs. As of December 31, 2022, the total reimbursable expenditures are:

	Year End 2022	Cumulative
Principal	\$ -	\$ 1,045,000
Interest	41,189	766,223
Issuance Costs	-	49,551
Totals	<u>\$ 41,189</u>	<u>\$ 1,860,774</u>

In 2012, the Village also issued \$6,060,000 General Obligations Refunding Bonds, Series 2012B (2012B Bonds). The 2012B bonds were issued to pay-off a portion of the 2007 BANS through a current refunding in 2012. A portion of the original proceeds from the 2007 BANS were recorded in TIF No. 4 and were used to finance TIF eligible sewer projects. Due to the uncertainty of TIF No. 4 being able to pay the principal and interest payments on the 2012B Bonds related to sewer projects, the sewer portion of the 2012B bonds were recorded in the sewer utility. The sewer utility is making the principal and interest payments. However, if future tax increments in TIF No. 4 are sufficient, TIF No. 4 will reimburse the sewer utility for the principal and interest payments that have been made on the 2012B Bonds as well as any issuance costs. As of December 31, 2022, the total reimbursable expenditures are:

	Year End 2022	Cumulative
Principal	\$ 100,000	\$ 525,000
Interest	43,692	498,535
Issuance Costs	-	30,439
Totals	<u>\$ 143,692</u>	<u>\$ 1,053,974</u>

In 2022, the Village issued \$5,888,000 Combined Utility System Revenue Bonds, Series 2022A (2022A Bonds). The 2022A Bonds were issued to refund the remainder of the 2012 Waterworks System Revenue Bonds, which refunded the 2007 Bond Anticipation Notes (2007 BANS). A portion of the original proceeds from the 2007 BANS were recorded in TIF No. 4 and were used to finance TIF eligible water projects. Due to the uncertainty of TIF No. 4 being able to pay the principal and interest payments on the 2022A Bonds, the 2022A Bonds were recorded in the water utility. The water utility is making the principal and interest payments on the 2022A Bonds. However, if future tax increments in TIF No. 4 are sufficient, TIF No. 4 will reimburse the water utility for the principal and interest payments that have been made on the 2022A Bonds as well as any issuance costs. As of December 31, 2022, the total reimbursable expenditures are:

	Year End 2022	Cumulative
Principal	\$ -	\$ -
Interest	-	-
Issuance Costs	79,682	79,682
Totals	<u>\$ 79,682</u>	<u>\$ 79,682</u>

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 13 - Joint Ventures

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

The governing body is made up of citizens from each community. Local representatives are appointed by the Village Board. The governing body has authority to adopt its own budget and control the financial affairs of the fire commission. The Village is obligated by the joint venture agreement to remit an amount annually to the fire commission. The Village made a payment to the fire commission of \$191,018 in 2022. Financial information of the fire commission as of December 31, 2022 is available directly from the fire commission's office.

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

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

Note 14 - Economic Dependency

The Sewer Utility has one significant customer who was responsible for 34% of operating revenues in 2022.

Note 15 - Tax Abatements

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

Pay-As-You-Go Municipal Revenue Obligations

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

TIF No. 4

MRO Dated February 19, 2013

Payments to the Company will be made in years 2014 through 2027. However, the first payment occurred in 2015. The Village paid \$15,840 in 2022. Total payments made to-date are \$79,559.

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

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 15 - Tax Abatements (Continued)

TIF No. 5

MRO Dated August 8, 2018

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

Subject to further terms and conditions, the Village is to pay five equal payments of \$193,333 for each multi-family residential building in the development and \$193,335 for one commercial building. Four of the multi-family payments and the one commercial payment have been made for a total of \$1,210,668 in 2022.

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

TIF No. 6

MRO Dated September 17, 2019

The Village entered into a developer's agreement that had multiple phases and conditions for each MRO as noted below.

Conditioned upon the Developer meeting its Phase 1 Guaranteed Minimum Assessed Value of \$20,670,000 with \$14,520,000 by December 31, 2021 and an additional \$6,150,000 by December 31, 2022, the Village shall pay excess Phase 1 Property Tax Increment to Developer on an annual "pay-as-you-go" basis as reimbursement for the actual cost of its Phase 1 Internal Infrastructure Improvements estimated at One Million Eight Hundred Ninety Two Thousand Three Hundred Fifty and 00/100 Dollars (\$1,892,350), together with interest at the rate of Five Percent (5%) per annum, subject to a maximum incentive of Two Million Six Hundred Seventy Seven Thousand Four Hundred Eleven and 00/100 Dollars (\$2,677,411). No payments were made in 2022.

Conditioned upon the Developer meeting its Phase 2 Guaranteed Minimum Assessed Value of \$14,175,000, the Village shall pay excess Phase 2 Property Tax Increment to Developer on an annual "pay-as-you-go" basis as reimbursement for the actual cost of its Phase 2 Internal Infrastructure Improvements estimated at One Million Three Hundred Sixty-One Thousand and 00/100 Dollars, together with interest at the rate of Five Percent (5%) per annum, subject to a maximum incentive of \$1,918,096. No payments were made in 2022.

Conditioned upon the Developer meeting its Phases 1 and 2 Guaranteed Minimum Assessed Values, any Property Tax Increment available after payment of the Village's loan payments, Administrative Costs, and the Phase 1 and Phase 2 Developer Infrastructure Incentives, shall be paid to the Developer as additional incentive on an annual "pay-as-you-go" basis, subject to a cumulative maximum of Two Million and 00/100 Dollars (\$2,000,000) based on a 70% Developer and 30% Village split. No payments were made in 2022.

VILLAGE OF UNION GROVE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 16 - Restatement of Beginning Fund Balance and Net Position

During the year the Village restated beginning fund balance in the general fund for additional joint fire department receivables related to the fire truck purchase, capital projects fund for retainage, and the revolving loans fund for an updated interpretation of GASB 65. The following presents the impact of these restatements of beginning fund balance.

	General Fund	Capital Projects	Revolving Loans
Beginning Fund Balance - January 1, 2022	\$ 974,300	\$ 888,352	\$ 289,778
Fire Department Receivable	183,270	-	-
Retainage Payable	-	(127,334)	-
Interpretation of GASB 65	-	-	111,972
Beginning Fund Balance - January 1, 2022, as Restated	<u>\$ 1,157,570</u>	<u>\$ 761,018</u>	<u>\$ 401,750</u>

During the year, the Village restated beginning net position of the water, wastewater, and stormwater utilities, governmental activities, and business-type activities. The water utility and business-type activities net position were restated due to a capital assets evaluation done by the Public Service Commission of Wisconsin and previous years' contributed asset projects. The governmental activities were restated for additional joint fire department receivables related to the fire truck purchase and retainage. The following presents the impact of these restatements of beginning net position:

	Water Utility	Wastewater Utility	Stormwater Utility
Beginning Net Position - January 1, 2022	\$ 6,865,906	\$ 7,635,053	\$ 2,589,245
Public Service Commission Capital Assets Evaluation	(241,498)	-	-
Contributed Capital Asset Projects	983,274	836,436	763,613
Beginning Net Position - January 1, 2022, as Restated	<u>\$ 7,607,682</u>	<u>\$ 8,471,489</u>	<u>\$ 3,352,858</u>

	Governmental Activities	Business-Type Activities
Beginning Net Position - January 1, 2022	\$ (2,499,299)	\$ 17,090,204
Fire Department Receivable	183,270	-
Retainage Payable	(127,334)	-
Public Service Commission Capital Assets Evaluation	-	(241,498)
Contributed Capital Asset Projects	-	2,583,323
Beginning Net Position - January 1, 2022, as Restated	<u>\$ (2,443,363)</u>	<u>\$ 19,432,029</u>

The change in fund balances and net position are not reasonably determinable.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF UNION GROVE, WISCONSIN

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

WRS Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net Pension (Asset)/Liability	Village's Proportionate Share of the Net Pension (Asset)/Liability	Village's Covered Payroll	Village's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2021	0.00550094%	\$ (443,385)	\$ 931,977	47.57%	106.02%
12/31/2020	0.00545675%	(340,672)	919,052	37.07%	105.26%
12/31/2019	0.00539065%	(173,819)	902,453	19.26%	102.96%
12/31/2018	0.00545849%	194,195	807,254	24.06%	96.45%
12/31/2017	0.00575325%	(70,820)	783,780	9.04%	102.93%
12/31/2016	0.00608877%	50,186	849,123	5.91%	99.12%
12/31/2015	0.00629030%	102,216	871,037	11.73%	98.20%

Schedule of Employer Contributions
Wisconsin Retirement System (WRS)

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2022	\$ 64,511	\$ 64,511	\$ -	\$ 992,482	6.50%
12/31/2021	62,908	62,908	-	931,977	6.75%
12/31/2020	62,036	62,036	-	919,052	6.75%
12/31/2019	59,110	59,110	-	902,453	6.55%
12/31/2018	54,234	54,234	-	807,254	6.72%
12/31/2017	53,297	53,297	-	783,780	6.80%
12/31/2016	56,029	56,029	-	849,123	6.60%

VILLAGE OF UNION GROVE, WISCONSIN

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

WRS Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net OPEB Liability	Village's Proportionate Share of the Net OPEB Liability	Village's Covered Payroll	Village's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2021	0.02067700%	\$ 122,210	\$ 911,000	13.41%	29.57%
12/31/2020	0.02010900%	110,615	874,000	12.66%	31.36%
12/31/2019	0.02339700%	99,629	917,000	10.86%	37.58%
12/31/2018	0.02287700%	59,030	821,000	7.19%	48.69%
12/31/2017	0.02222100%	66,854	934,457	7.15%	44.81%

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

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2022	\$ 426	\$ 426	\$ -	\$ 918,000	0.05%
12/31/2021	414	414	-	911,000	0.05%
12/31/2020	406	406	-	874,000	0.05%
12/31/2019	422	422	-	917,000	0.05%

VILLAGE OF UNION GROVE, WISCONSIN

Schedule of Budgetary Comparison

Budget and Actual

General Fund

For the Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes	\$ 1,396,341	\$ 1,394,151	\$ (2,190)
Special Assessments	-	12,277	12,277
Intergovernmental	675,705	668,138	(7,567)
Licenses and Permits	231,300	237,160	5,860
Fines, Forfeitures and Penalties	65,000	61,947	(3,053)
Investment Income	10,025	35,625	25,600
Miscellaneous	84,150	105,516	21,366
Total Revenues	<u>2,462,521</u>	<u>2,514,814</u>	<u>52,293</u>
EXPENDITURES			
General Government	615,835	685,135	(69,300)
Public Safety	1,033,015	1,028,239	4,776
Public Works	806,253	730,278	75,975
Health and Human Services	11,500	11,374	126
Conservation and Development	7,500	13,186	(5,686)
Total Expenditures	<u>2,474,103</u>	<u>2,468,212</u>	<u>5,891</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,582)</u>	<u>46,602</u>	<u>58,184</u>
OTHER FINANCING SOURCE (USE)			
Transfers In	203,309	167,521	(35,788)
Transfers Out	(191,727)	(417,564)	(225,837)
Total Other Financing Source (Use)	<u>11,582</u>	<u>(250,043)</u>	<u>(261,625)</u>
NET CHANGE IN FUND BALANCE	-	(203,441)	(203,441)
FUND BALANCE - BEGINNING, RESTATED	<u>1,157,570</u>	<u>1,157,570</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,157,570</u>	<u>\$ 954,129</u>	<u>\$ (203,441)</u>

VILLAGE OF UNION GROVE, WISCONSIN
Notes to Required Supplementary Information
December 31, 2022

Budgetary Process

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

The general fund had the following expenditures in excess of the budget for the year ended December 31, 2022:

General Fund	Excess Expenditures
General Government	\$ 69,300
Conservation and Development	5,686

Notes to Required Supplementary Information

Defined Benefit Pension Plan

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

Changes of assumptions.

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

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION

VILLAGE OF UNION GROVE, WISCONSIN

Combining Balance Sheet
 Nonmajor Governmental Funds
 As of December 31, 2022

	Special Revenue Funds					Capital Projects Funds				Total Nonmajor Funds
	Revolving Loans Fund	Impact Fees Fund	Recreation and Parks Fund	Library Fund	American Rescue Plan Act	TID No. 4	TID No. 5	TID No. 6	TID No. 7	
ASSETS										
Cash and Investments	\$ 212,080	\$ 222,207	\$ 81,289	\$ 448,908	\$ 508,672	\$ 720,481	\$ -	\$ 522,645	\$ 60,141	\$ 2,776,423
Receivables:										
Accounts Receivable	-	-	150	-	-	28,422	-	-	-	28,572
Taxes	-	-	-	-	-	99,094	104,236	305,112	59,740	568,182
Loans	175,440	-	-	-	-	-	-	-	-	175,440
TOTAL ASSETS	<u>\$ 387,520</u>	<u>\$ 222,207</u>	<u>\$ 81,439</u>	<u>\$ 448,908</u>	<u>\$ 508,672</u>	<u>\$ 847,997</u>	<u>\$ 104,236</u>	<u>\$ 827,757</u>	<u>\$ 119,881</u>	<u>\$ 3,548,617</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)										
LIABILITIES										
Accounts Payable	\$ -	\$ -	\$ 6,729	\$ 1,047	\$ -	\$ 1,833	\$ 1,833	\$ 1,833	\$ -	\$ 13,275
Accrued Liabilities	-	-	72	8,335	-	-	-	-	-	8,407
Due to Other Funds	-	-	-	-	-	-	92,954	-	-	92,954
Unearned Revenue	-	-	-	-	508,672	-	-	-	-	508,672
Total Liabilities	<u>-</u>	<u>-</u>	<u>6,801</u>	<u>9,382</u>	<u>508,672</u>	<u>1,833</u>	<u>94,787</u>	<u>1,833</u>	<u>-</u>	<u>623,308</u>
DEFERRED INFLOWS OF RESOURCES										
Taxes Levied for Subsequent Period	-	-	-	-	-	211,710	222,695	651,858	127,632	1,213,895
FUND BALANCES (DEFICITS)										
Restricted	387,520	222,207	-	-	-	634,454	-	174,066	-	1,418,247
Assigned	-	-	74,638	439,526	-	-	-	-	-	514,164
Unassigned Deficit	-	-	-	-	-	-	(213,246)	-	(7,751)	(220,997)
Total Fund Balances (Deficits)	<u>387,520</u>	<u>222,207</u>	<u>74,638</u>	<u>439,526</u>	<u>-</u>	<u>634,454</u>	<u>(213,246)</u>	<u>174,066</u>	<u>(7,751)</u>	<u>1,711,414</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 387,520</u>	<u>\$ 222,207</u>	<u>\$ 81,439</u>	<u>\$ 448,908</u>	<u>\$ 508,672</u>	<u>\$ 847,997</u>	<u>\$ 104,236</u>	<u>\$ 827,757</u>	<u>\$ 119,881</u>	<u>\$ 3,548,617</u>

VILLAGE OF UNION GROVE, WISCONSIN
Combining Statement of Revenues, Expenditures and Change in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue Funds					Capital Projects Funds				Total Nonmajor Funds
	Revolving Loans Fund	Impact Fees Fund	Recreation and Parks Fund	Library Fund	American Rescue Plan Act	TID No. 4	TID No. 5	TID No. 6	TID No. 7	
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,379	\$ 144,230	\$ 258,161	\$ -	\$ 551,770
Intergovernmental	-	-	15,533	181,243	6,386	42,995	-	-	-	246,157
Licenses and Permits	-	32,633	-	-	-	-	-	-	-	32,633
Public Charges for Services	-	-	65,025	10,594	-	-	-	-	-	75,619
Interest on Investments	3,270	2,276	-	3,612	-	14,875	-	833	-	24,866
Donations	-	-	-	250	-	-	-	-	-	250
Miscellaneous	-	-	5,528	5,161	-	-	-	-	-	10,689
Total Revenues	<u>3,270</u>	<u>34,909</u>	<u>86,086</u>	<u>200,860</u>	<u>6,386</u>	<u>207,249</u>	<u>144,230</u>	<u>258,994</u>	<u>-</u>	<u>941,984</u>
EXPENDITURES										
Current:										
General Government	-	-	-	-	1,375	-	-	-	-	1,375
Public Works	-	-	-	-	5,011	-	-	-	-	5,011
Culture, Recreation, and Education	-	-	96,617	314,907	-	-	-	-	-	411,524
Conservation and Development	17,500	-	-	-	-	14,576	22,552	48,631	150	103,409
Debt Service										
Principal	-	-	-	-	-	250,000	50,000	-	-	300,000
Interest	-	-	-	-	-	56,552	74,706	27,300	-	158,558
Capital Outlay	-	-	-	-	-	-	-	53	-	53
Total Expenditures	<u>17,500</u>	<u>-</u>	<u>96,617</u>	<u>314,907</u>	<u>6,386</u>	<u>321,128</u>	<u>147,258</u>	<u>75,984</u>	<u>150</u>	<u>979,930</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,230)</u>	<u>34,909</u>	<u>(10,531)</u>	<u>(114,047)</u>	<u>-</u>	<u>(113,879)</u>	<u>(3,028)</u>	<u>183,010</u>	<u>(150)</u>	<u>(37,946)</u>
OTHER FINANCING SOURCES										
Transfers In	-	1,098	43,007	311,214	-	-	-	-	-	355,319
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(14,230)</u>	<u>36,007</u>	<u>32,476</u>	<u>197,167</u>	<u>-</u>	<u>(113,879)</u>	<u>(3,028)</u>	<u>183,010</u>	<u>(150)</u>	<u>317,373</u>
FUND BALANCES (DEFICITS) - BEGINNING	<u>401,750</u>	<u>186,200</u>	<u>42,162</u>	<u>242,359</u>	<u>-</u>	<u>748,333</u>	<u>(210,218)</u>	<u>(8,944)</u>	<u>(7,601)</u>	<u>1,394,041</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 387,520</u>	<u>\$ 222,207</u>	<u>\$ 74,638</u>	<u>\$ 439,526</u>	<u>\$ -</u>	<u>\$ 634,454</u>	<u>\$ (213,246)</u>	<u>\$ 174,066</u>	<u>\$ (7,751)</u>	<u>\$ 1,711,414</u>

VILLAGE OF UNION GROVE, WISCONSIN
Schedule of Water Utility Operating Revenues and Expenses
For the Year Ended December 31, 2022

OPERATING REVENUES

Sales of Water		
Unmetered	\$	2,433
Metered		
Residential		442,965
Multifamily Residential		99,676
Commercial		134,126
Industrial		78,321
Public Authorities		28,596
Total Metered Sales		<u>783,684</u>
Private Fire Protection		17,830
Public Fire Protection		<u>326,416</u>
Total Sales of Water		<u>1,130,363</u>
Other Operating Revenues		
Forfeited Discounts		2,653
Miscellaneous Service Revenue		8,282
Rents from Water Property		17,269
Other		295
Total Operating Revenues		<u>1,158,862</u>

OPERATING EXPENSES

Operation and Maintenance		
Source of Supply		
Operation Labor		33,324
Operation Supplies		8,118
Maintenance		13,162
Total Source of Supply		<u>54,604</u>
Pumping		
Operation Labor		43,206
Fuel or Power Purchased for Pumping		69,914
Maintenance		22,412
Total Pumping		<u>135,532</u>
Water Treatment		
Chemicals		<u>105,479</u>
Transmission and Distribution		
Operation Labor		6,220
Maintenance		
Distribution Reservoirs and Standpipes		2,100
Mains		74,652
Services		8,180
Meters		34,861
Hydrants		11,719
Total Transmission and Distribution		<u>137,732</u>
Customer Accounts		
Meter Reading Labor		7,830
Accounting and Collecting Labor		9,793
Supplies		10,692
Total Customer Accounts		<u>28,315</u>

VILLAGE OF UNION GROVE, WISCONSIN
Schedule of Water Utility Operating Revenues and Expenses
For the Year Ended December 31, 2022 (continued)

OPERATING EXPENSES (continued)

Operation and Maintenance (continued)

Administrative and General

Salaries	31,485
Office Supplies	5,000
Outside Services Employed	52,688
Property Insurance	5,256
Employee Pensions and Benefits	64,773
Miscellaneous	6,301
Transportation	12,821
Total Administrative and General	<u>178,324</u>

Taxes

Total Operation and Maintenance	<u>655,817</u>
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Depreciation

Total Operating Expenses	<u>1,003,075</u>
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OPERATING INCOME

\$ 155,787

VILLAGE OF UNION GROVE, WISCONSIN
Schedule of Wastewater Utility Operating Revenues and Expenses
For the Year Ended December 31, 2022

OPERATING REVENUES

Wastewater Revenues		
Residential	\$	495,923
Multifamily Residential		449,791
Commercial		339,300
Industrial		23,449
Public Authorities		16,238
Total Wastewater Revenues		<u>1,324,701</u>
Other Operating Revenues		
Miscellaneous Service Revenue		<u>3,848</u>
Total Operating Revenues		<u><u>1,328,549</u></u>

OPERATING EXPENSES

Operation and Maintenance		
Operation		
Supervision and Labor		174,692
Power and Fuel for Pumping		118,722
Other Chemicals		48,994
Laboratory Expenses		15,072
Other Operating Supplies		29,794
Transportation		12,526
Sludge Hauling		47,793
Total Operation		<u>447,593</u>
Maintenance		
Collection System		11,385
General Plant Structure and Equipment		121,021
Total Maintenance		<u>132,406</u>
Administrative and General		
Salaries		21,373
Office Supplies and Expenses		5,069
Outside Services Employed		18,742
Property Insurance		17,641
Employee Pensions and Benefits		69,337
Drainage District Payment		10,211
Total Administrative and General		<u>142,373</u>
Taxes		<u>12,590</u>
Total Operation and Maintenance		<u>734,962</u>
Depreciation		<u>523,976</u>
Total Operating Expenses		<u><u>1,258,938</u></u>
OPERATING INCOME	\$	<u><u>69,611</u></u>

VILLAGE OF UNION GROVE, WISCONSIN
Schedule of Stormwater Utility Operating Revenues and Expenses
For the Year Ended December 31, 2022

OPERATING REVENUES

Stormwater Revenues		
Charges for Services	\$	284,256
Other Operating Revenues		
Forfeited Discounts		1,136
Total Operating Revenues		285,392

OPERATING EXPENSES

Operation and Maintenance		
Miscellaneous		415
Maintenance		
Salaries		36,858
Street Cleaning		14,582
Maintenance of Catch Basins		147
Miscellaneous		776
Total Maintenance		52,363
Operations		
Salaries		19,403
Street Sweeping		1,396
Equipment Repair		12,572
Total Operations		33,371
Administrative and General		
Salaries		21,296
Office Supplies and Expenses		9,600
Outside Services Employed		3,796
Property Insurance		260
Injuries and Damages		6,582
Employee Pensions and Benefits		16,822
Total Administrative and General		58,356
Taxes		3,615
Total Operation and Maintenance		148,120
Depreciation		138,293
Total Operating Expenses		286,413

OPERATING LOSS	\$	(1,021)
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