

TOWN OF NEW GLARUS
ANNUAL MEETING
WEDNESDAY, APRIL 17, 2024, 6:00 PM
AGENDA

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Town of New Glarus residents, County of Green, will be held at 26 5th Avenue, New Glarus, WI on Wednesday, April 17, 2024 at 6:00 PM.

AGENDA

1. Call to Order
2. Proof of Posting
3. Present 2023 Annual Meeting Minutes - Presented for informational purposes: minutes were approved at the May 10, 2023 Town Board Meeting
4. Financial Report Presentation
5. Introduce Town Board Supervisors Elected on April 2, 2024 (Oath Administered Before this Date by Statute) and Newly Appointed/Reappointed Commission Member(s)
6. Updates Regarding W6599 CTH 39 Property
 - a) Sale of buildings and 11.5 acres of land
 - b) Knowles-Nelson Stewardship Grant application results
 - c) Update on Master Park Plan and trail to Durst Road
 - d) Site preparations for future Town garage
7. Old Business
8. New Business
9. Adjourn

Note: Members of the Town Board may engage in discussion and information sharing in their capacity as Town Board members at the Annual Meeting, but no action of the Town Board will be taken. A quorum of the Town Parks Commission and/or Town Plan Commission may be present.

POSTED: 4/03/2024

Published: 4/11/2024

New Glarus Town Hall

New Glarus Garage

New Glarus Post Office

<https://townofnewglarus.com/>

Chris Narveson, Chair

New Glarus Town Board

John Wright

Clerk-Treasurer

Persons requiring additional services to participate in a public meeting may contact the Town Clerk for assistance at 527-2390.

Town of New Glarus

ANNUAL TOWN MEETING

WEDNESDAY, APRIL 19, 2023

MINUTES

Qualified Town Residents Attending: Chris Narveson (Chair), Mona Sue French, Harry Pulliam, Sally and Dave Lamp, Alice Bertelrud, Diana Meyers (departed at 7:24 PM), Tracey Schwalbe, Dan Gartzke, Len and Mary Ellen Rauch (departed at 7:24 PM), Christine and Reg Reis, Mark Pernitz, Carol Holmes, Mary Anne Oemichen, and Matt Streiff (departed at 7:24 PM)

Non-Residents Attending: John Wright: Town Clerk-Treasurer, Tara Bast (departed at 7:15 PM): Audit Partner with Johnson Block, Attorney Robert Duxstad, and Melissa Hunt with Vierbicher

1. **Call to Order** – Chair Narveson called the meeting to order at 6:01 PM.
2. **Proof of Posting** – Clerk-Treasurer Wright attested to the proper proof of posting (April 7, 2023) and publication (April 13, 2023).
3. **Present 2022 Annual Meeting Minutes** – Chair Narveson noted that the minutes from the April 20, 2022 meeting were approved by the Town Board at their May 11, 2022 meeting. No one in attendance had any objection to the minutes, as presented.
4. **Financial Report Presentation** – Tara Bast reported that because the clerk and treasurer positions are combined for the Town of New Glarus, an annual financial audit is required. Bast introduced the Town of New Glarus Financial Statement Overview for 2022. She reviewed the statement of financial condition, also known as the balance sheet. None of the ARPA funds have been applied, so they continue to be shown as a grant advance which is a deferred inflow. The current unassigned fund balance is \$143,979 which is 12% of the 2023 budget and is lower than the 15-25% range that is recommended. Bast noted that the purchase of the State Highway 39 property has increased the 2022 budget beyond what was planned. However, the Town has used only 26% of its borrowing capacity. There followed a review of trends of general fund expenditures and revenues over a five year period. Chair Narveson reported that future capital costs have are in the 2023 budget including the Town's share of a new fire apparatus and a Town plow truck replacement. He noted the current trend in paving costs which are an increase of between 15% and 20% compared with 2022; subsequently, the Town will focus on road maintenance rather than reconstruction. ARPA funds will be used to pay interest on the loan used to secure the State Highway 39 property. Most of the debt prior to that borrowing will be paid in full at the end of 2025. No questions about Town finances were posed by the public present.
5. **Introduce Town Board Supervisors Elected on April 4, 2023** – Chair Narveson announced that he and Matt Streiff had been re-elected to the Town Board for another 2-year term. Troy Pauli was re-elected as 2nd Supervisor of the Town Board but was not able to attend this evening. The Clerk-Treasurer is required by State Statute to administer the oath of office to those elected within five days of their notification of election, a process that has been completed earlier this month.
6. **Consider Replacing the Caucus System to Determine Candidates for Town Board with Nomination Papers Filed with the Town Clerk** – Chair Narveson noted that the current process takes place on an annual basis in January each year at a meeting duly noticed and published in November of the preceding year. Typically, few people attend, although fifty-four attended this year. During the caucus process, if there are more than two candidates for a given Board position, those with the most votes at the caucus will appear on the Spring Election ballot. If there is a tie, then the number must be reduced to two by voting again and/or determined by a coin toss or some other random method. The paper nomination process allows for a greater number of individuals to potentially be considered for future Board positions. If there are more than two candidates for a given office, the number can be reduced to two by including all candidates on the Spring Primary ballot. Clerk-Treasurer Wright referred to the handouts he prepared for the meeting to explain the two processes and the proposed nomination process. For the paper nomination process, the candidate or an assigned agent can secure nomination signatures for the candidate. A minimum of 20 signatures, that can be vetted by the Clerk-Treasurer, are required to secure a place on the Spring Primary ballot.

A motion to amend the Town caucus process to a paper nomination process was made by Carol Holmes, W4988 Airport Road; seconded by Reg Reis, W6498 State Highway 39. Motion carried by voice acclamation; there were no votes against.
7. **Updates Regarding W6599 STH 39 Property**
 - a) Marketing of buildings and 10.3 acres of land for sale – Chair Narveson noted that although being marketed for sale (Fist Weber and Century 21) with an asking price of \$649,000, the farmette has a tenant whose lease extends until June 30, 2023.

- b) Planned submission of Knowles-Nelson Stewardship Grant – The qualified appraisal was conducted on March 8, 2023 for the 60.36 acres of undeveloped land to be set aside by the Town for passive recreation. The estimated market value is \$543,240. 50% of this valuation and costs associated with acquiring the property can be submitted to the Wisconsin Department of Natural Resources on or before May 1, 2023 for potential reimbursement through the Knowles-Nelson Stewardship Grant program. Chair Narveson introduced Melissa Hunt, Municipal Services Project Manager with Vierbicher. Ms. Hunt noted that this grant opportunity ends within one year of property acquisition. It is possible to pursue, through the same granting mechanism, development funds to offset other qualifying costs such as establishing parking areas, community garden preparation, ADA-compliant access, etc. Many steps, including the aforementioned appraisal, have been completed (including the amendment of the Town of New Glarus Comprehensive Outdoor Recreation Plan to encompass this resource, a boundary survey of the property, a Phase 1 Environmental Site Assessment, etc.) in preparation for the grant submission. There followed a brief discussion regarding what is and is not allowed within passive recreational areas if the stewardship grant is approved. There were concerns voiced about how a potential future access from Legler Valley Road may negatively affect traffic volume on this road, potential loitering in the future parking areas, conflicts between those hiking future trails and those hunting and trapping on the property.

Using a large, printed map, Chair Narveson pointed out the existing point of access along State Highway 39, the probable location of parking, and the proposed location for a new public works facility. An entrance point from Legler Valley, although desirable in order to provide more direct access to the Legler School Branch of the Little Sugar River, would have to overcome challenging topography and require land or easement acquisition. This is a long-term goal. Town of New Glarus Parks Commission Chair Harry Pulliam introduced other long-term plans that include a loop walking trail toward the north end of the property that eventually may be extended further south into the wooded areas. If the stewardship grant is not approved, the Town Board may need to consider selling the remaining residential development rights to offset acquisition costs. The current access from Highway 39 will need to be improved before the public can access the property safely. It was also noted that the Town has leased the land outside of the farmette for farming, so any visitors in the near future will need to take care not to damage those plantings. Tracey Schwalbe, W6691 Legler Valley Road, asked if the grant application includes a forecast to estimate the number of annual visitors to the property when public access is allowed. Melissa Hunt stated it was not a requirement for the grant application and there is no basis upon which to base an estimate. It would be possible to use camera technology or traffic counters to track those numbers in the future.

8. **Old Business** – No old business was introduced or discussed.

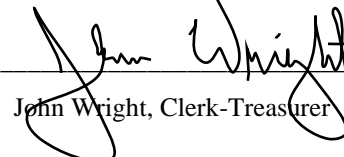
9. **New Business** – Three residents from Ashley Lane were present (Len and Mary Ellen Rauch and Diana Myers) to express their concerns with the condition of the paving on this Town road, particularly at the intersection with Legler Valley Road. Chair Narveson hopes to chip seal the road with a polymer additive around July of 2023.

Attorney Robert Duxstad was in attendance with his client Alice Bertelrud of W5759 County Road NN. The residence is served by a Town road, Kempfer Lane, which is gravel with a short section that has been paved. Duxstad stated that the plowing of snow on Kempfer Lane should not be discriminatory based upon the road type or number of residences that it serves. Chair Narveson noted that the gravel portion cannot be salted without negatively affecting the solidity of the base. Narveson further noted that he hopes to move towards a brine solution sprayed on area roads to reduce salt usage and the corrosive and other ill effects associated with coarse road salt. Narveson hopes to add more gravel to this road, crown, and then double chip seal.

Carol Holmes, W4988 Airport Road, stated that she exercised her right to plat her property along Airport Road to define the six 2-acre cluster lot residential development potential. She felt the process was more grueling than she had anticipated. She recommended that the Town Board or Plan Commission appoint an ad hoc subcommittee to create land development orientation materials for future applicants. She expressed her opinion that Town residents should be made to feel like a partner in the development process.

10. **Adjourn** – Motion to adjourn made by Mark Pernitz, N7827 Valley View Road; second by Tracie Schwalbe, W6691 Legler Valley Road. Meeting adjourned at 7:28 PM.

Approved:



John Wright, Clerk-Treasurer

TOWN OF NEW GLARUS
FINANCIAL STATEMENT OVERVIEW
For the Year Ended December 31, 2023



9701 Brader Way, Suite 202
Middleton, Wisconsin
(608) 274-2002

Town Annual Meeting Requirements

- Annual Financial Statements – required per Section 60.41 of State Statutes.
 - Statement of financial condition (Balance Sheet)
 - Previous year’s revenues and expenditures (Statement of Revenues and Expenditures)
 - Current Indebtedness of the Town (Included in Audit Report and this Summary)

2023 AUDIT OVERVIEW

Content of Audit Report

- Independent Auditor’s Report – Our Report is Unmodified (Draft)
- Government-Wide Financial Statements
 - Report Governmental Activities
 - Full-accrual basis of accounting
 - Governmental Fund Financial Statements identified below are converted
- Fund Financial Statements
 - Contains financial statements of the General Fund
 - Measure resources available for current use
 - Major differences in accounting
 - Debt (Proceeds and Expenditures in governmental funds vs long term obligation)
 - Capital Assets (Long-term Asset vs. Expenditure)
- Notes to the Financial statements
 - Contains Summary of Significant Accounting Policies
 - Footnotes related to Significant Financial Statement Accounts (Cash, Capital Assets, Debt, Fund Balance)
- Required Supplementary Information (RSI) and Supplementary Information (SI)
 - Budget to actual schedules
 - Wisconsin Retirement Systems schedules
 - Schedule of debt service payments

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TOWN OF NEW GLARUS
2023 Financial Statement Highlights

	<u>2023</u>	<u>2022</u>
General Fund		
Assets		
Cash	\$ 1,802,404	\$ 1,425,515
Taxes Receivable	634,140	504,676
Other Assets	<u>111,345</u>	<u>104,385</u>
Total Assets	<u><u>\$ 2,547,889</u></u>	<u><u>\$ 2,034,576</u></u>
Liabilities, Deferred Inflows and Fund Balance		
Current Liabilities	\$ 54,754	\$ 51,258
Grant Advance - ARPA	<u>81,672</u>	<u>144,966</u>
Total Liabilities	<u>136,426</u>	<u>196,224</u>
Tax Levy	<u>1,034,979</u>	<u>998,652</u>
Total Deferred inflows	<u>1,034,979</u>	<u>998,652</u>
Total Fund Balance	<u>1,376,484</u>	<u>839,700</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u><u>\$ 2,547,889</u></u>	<u><u>\$ 2,034,576</u></u>
Summary of General Fund Balance		
Nonspendable	\$ 109,848	\$ 93,077
Restricted	39,899	147,138
Committed	65,473	71,458
Assigned	790,682	384,048
Unassigned	<u>370,582</u>	<u>143,979</u>
	<u><u>\$ 1,376,484</u></u>	<u><u>\$ 839,700</u></u>
Unassigned general fund balance	<u>\$ 370,582</u>	<u>\$ 143,979</u>
Subsequent year general fund budget (original)	<u>\$ 1,751,102</u>	<u>\$ 1,199,826</u>
Percent of unassigned fund balance to next year's budget - Total	<u>21.16%</u>	<u>12.00%</u>
Percent of unassigned fund balance to next year's budget - No Capital	<u>26.66%</u>	<u>12.16%</u>
Summarized Income Statement		
	2023	2023
	Budget	Actual
Revenues	<u>\$ 1,781,594</u>	<u>\$ 1,898,397</u>
Expenditures	<u>1,269,436</u>	<u>1,361,613</u>
Net change in fund balance	<u><u>\$ 512,158</u></u>	<u><u>\$ 536,784</u></u>

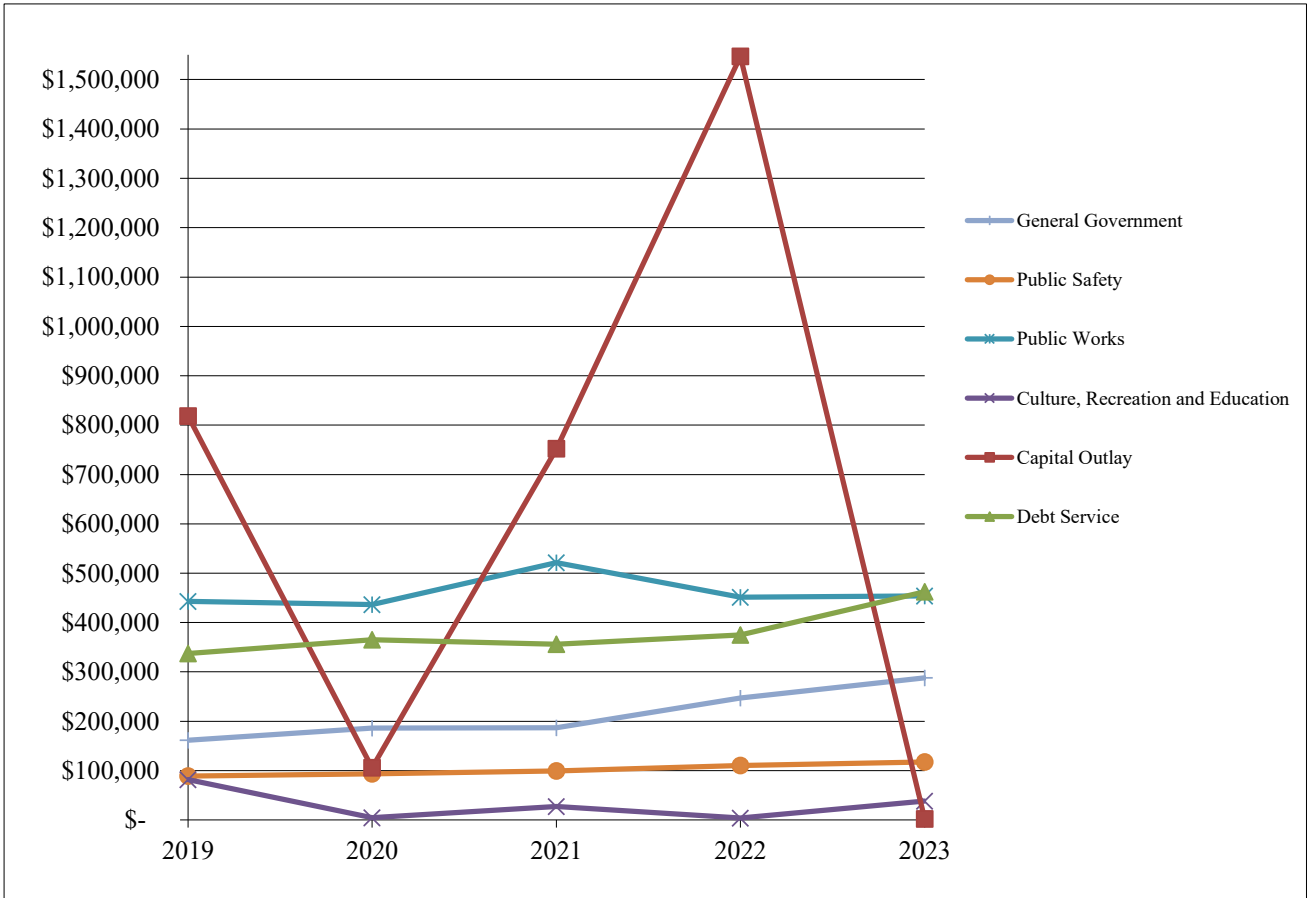
TOWN OF NEW GLARUS
2023 Financial Statement Highlights
General Fund Budget to Actual Comparison

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 880,343	\$ 880,343	\$ 880,343	\$ -
Other Taxes	-	-	2,431	2,431
Intergovernmental	143,573	146,581	221,558	74,977
License and Permits	34,938	37,718	43,998	6,280
Public Charges for Services	111,287	111,287	130,429	19,142
Interest Income	3,000	35,350	48,079	12,729
Miscellaneous Income	-	570,315	571,559	1,244
Total Revenues	<u>1,173,141</u>	<u>1,781,594</u>	<u>1,898,397</u>	<u>116,803</u>
EXPENDITURES				
Current:				
General Government	202,596	252,206	287,643	(35,437)
Public Safety	114,288	114,288	117,160	(2,872)
Public Works	452,571	472,571	453,928	18,643
Culture, Recreation and Education	15,000	15,000	38,220	(23,220)
Capital Outlay	16,248	16,248	2,220	14,028
Debt Service				
Principal Repayment	358,176	358,176	357,713	463
Interest Expense	40,947	40,947	104,729	(63,782)
Total Expenditures	<u>1,199,826</u>	<u>1,269,436</u>	<u>1,361,613</u>	<u>(92,177)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(26,685)</u>	<u>512,158</u>	<u>536,784</u>	<u>24,626</u>
Fund Balance - Beginning	839,700	839,700	839,700	-
Fund Balance - Ending	<u>\$ 813,015</u>	<u>\$ 1,351,858</u>	<u>\$ 1,376,484</u>	<u>\$ 24,626</u>

Detail of General Fund Balance

Nonspendable	
Prepaid Expenses	\$ 109,848
Total Nonspendable Fund Balance	<u>\$ 109,848</u>
Restricted	
Impact Fees	\$ 39,899
Total Restricted Fund Balance	<u>\$ 39,899</u>
Committed	
Community Partnership Sinking Funds	\$ 7,357
Town Park/Trail Sinking Funds	58,116
Total Committed Fund Balance	<u>\$ 65,473</u>
Assigned	
Equipment Purchases	\$ 71,864
Library Capital	40,000
Town Hall Painting and Upgrades	15,500
Fire/EMS Future Capital	60,000
Debt Service	150,000
Public Works Building	425,000
Park Improvements	25,000
Subsequent Budget Use of Reserves	3,318
Total Assigned Fund Balance	<u>\$ 790,682</u>
Unassigned Fund Balance	<u>\$ 370,582</u>
Total Fund Balance	<u>\$ 1,376,484</u>

TOWN OF NEW GLARUS
General Fund Expenditures
Actual 2019-2023

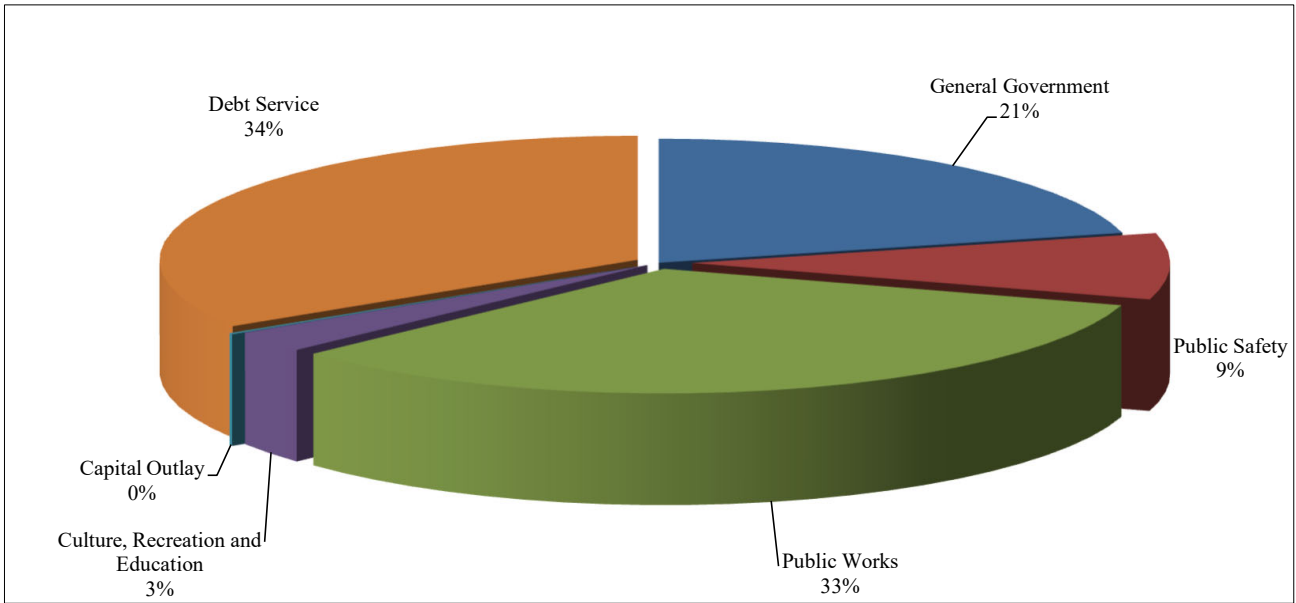


	2019	2020	2021	2022	2023
General Government	\$ 161,212	\$ 186,263	\$ 186,766	\$ 247,286	\$ 287,643
Public Safety	88,797	93,633	99,053	110,006	117,160
Public Works	443,162	436,255	521,578	451,585	453,928
Culture, Recreation and Education	81,732	4,789	27,197	4,005	38,220
Capital Outlay	818,330	105,849	751,856	1,547,237	2,220
Debt Service	337,000	365,186	355,815	375,000	462,442
Totals	\$ 1,930,233	\$ 1,191,975	\$ 1,942,265	\$ 2,735,119	\$ 1,361,613

TOWN OF NEW GLARUS

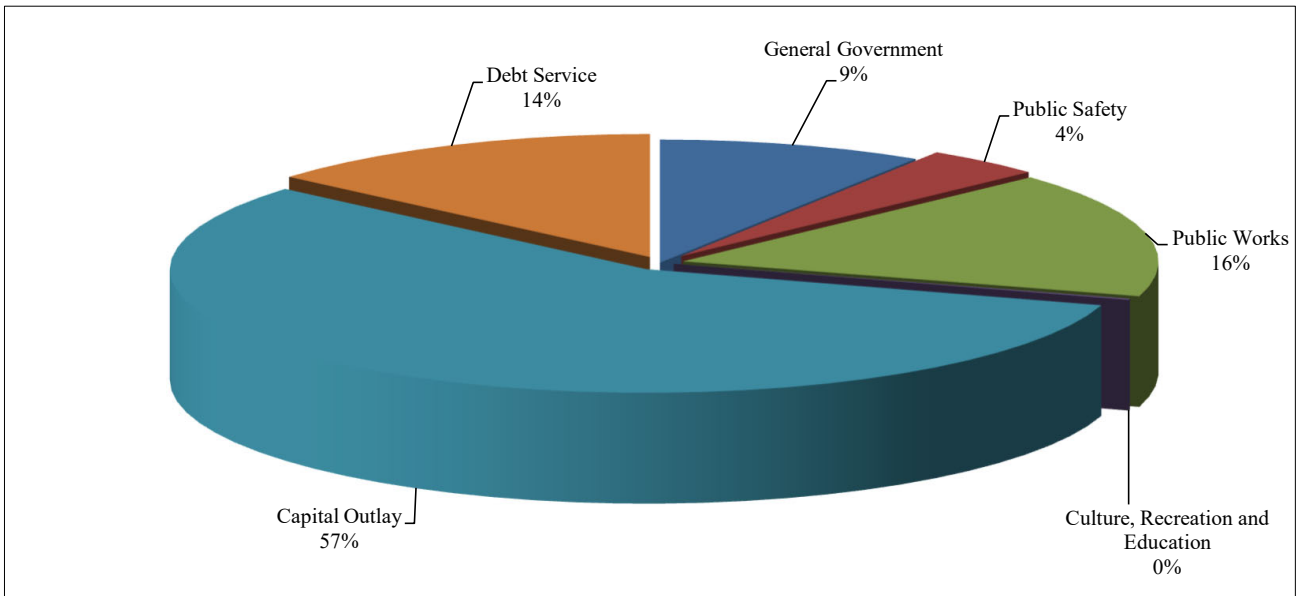
2023 General Fund

Total Expenditures: \$1,361,613



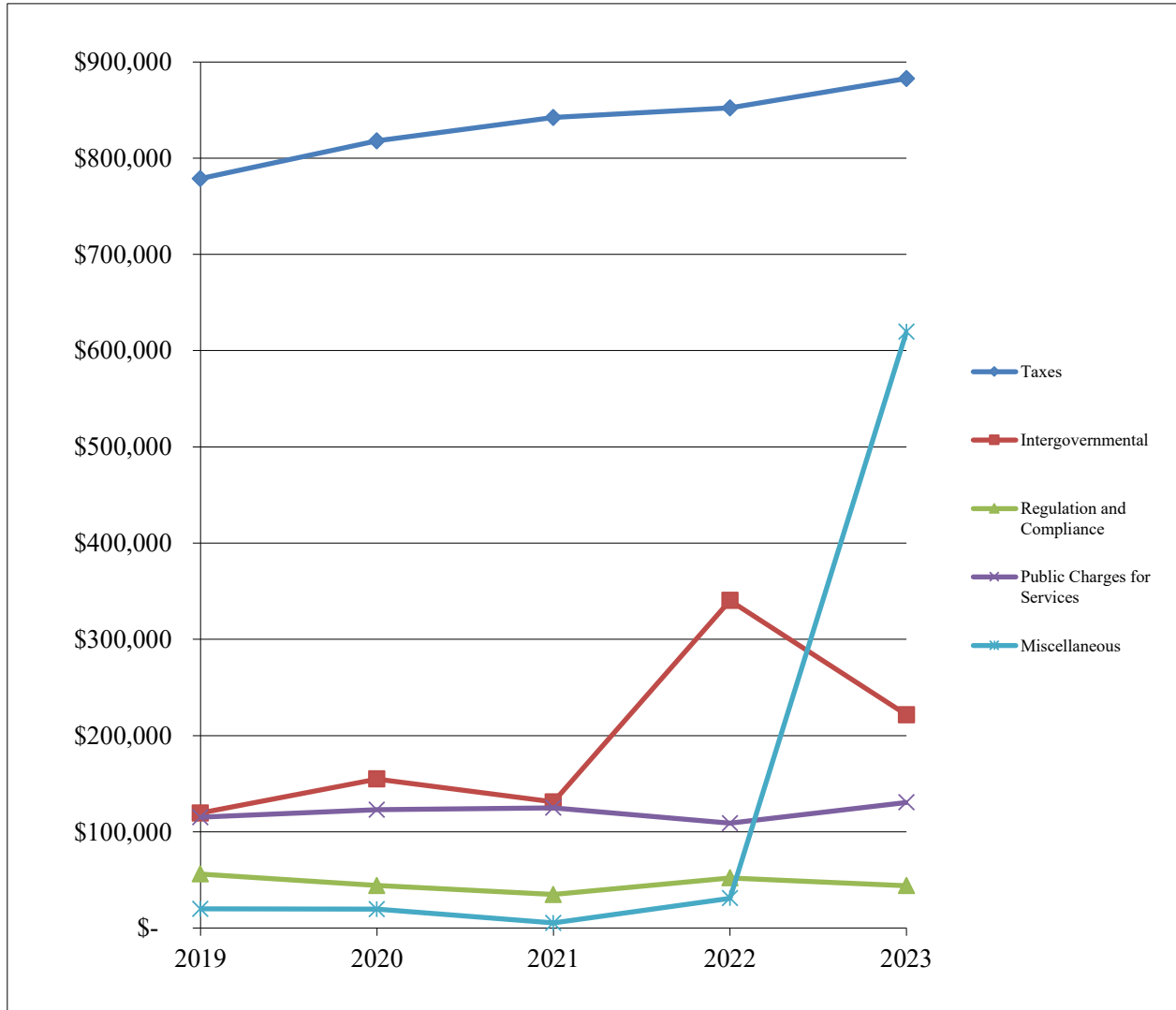
2022 General Fund

Total Expenditures: \$2,735,119



**TOWN OF NEW GLARUS
General Fund Revenues**

Actual 2019-2023

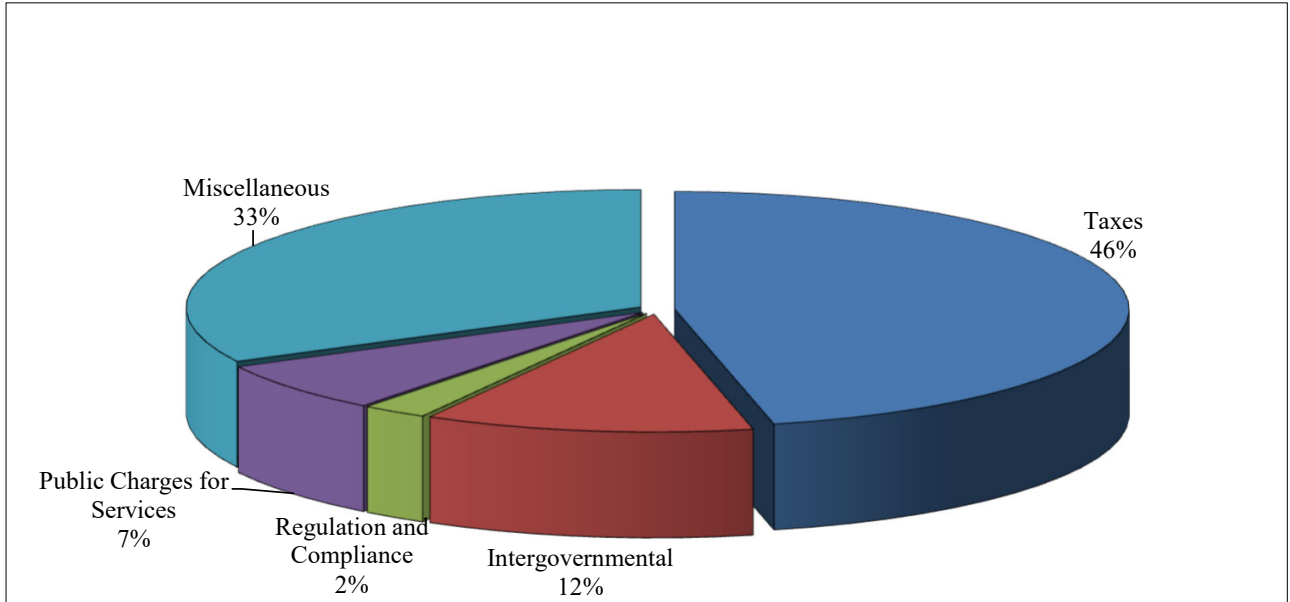


	2019	2020	2021	2022	2023
Taxes	\$ 778,818	\$ 818,078	\$ 842,225	\$ 852,309	\$ 882,774
Intergovernmental	119,380	154,733	131,008	340,317	221,558
Regulation and Compliance	56,153	44,124	34,774	52,112	43,998
Public Charges for Services	115,105	122,918	124,891	108,805	130,429
Miscellaneous	19,836	19,568	5,246	30,957	619,638
Totals	\$ 1,089,292	\$ 1,159,421	\$ 1,138,144	\$ 1,384,500	\$ 1,898,397

TOWN OF NEW GLARUS

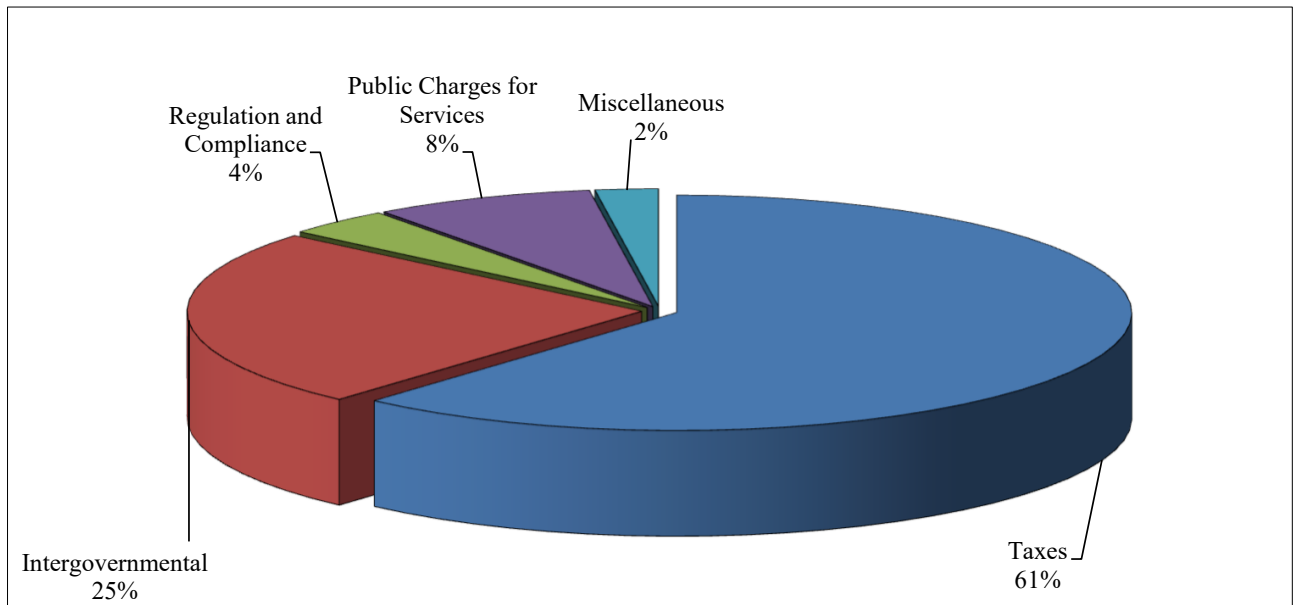
2023 General Fund Revenues

Total Revenues: \$1,898,397



2022 General Fund Revenues

Total Revenues: \$1,384,500



TOWN OF NEW GLARUS
2023 Financial Statement Highlights (Continued)
DEBT ANALYSIS

General Obligation Debt	2023	2022
Outstanding General Obligation (G.O.) Debt December 31	\$ 2,913,054	\$ 3,270,767
Total G.O. Debt Capacity December 31	\$ 14,355,995	\$ 12,881,410
Capacity Used	20.29%	25.39%

Debt Principal and Interest Payments to Maturity

Year	Principal	Interest	Total
2024	\$ 365,023	\$ 95,029	\$ 460,052
2025	372,675	87,210	459,885
2026	380,396	79,489	459,885
2027	401,003	71,604	472,607
2028	87,663	61,826	149,489
2029-2032	1,306,294	208,311	1,514,605
Total	\$ 2,913,054	\$ 603,469	\$ 3,516,523

FUND BALANCE ANALYSIS

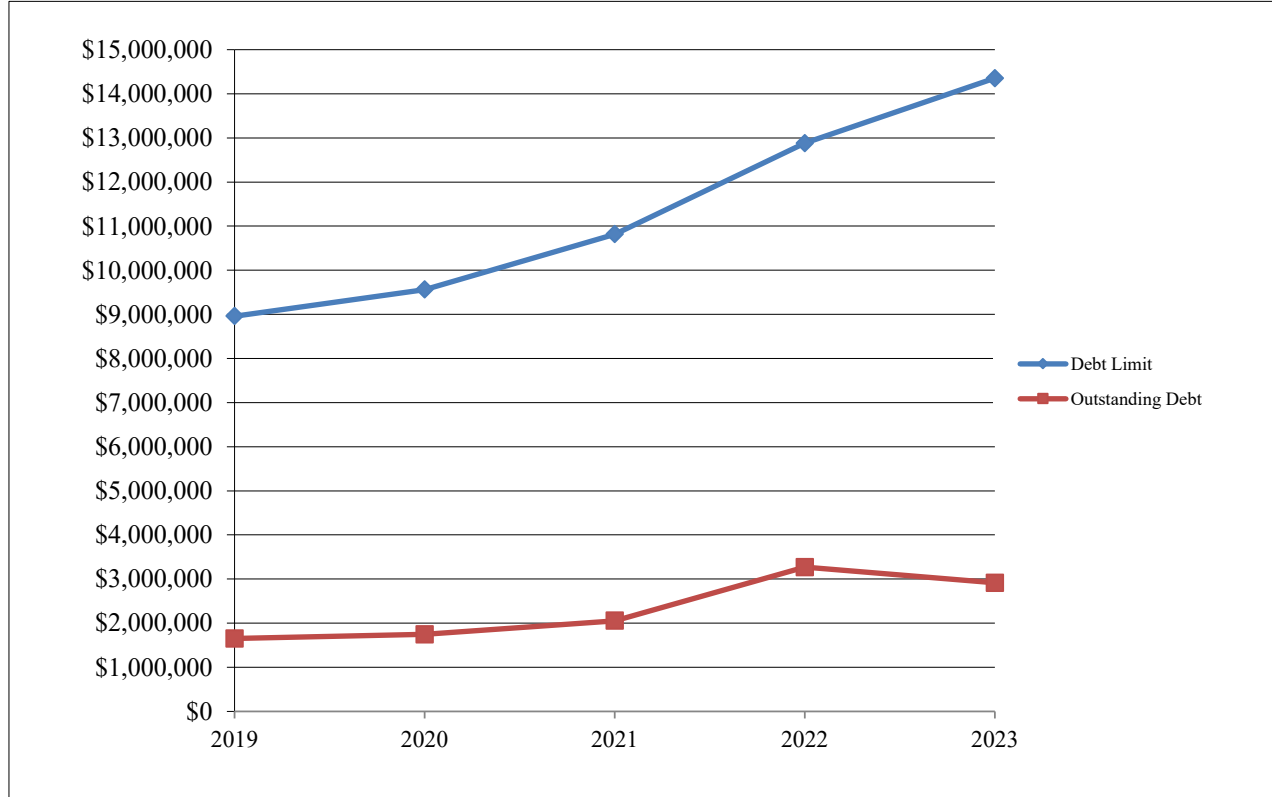
Next Year's Budget (Total Budget)	\$ 1,751,102
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Analysis of ending fund balance compared to 2021 TOTAL BUDGET

Unassigned Fund Balance at December 31, 2023	\$ 370,582
Current unassigned fund balance as % of budget	21%
15% of 2024 budget would be	262,700
Current excess of fund balance over 15%	107,882
20% of 2024 budget would be	350,200
Current excess of fund balance over 20%	20,382
25% of 2024 budget would be	437,800
Current shortfall of fund balance over 25%	(67,218)

TOWN OF NEW GLARUS

**G. O. Debt vs. Capacity
Actual 2019-2023**



	2019	2020	2021	2022	2023
Debt Limit	\$ 8,961,120	\$ 9,562,075	\$ 10,817,605	\$ 12,881,410	\$ 14,355,995
Outstanding Debt	1,651,590	1,746,913	2,054,459	3,270,767	2,913,054
Difference	\$ 7,309,530	\$ 7,815,162	\$ 8,763,146	\$ 9,610,643	\$ 11,442,941
% Available	81.57%	81.73%	81.01%	74.61%	79.71%
Equalized Value	\$ 179,222,400	\$ 191,241,500	\$ 216,352,100	\$ 257,628,200	\$ 287,119,900
Growth		\$ 12,019,100	\$ 25,110,600	\$ 41,276,100	\$ 29,491,700
% Growth		6.71%	13.13%	19.08%	11.45%

DRAFT

TOWN OF NEW GLARUS
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
For the Year Ended December 31, 2023

TOWN OF NEW GLARUS

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December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Town Board
Town of New Glarus
New Glarus, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of New Glarus, Wisconsin, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of New Glarus, Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of New Glarus, Wisconsin, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of New Glarus, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of New Glarus, 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.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of New Glarus, 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 the Town of New Glarus, 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 management's discussion and analysis, budgetary comparison information, Wisconsin Retirement System and Local Retiree Life Insurance schedules on pages iii through x and pages 34 through 40 be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of New Glarus, Wisconsin's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Johnson Block and Company, Inc.

Date XX, 2024

TOWN OF NEW GLARUS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

DRAFT

As management of the Town of New Glarus, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2023. We encourage the reader to consider the information presented here in conjunction with the Independent Auditor's Report at the front of this report and the Town's financial statements, which immediately follow this section.

THE FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. You can think of this relationship between revenues and expenses as the Town's operating results. You can think of the Town's net position, as measured in the Statement of Net Position, as one way to measure the Town's financial position. Over time, increases or decreases in the Town's net position, as measured in the Statement of Activities, are one indicator of whether its financial position is improving or deteriorating. However, the Town's goal is to provide services that improve the quality of life for our residents, not to generate profits. For this reason, you will need to consider many other non-financial factors, such as the condition of our roads and preservation of open space, in assessing the overall performance of our Town.

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows as of December 31, 2023, by \$2,771,509.
- The Town of New Glarus' total net position increased by \$78,871.
- As of December 31, 2023, the Town of New Glarus' governmental fund reported an ending fund balance of \$1,376,484. This includes nonspendable fund balance of \$109,848, restricted fund balance of \$39,899, committed fund balance of \$65,473, assigned fund balance of \$790,682 and unassigned fund balance of \$370,582.
- As of December 31, 2023, the unassigned fund balance for the General Fund was \$370,582 or approximately 27 percent of total General Fund expenditures.

TOWN OF NEW GLARUS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

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OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements. The government-wide financial statements are the *Statement of Net Position* and *Statement of Activities*. These statements present an aggregate view of the Town's finances in a manner similar to private-sector business. The government-wide financial statements can be found on pages 1 through 3 of this report.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government: public safety; public works; health, welfare and sanitation; culture and recreation; and conservation and development. The Town does not provide business-type activities like utility services.

The government-wide financial statements include only the activities of the Town.

Fund Financial Statements. The Town also produces fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The Town, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the Town's government-wide statements and provide information that may be useful in evaluating a Town's short-term financing requirements. There are two fund financial statements, the *Balance Sheet* and the *Statement of Revenues, Expenditures and Change in Fund Balance*.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund statements focus on short-term inflows and outflows of spendable resources and their impact on fund balance.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures, and changes in fund balance for the General Fund.

The Town of New Glarus adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 4 through 7 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The fiduciary fund maintained by the Town of New Glarus is the Tax Collection Fund, which records the tax roll and tax collections for other taxing jurisdictions within the Town. The basic fiduciary fund financial statements can be found on page 8 and 9 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 through 33 of this report.

Other Information. Detailed budgetary statements, Wisconsin Retirement System schedules, Local Retiree Life Insurance schedules and schedules of long-term debt outstanding can be found on pages 34 through 45 of this report.

TOWN OF NEW GLARUS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1, below, provides a summary of the Town's net position for the year ended December 31, 2023.

Town of New Glarus' Net Position		
	Governmental Activities	
	2022	2023
Current and other assets	\$ 2,847,385	\$ 2,789,989
Capital assets	4,348,366	4,067,629
Deferred outflows	94,391	129,803
Total assets and deferred outflows	\$ 7,290,142	\$ 6,987,421
Long-term liabilities outstanding	\$ 3,270,767	\$ 2,913,054
Other liabilities	217,634	188,795
Deferred inflows	1,109,103	1,114,063
Total liabilities and deferred inflows	\$ 4,597,504	\$ 4,215,912
Net Position:		
Net Investment in Capital Assets	\$ 1,557,600	\$ 1,634,575
Restricted	191,447	39,899
Unrestricted	943,591	1,097,035
Total Net Position	\$ 2,692,638	\$ 2,771,509

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

Infrastructure placed in service prior to January 1, 2004, such as roads, storm sewers, and culverts, is not reflected in these reports.

TOWN OF NEW GLARUS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Table 2, below, provides a summary of the Town’s operating results and their impact on net position for the year ended December 31, 2023. In 2023 the Town relied primarily on property taxes (62 percent) to fund its operations. Taxes account for approximately \$880,000 of total revenue. Program revenues, in the form of charges for services were 13 percent and operating and capital grants and contributions were 27 percent, of total revenues.

Town of New Glarus' Change in Net Position		
	Governmental Activities	
	2022	2023
Revenues:		
Program revenues:		
Charges for services and fees, fines, and costs	\$ 163,289	\$ 177,927
Operating grants and contributions	127,047	201,780
Capital grants and contributions	204,963	1,671
General revenues:		
Property taxes	849,811	880,343
Grants and contributions not restricted to specific programs	10,806	20,539
Unrestricted interest and investment	7,114	48,079
Miscellaneous	21,470	13,304
Special Items	(6,575)	76,062
Total Revenues	\$ 1,377,925	\$ 1,419,705
Expenses:		
General Government	\$ 254,352	\$ 304,292
Public Safety	146,006	163,560
Public Works	655,940	730,539
Culture and Recreation	4,005	39,529
Interest on Long-Term Debt	44,873	102,884
Total Expenses	1,105,176	1,340,834
Increase in Net Position	272,749	78,871
Net Position - January 1	2,419,889	2,692,638
Net Position - December 31	\$ 2,692,638	\$ 2,771,509

TOWN OF NEW GLARUS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities: Governmental activities increased the Town's net position by \$78,871. Key elements of this increase are as follows:

- The gain on sale of land held for resale

FINANCIAL ANALYSIS OF THE TOWN OF NEW GLARUS' FUNDS

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

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

As of December 31, 2023, the Town's governmental fund reported an ending fund balance of \$1,376,484, an increase of \$536,784 from the prior year. Of the ending fund balance, \$109,848 is nonspendable in the form of prepaid expenses, \$39,899 is restricted for impact fees. Committed fund balance of \$7,357 and \$58,116 is for the Community Sinking Fund and Park/Trail Sinking Fund, respectively. The Town reported \$790,682 of assigned fund balance for Road Maintenance, Equipment, Debt Service and Library Sinking Funds. The General Fund has an unassigned fund balance of \$370,582.

The General Fund is the chief operating fund of the Town. At the end of the current year, unassigned and total fund balance of the General Fund was \$370,582 and \$1,376,484, respectively. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 27% of total General Fund expenditures. Total fund balance represents 101% of General Fund expenditures.

During the current year, the Town's General Fund balance increased by \$536,784. The main reason for the increase was due to:

- Sale of land/property held for resale

TOWN OF NEW GLARUS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

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GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between original budget and the final budget are the result of board approved budget amendments. Budget to actual results are briefly summarized as below:

During the year, actual revenues were more than the budgeted revenues by \$116,803. This was primarily due to ARPA revenues recognized in the current year for debt payments.

Actual expenditures were more than budgeted expenditures by \$92,177. The primary reasons for these variances are as follows:

- General Government expenditures were more than the budget by \$35,437.
- Debt Service expenditures were more than the budget by \$63,319.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town of New Glarus’ investment in capital assets for its governmental activities as of December 31, 2023, amounts to \$4,067,629 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure construction in progress. Infrastructure placed in service prior to January 1, 2004, (roads, storm sewers, and culverts) is not included. The net decrease in the Town’s investment in capital assets for the current year was \$280,737.

Additional information on the Town of New Glarus’ capital assets can be found in Note 4 on page 19 of this report.

Town of New Glarus' Capital Assets (net of accumulated depreciation)		
	Governmental Activities	
	2022	2023
Land	\$ 969,600	\$ 969,600
Construction in process	-	-
Building and Improvements	273,442	263,738
Equipment	232,012	195,735
Infrastructure	2,873,312	2,638,556
Total capital assets	\$ 4,348,366	\$ 4,067,629

**TOWN OF NEW GLARUS
MANAGEMENT'S DISCUSSION AND ANALYSIS**
For the Year Ended December 31, 2023

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CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt. At December 31, 2023, the Town of New Glarus had total long-term debt outstanding of \$2,913,054, which was general obligation debt backed by the full faith of the Town.

Town of New Glarus' Outstanding Debt		
General Obligation Notes		
	Governmental Activities	
	2022	2023
2021 Refunding Note	\$ 1,720,494	\$ 1,379,884
2022 Promissory Note	200,000	182,897
2022 Promissory Note	1,350,273	1,350,273
Total Outstanding Debt	\$ 3,270,767	\$ 2,913,054

During the fiscal year, the Town of New Glarus' general obligation debt decreased by \$357,713. Additional information on the Town's long-term debt can be found in Note 5 on page 20 of this report.

The general obligation debt outstanding of \$2,913,054 is well below the allowable amount of \$14,355,995 which is 5% of the valuation of taxable property as equalized for State purposes.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Town of New Glarus' financial results are dependent on several factors:

- Amount of Shared Revenue, General Transportation Aids and other grants received
- Increases in the cost of fuel, insurance and professional services

These factors were considered in preparing the Town's budget for the 2024 fiscal year.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town of New Glarus' finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Clerk/Treasurer, Town of New Glarus, 26 5th Avenue, New Glarus, WI 53574.

General information relating to the Town of New Glarus, Wisconsin, can be found at the Town's website, <http://www.tn.newglarus.wi.gov/>

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BASIC FINANCIAL STATEMENTS

Town of New Glarus
New Glarus, Wisconsin

Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Equivalents	\$ 1,762,505
Receivables	635,637
Prepaid Expenses	109,848
Total Current Assets	<u>2,507,990</u>
Noncurrent Assets:	
Restricted Assets:	
Cash and Investments	39,899
Total Restricted Assets	<u>39,899</u>
Investment in Joint Venture	242,100
Capital Assets:	
Land, Improvements, and Construction in Progress	969,600
Other Capital Assets, Net of Depreciation	3,098,029
Total Capital Assets	<u>4,067,629</u>
Total Noncurrent Assets	<u>4,349,628</u>
Total Assets	<u>6,857,618</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Outflows	110,831
Deferred OPEB Outflows	18,972
Total Deferred Outflows of Resources	<u>129,803</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 6,987,421</u>

See accompanying notes to the basic financial statements.

Town of New Glarus
New Glarus, Wisconsin

Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Expenses	\$ 54,754
Unearned Revenue / Grant Advance	81,672
Accrued Interest Payable	1,993
Current Portion of Notes Payable	<u>365,023</u>
Total Current Liabilities	<u>503,442</u>
Long-Term Liabilities:	
Notes Payable Due in More Than One Year	2,548,031
Net OPEB Liability	21,099
Net Pension Liability	<u>29,277</u>
Total Long-Term Liabilities	<u>2,598,407</u>
Total Liabilities	<u>3,101,849</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Tax Levy	1,034,979
Deferred Pension Inflows	61,733
Deferred OPEB Inflows	<u>17,351</u>
Total Deferred Inflows of Resources	<u>1,114,063</u>
NET POSITION	
Net Investment in Capital Assets	1,634,575
Restricted for Capital	39,899
Unrestricted	<u>1,097,035</u>
Total Net Position	<u>2,771,509</u>
 Total Liabilities, Deferred Inflows of Resources and Net Position	 <u><u>\$ 6,987,421</u></u>

See accompanying notes to the basic financial statements.

Town of New Glarus
New Glarus, Wisconsin

Statement of Activities
For the Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenue Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
<u>Primary Government</u>					<u>Governmental Activities</u>
Governmental Activities					
General Government	\$ 304,292	\$ 4,676	\$ 3,879	\$ -	\$ (295,737)
Public Safety	163,560	17,583	10,548	-	(135,429)
Public Works	730,539	137,858	124,059	1,671	(466,951)
Culture and Recreation	39,529	-	-	-	(39,529)
Conservation and Development	30	17,810	-	-	17,780
Interest on Long-term debt	102,884	-	63,294	-	(39,590)
Total Primary Government	<u>\$ 1,340,834</u>	<u>\$ 177,927</u>	<u>\$ 201,780</u>	<u>\$ 1,671</u>	<u>(959,456)</u>
General Revenues:					
Taxes:					
Property taxes, levied for general purposes					880,343
Grants and contributions not restricted to specific programs					20,539
Unrestricted investment earnings					48,079
Miscellaneous					13,304
<i>Special item</i> - gain (loss) on sale of asset					76,062
Total general revenues and special items					<u>1,038,327</u>
Change in Net Position					78,871
Net Position - Beginning					2,692,638
Net Position - Ending					<u>\$ 2,771,509</u>

See accompanying notes to the basic financial statements.

Town of New Glarus
New Glarus, Wisconsin

Balance Sheet
Governmental Funds
December 31, 2023

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,762,505
Restricted Cash	39,899
Receivables:	
Taxes	634,140
Other	1,497
Prepaid Expenses	109,848
Total Assets	<u>\$ 2,547,889</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Liabilities:	
Accounts Payable	\$ 33,661
Accrued Liabilities	3,337
Other Liabilities - Deposits	17,756
Unearned Revenue / Grant Advance	81,672
Total Liabilities	<u>136,426</u>
Deferred Inflows of Resources:	
Deferred Tax Levy	1,034,979
Total Deferred Inflows of Resources	<u>1,034,979</u>
Fund Balance:	
Nonspendable	109,848
Restricted	39,899
Committed	65,473
Assigned	790,682
Unassigned	370,582
Total Fund Balance	<u>1,376,484</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,547,889</u>

See accompanying notes to the basic financial statements.

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2023**

Total fund balance, governmental funds	\$	1,376,484
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Governmental capital assets	6,628,126	
Governmental accumulated depreciation	(2,560,497)	
		4,067,629

The net pension asset (liability) is not a current financial resource and is, therefore, not reported in the fund statements.		(29,277)
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Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.

Deferred outflows of resources		129,803
Deferred inflows of resources		(79,084)

Investments in joint ventures are not financial resources and, therefore, are not reported in the fund financial statements.		242,100
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Some liabilities, (such as Notes Payable and Accrued Interest), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Other postemployment benefits	(21,099)	
General obligation debt	(2,913,054)	
Accrued interest	(1,993)	
		(2,936,146)

Net Position of Governmental Activities in the Statement of Net Position	\$	2,771,509
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**Town of New Glarus
New Glarus, Wisconsin**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023**

	General Fund
REVENUES	
Property Taxes	\$ 880,343
Other Taxes	2,431
Intergovernmental	221,558
License and Permits	43,998
Public Charges for Services	130,429
Interest Income	48,079
Miscellaneous Income	571,559
Total Revenues	1,898,397
EXPENDITURES	
Current:	
General Government	287,643
Public Safety	117,160
Public Works	453,928
Culture, Recreation and Education	38,220
Capital Outlay	2,220
Debt Service:	
Principal Repayment	357,713
Interest Expense	104,729
Total Expenditures	1,361,613
Excess (Deficiency) of Revenues Over Expenditures	536,784
Fund Balance - Beginning	839,700
Fund Balance - Ending	\$ 1,376,484

See accompanying notes to the basic financial statements.

**Town of New Glarus
New Glarus, Wisconsin**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to
the Statement of Activities
For the Year Ended December 31, 2023**

Net change in fund balances - total governmental funds:	\$	536,784
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>		
This is the amount by which capital outlays of \$0 were more than depreciation of \$280,737 in the current period.		(280,737)
<p>Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain (loss) on the sale of the assets. Thus, the change in Net Position differs from the change in fund balance by the cost of the asset sold.</p>		
		(480,000)
<p>The proportionate share of the change in net position related to joint ventures in the Statement of Activities neither provides nor uses current financial resources and is not reported in the fund financial statements.</p>		
		(46,400)
<p>Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.</p>		
This is the amount of long-term debt principal payments in the current year		357,713
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds</p>		
Change in accrued interest		1,845
Change in OPEB liability, deferred outflows of resources and deferred inflows of resources		(3,258)
<p>Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plans. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset from the prior year to the current year, with some adjustments</p>		
Amounts of current year required contributions into the defined benefit pension plan	(7,573)	
Actuarially determined change in net pension asset (liability) between years, with adjustments	497	
	497	(7,076)
Change in Net Position of Governmental Activities	\$	78,871

See accompanying notes to the basic financial statements.

**Town of New Glarus
New Glarus, Wisconsin**

**Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2023**

	<u>Custodial Funds</u> <u>Tax Collection</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,635,669
Receivables:	
Taxes Receivable	<u>2,781,813</u>
Total Assets	<u>\$ 4,417,482</u>
LIABILITIES	
Due to Other Governments	<u>\$ 4,417,482</u>
Total Liabilities	<u>\$ 4,417,482</u>

See accompanying notes to the basic financial statements.

Town of New Glarus
New Glarus, Wisconsin

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2023

	<u>Custodial Funds</u> <u>Tax Collection</u>
ADDITIONS	
Collection of taxes for other governments	\$ 2,508,173
Total Additions	<u>2,508,173</u>
DEDUCTIONS	
Payments of taxes to other governments	2,508,173
Total Deductions	<u>2,508,173</u>
Net increase (decrease) in fiduciary net position	-
Total Net Position - Beginning	-
Total Net Position - Ending	<u>\$ -</u>

See accompanying notes to the basic financial statements.

1. Summary of Significant Accounting Policies

The accounting policies of the Town of New Glarus, Wisconsin, conform to generally accepted accounting principles in the United States of America as applicable to governmental units.

A. Reporting Entity

This report includes all of the funds of the Town of New Glarus. The reporting entity for the Town consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

"Government-wide" financial statements are basic financial statements required for all governmental units. The Statement of Net Position and the Statement of Activities are the two required statements. Both statements are prepared on the full accrual basis. Previously, in accordance with accounting standards for governmental units, the Town used the modified accrual basis of accounting for certain funds. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental fund financial statements.

In addition, all funds in the fund financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note 1.

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the standards concentrate on major funds versus non-major funds.

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Town does not have any business-type activities.

1. Summary of Significant Accounting Policies (Continued)
B. Government-Wide and Fund Financial Statements (Continued)

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

Fund Financial Statements

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

Funds are organized as major funds or non-major funds within the governmental 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 Town or meets the following criteria:

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

The Town reports the following major governmental fund:

General Fund - The Town's General fund is its only major governmental fund. The General Fund accounts for the Town's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government *controls* the assets that finance the activity, b) Assets are *not* generated from the *government's own-source revenues* or from government-mandated or voluntary nonexchange transactions, c) Assets are administered through a *qualifying trust* or the government does *not* have *administrative involvement* and the assets are *not* generated from the *government's delivery of goods or services* to the beneficiaries, *or* the assets are for the benefit of *entities that are not part of the government's reporting entity*.

1. Summary of Significant Accounting Policies (Continued)
B. Government-Wide and Fund Financial Statements (Continued)

The Town reports the following fiduciary fund:

Tax Collections - Used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Town accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide Statement of Net Position and Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

Fund Financial Statements

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

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

Intergovernmental aids and grants are recognized as revenues in the period the Town is entitled to the resources and the amounts are available. Amounts owed to the Town which are not available are recorded as receivables and deferred inflows. Amounts received prior to the entitlement period are also recorded as deferred inflows.

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

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Town's General Fund reports deferred inflows on its General Fund balance sheet. Deferred inflows arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred inflows arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred inflows also arise when resources are received before the Town has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

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

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

D. Assets, Liabilities, and Equity

Deposits and Investments

Investments Authorized by Wisconsin Statutes

Investment of Town funds is restricted by State statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- 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.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority.
- Bond issued by a local football stadium district.
- Bonds issued by a local arts district.
- Bonds issued by the Wisconsin Aerospace Authority.

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Town, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district.

1. Summary of Significant Accounting Policies (Continued)
D. Assets, Liabilities, and Equity (Continued)

Receivables (Continued)

Property tax calendar – 2023 tax roll:

Lien date and levy date	December, 2023
Tax bills mailed	December, 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof.

Capital Assets

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets including infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated acquisition value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Professional standards require governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required. The Town has decided not to retroactively report all infrastructure acquired by its governmental fund types prior to 2004.

General Fixed Assets - Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund from which the disbursements are made. Generally accepted accounting principles require that these fixed assets be capitalized at cost in the government-wide financial statements. Contributed fixed assets are to be recorded in the government-wide financial statements at fair market value at the time received. Interest incurred during construction is not capitalized.

Depreciation on governmental fixed assets is calculated straight-line based on the estimated useful life of assets. The estimated useful life of assets is determined by industry standards as recommended by GASB. Depreciation is charged over the estimated service life of the assets using the straight-line method.

Compensated Absences

The Town has not recorded liabilities for vested employee vacations and sick leave. Sick leave accrues in varying amounts based on years of service up to a maximum of 600 hours and can only be used for illness and injury. There is no payment upon retirement or termination of employment.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used.

1. Summary of Significant Accounting Policies (Continued)
D. Assets, Liabilities, and Equity (Continued)

Pensions

Pensions. The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset)
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
- Pension Expense (Revenue)

Information about the fiduciary net position of the 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 Postemployment Benefits (OPEB)

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 following:

- Net OPEB Liability
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits
- OPEB Expense (Revenue)

Information about the fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by the 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.

Deferred Outflows and Inflows of Resources

Deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

1. Summary of Significant Accounting Policies (Continued)
D. Assets, Liabilities, and Equity (Continued)

Long-Term Obligations

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

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as “Other Financing Sources” in the operating statement of the recipient fund. Retirement of these issues is reported as a debt service expenditure in the year in which the debt matures or is repaid, whichever is earlier.

Equity Classifications

Government-Wide Statements

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

- 1) 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.
- 2) Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation.
- 3) Unrestricted Net Position – All other net position that does not meet the definition of “net investment in capital assets” or “restricted.”

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

Fund Financial Statements

The Town follows the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

In the fund financial statements, governmental fund balance is presented in five possible categories:

- 1) Nonspendable – Resources which cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- 2) Restricted – Resources with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- 3) Committed – Resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

1. Summary of Significant Accounting Policies (Continued)
D. Assets, Liabilities, and Equity (Continued)

Equity Classifications (Continued)

- 4) Assigned – Resources neither restricted nor committed for which a government has a stated intended use as established by the Town Board or a body or official to which the Town Board has delegated the authority to assign amounts for specific purposes.
- 5) Unassigned – Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

When restricted and other fund balance resources are available for use, it is the Town’s policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

E. Budgets

Operating budgets are adopted each year for the General Fund. The original budget was adopted in November 2022; one budget amendment was made during 2023. See the required supplementary information for details.

F. Change in Accounting Principle

Effective January 1, 2023, the Town adopted GASB statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The Town determines if an arrangement contains a SBITA at inception based on whether the Town has the right to control the information technology during the contract period and other facts and circumstances. The adoption of GASB Statement No. 96 did not have a material impact on the Town’s financial statements. No material SBITA were included in this report.

2. Explanation of Certain Differences between Governmental Fund Statements and Government-Wide Statements

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and government-wide statements certain financial transactions are treated differently.

A. Explanation of Differences between Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories:

- 1) Capital related differences include (a) the difference between recording an expenditure for the purpose of capital items in the governmental fund statements, and (b) depreciation expense on those items as recorded in the statement of activities.
- 2) Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.
- 3) Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest expense is recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position. In addition, debt proceeds are recorded as other financing sources in the governmental fund statements, whereas they are recorded as a liability in the government-wide statements.

3. Cash and Investments

At December 31, 2023, the cash and investments consist of the following:

Deposits with Financial Institutions	\$ 3,438,073
Total Cash and Investments	<u>\$ 3,438,073</u>

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 1,762,505
Restricted Cash	39,899
Fiduciary Funds:	
Cash and Investments	1,635,669
Total Cash and Investments	<u>\$ 3,438,073</u>

Town of New Glarus
Notes to the Financial Statements
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3. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Board would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Town would not be able to recover the value of its investment of collateral securities that are in the possession of another party. The Board does not have an investment policy for custodial credit risk.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings deposits and \$250,000 for demand deposits. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations. The Town also maintains a repurchase account with a local bank that is covered by securities pledged by the bank.

As of December 31, 2023, the Town's deposits were exposed to custodial credit risk as follows:

Insured by Federal and State Deposit Insurance	\$ 200,180
Collateralized by Securities Pledged by Financial Institution	2,905,466
	<u>\$ 3,105,646</u>

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts.

4. Capital Assets

Capital asset activity in the governmental activities for the year ended December 31, 2023, was as follows:

<u>Governmental Activities</u>	Balance 1/1/23	Additions	Deletions	Balance 12/31/23
Land - Non-depreciable	\$ 969,600	\$ -	\$ -	\$ 969,600
Buildings and Improvements	360,958	-	-	360,958
Trucks and Equipment	602,428	-	-	602,428
Infrastructure	4,695,140	-	-	4,695,140
	<u>\$ 6,628,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,628,126</u>
Accumulated Depreciation:				
Buildings and Improvements	\$ 87,516	\$ 9,704	\$ -	\$ 97,220
Trucks and Equipment	370,416	36,277	-	406,693
Infrastructure	1,821,828	234,756	-	2,056,584
Total Accumulated Depreciation	<u>2,279,760</u>	<u>280,737</u>	<u>-</u>	<u>2,560,497</u>
Capital Assets Net of Depreciation	<u>\$ 4,348,366</u>	<u>\$ (280,737)</u>	<u>\$ -</u>	<u>\$ 4,067,629</u>

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Notes to the Financial Statements
December 31, 2023

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4. Capital Assets (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 11,823
Public works, which includes depreciation of infrastructure	268,914
Total governmental activities depreciation expense	\$ 280,737

5. Long-Term Debt

A summary of the long-term debt transactions of the Town are as follows:

	Notes from Direct Borrowings or Direct Placements			
	1/1/2023	Additions	Retirements	12/31/2023
<u>General Long-Term Debt:</u>				
2021 GO promissory note dated 6/21/2021. Original amount of \$2,323,893. 7 annual consecutive principal and interest payments (December 31st) at 1.97%. Final payment 12/31/2027.	\$ 1,720,494	\$ -	\$ 340,610	\$ 1,379,884
2022 GO promissory note dated 9/9/2022. Original amount of \$200,000. 10 annual consecutive principal and interest payments (September 9) at 3.510%. Final payment 9/9/2032.	200,000	-	17,103	182,897
2022 GO promissory note dated 12/21/2022. Original amount of \$1,350,273. 5 annual consecutive principal and interest payments beginning (12/31/27) at 4.50%. Final payment 12/31/2032.	1,350,273	-	-	1,350,273
Total general long-term debt	\$ 3,270,767	\$ -	\$ 357,713	\$ 2,913,054

The annual payments necessary to retire the general obligation notes are as follows:

Year	Notes from Direct Borrowings or Direct Placements		
	Principal	Interest	Total
2024	\$ 365,023	\$ 95,029	\$ 460,052
2025	372,675	87,210	459,885
2026	380,396	79,489	459,885
2027	401,003	71,604	472,607
2028	87,663	61,826	149,489
2029-2032	1,306,294	208,311	1,514,605
	\$ 2,913,054	\$ 603,469	\$ 3,516,523

5. Long-Term Debt (Continued)

Interest accrued and paid during 2023 was:

<u>Interest Accrued</u>	<u>Interest Paid</u>
\$ 101,992	\$ 103,837

Cities, Villages, and Townships are statutorily limited to using 5% of their equalized value to borrow general obligation debt. According to these state statutes, the Town of New Glarus is limited to borrowing \$14,355,995. General obligation debt subject to this limit is \$2,913,054, leaving the Town with an available debt margin of \$11,442,941 as of December 31, 2023.

6. Inter-municipal Agreements

Fire Protection and EMS

The Town of New Glarus, along with the Village of New Glarus and the Townships of Primrose, York and Perry provide funding to the New Glarus Fire Protection District.

Costs are to be shared based upon the equalized values of the respective municipalities. The Town’s share of Fire District costs in 2023 amounted to \$71,745. The 2024 budget for the Fire District is \$87,900. The Town’s equity interest in the Fire District’s capital assets is its percentage share based on the Town’s equalized value in the District. The equity interest is reported in the governmental activities column of the government-wide Statement of Net Position. The Town’s equity interest as of December 31, 2023, was \$242,100. Changes in the equity interest are reported on the Statement of Activities.

The Town also is a member of an EMS District. Costs are allocated based on population. The Town’s share of EMS District costs in 2023 was \$28,889. The 2024 budget for the District is \$29,630.

7. Wisconsin Retirement System

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year 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.

7. Wisconsin Retirement System (Continued)

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

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

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

The WRS also provides death and disability benefits for employees.

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 (%)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and 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.

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Notes to the Financial Statements
December 31, 2023

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7. Wisconsin Retirement System (Continued)

During the reporting period, the WRS recognized \$7,573 in contributions from the employer.

Contribution rates as of December 31, 2023, are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At December 31, 2023, the Town reported a liability (asset) of \$29,277 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net pension liability (asset) was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Town's proportion was 0.00055265%, which was an increase of 0.00000292% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Town recognized pension expense of \$14,788.

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,630	\$ (61,261)
Net differences between projected and actual earnings on pension plan investments	49,736	-
Changes in assumptions	5,757	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,004	(472)
Employer contributions subsequent to the measurement date	7,704	-
Total	\$ 110,831	\$ (61,733)

Town of New Glarus
Notes to the Financial Statements
December 31, 2023

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7. Wisconsin Retirement System (Continued)

\$7,704 reported as deferred outflows of resources related to pension resulting from the Town’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (income) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	\$ 1,690
2025	8,605
2026	8,952
2027	22,147
2028	-
Total	\$ 41,394

Actuarial Assumptions. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	0.068
Discount Rate:	0.068
Salary Increases:	
Wage Inflation	0.03
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. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

7. Wisconsin Retirement System (Continued)

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

Asset Allocation Targets and Expected Returns¹
As of December 31, 2022

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %²</u>
Global Equities	48	7.6	5.0
Fixed Income	25	5.3	2.7
Inflation Sensitive Assets	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	115	7.4	4.8
 <u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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%.

7. Wisconsin Retirement System (Continued)

Single Discount Rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (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, 2022. 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 Town of New Glarus’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Town’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Town’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%)
Town's proportionate share of the net pension liability (asset)	\$ 97,171	\$ 29,277	\$ (17,427)

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>.

8. Other Postemployment Benefits (OPEB)

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

OPEB Plan Fiduciary Net Position. ETF 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.

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, 2023, are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
25% Post Retirement Coverage	20% of Member Contribution

8. Other Postemployment Benefits (OPEB) (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022 are as listed below:

Life Insurance		
Member Contribution Rates*		
For the year ended December 31, 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$111 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At December 31, 2023, the Town reported a liability (asset) of \$21,099 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net OPEB liability (asset) was based on the Town's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Town's proportion was 0.00553800%, which was an increase of 0.00256500% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Town recognized OPEB expense of \$3,368.

Town of New Glarus
Notes to the Financial Statements
December 31, 2023

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8. Other Postemployment Benefits (OPEB) (Continued)

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (2,066)
Net differences between projected and actual earnings on plan investments	396	-
Changes in actuarial assumptions	7,580	(12,454)
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,796	(2,831)
Employer contributions subsequent to the measurement date	200	-
Totals	\$ 18,972	\$ (17,351)

\$200 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability (Asset) in the year ended 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 (revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	\$ 826
2025	758
2026	991
2027	(94)
2028	(753)
Thereafter	(307)
Total	\$ 1,421

Town of New Glarus
Notes to the Financial Statements
December 31, 2023

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8. Other Postemployment Benefits (OPEB) (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
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:*	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
*Based on the Bond Buyers GO Index	

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. The Total OPEB Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 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, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

8. Other Postemployment Benefits (OPEB) (Continued)

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 remained unchanged from the prior year at 2.30%.

Single Discount rate. A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. 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 Town’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate
The following presents the Town’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17 percent, as well as what the Town’s proportionate share of the net OPEB liability (asset) 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 (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
Town's proportionate share of the net OPEB liability (asset)	\$ 28,766	\$ 21,099	\$ 15,223

Town of New Glarus
Notes to the Financial Statements
December 31, 2023

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9. Fund Balance

The Town has the following fund balances at December 31, 2023:

Nonspendable:	
Prepaid Expenses	\$ 109,848
Total Nonspendable	<u>109,848</u>
Restricted:	
Impact Fees	39,899
Total Restricted	<u>39,899</u>
Committed:	
Community Partnership Sinking Funds	7,357
Town Park / Trail Sinking Fund	58,116
Total Committed	<u>65,473</u>
Assigned:	
Equipment Purchases	71,864
Library Capital	40,000
Town Hall Painting and Upgrades	15,500
Fire/EMS Future Capital	60,000
Debt Service	150,000
Public Works Building	425,000
Park Improvements	25,000
Subsequent Budget Use of Reserves	3,318
Total Assigned	<u>790,682</u>
Unassigned Fund Balance:	
General Unassigned	<u>370,582</u>
Total Fund Balance	<u>\$ 1,376,484</u>

10. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; error and omissions; workers compensation; and health care of its employees. All risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years.

11. Limitations on the Town Tax Levy

The State of Wisconsin has legislation that limits the Town's future tax levies. Generally, the Town is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the Town's equalized value due to new construction. Changes in debt service from one year to the next are generally exempt from this limit.

12. Property Held for Resale

The prior year government-wide financial statements included a value of property held for resale. This represented the original cost of land and other property purchased by the Town that was expected to be resold. An estimate of the cost was split between the value of land the Town intends to keep for future Town use and the amount to be sold. The property reported as held for resale was sold during 2023 and a gain of \$76,062 has been reflected in the financial statements.

13. ARPA Funds

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. Municipalities can spend the fund into the following four eligible use categories: replace lost public-sector revenue; support the COVID-19 public health and economic response; provide premium pay for eligible workers performing essential work; and invest in water, sewer, and broadband infrastructure.

In June 2021 and 2022, the Town of New Glarus, Wisconsin, received \$72,483 in American Rescue Plan Act – Local Fiscal Recovery Funds, respectively. As of the date of this report, the Town has spent \$63,294. Therefore, the total remaining funds of \$81,672 were reported as a grant advance as of December 31, 2023 and will be recognized as revenue when the eligible expenses are incurred.

14. Effect of New Accounting Standards on Current Financial Statements

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for periods beginning after June 15, 2023 and GASB Statement No 101, *Compensated Absences*, effective for periods beginning after December 15, 2023. When these become effective, application of these standards may restate portions of these financial statements.

15. Subsequent Events and Commitments

Grant Awards

In 2020, the Town was awarded a grant for future recreational trail development totaling approximately \$45,000. Construction on the project has not yet started.

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REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

Town of New Glarus Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - General Fund For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 880,343	\$ 880,343	\$ 880,343	\$ -
Other Taxes	-	-	2,431	2,431
Intergovernmental	143,573	146,581	221,558	74,977
License and Permits	34,938	37,718	43,998	6,280
Public Charges for Services	111,287	111,287	130,429	19,142
Interest Income	3,000	35,350	48,079	12,729
Miscellaneous Income	-	570,315	571,559	1,244
Total Revenues	<u>1,173,141</u>	<u>1,781,594</u>	<u>1,898,397</u>	<u>116,803</u>
EXPENDITURES				
Current:				
General Government	202,596	252,206	287,643	(35,437)
Public Safety	114,288	114,288	117,160	(2,872)
Public Works	452,571	472,571	453,928	18,643
Culture, Recreation and Education	15,000	15,000	38,220	(23,220)
Capital Outlay	16,248	16,248	2,220	14,028
Debt Service				
Principal Repayment	358,176	358,176	357,713	463
Interest Expense	40,947	40,947	104,729	(63,782)
Total Expenditures	<u>1,199,826</u>	<u>1,269,436</u>	<u>1,361,613</u>	<u>(92,177)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(26,685)</u>	<u>512,158</u>	<u>536,784</u>	<u>24,626</u>
Fund Balance - Beginning	839,700	839,700	839,700	-
Fund Balance - Ending	<u>\$ 813,015</u>	<u>\$ 1,351,858</u>	<u>\$ 1,376,484</u>	<u>\$ 24,626</u>

**Town of New Glarus
Wisconsin Retirement System
December 31, 2023**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE**

Year ended December 31	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2022	0.000552650%	\$ 29,277	\$ 116,514	25.13%	95.72%
2021	(0.000549730%)	(44,309)	86,626	(51.15%)	106.02%
2020	(0.000605220%)	(37,784)	85,275	(44.31%)	105.26%
2019	(0.000693920%)	(22,375)	103,206	(21.68%)	102.96%
2018	0.000728860%	25,930	102,772	25.23%	96.45%
2017	(0.000746450%)	(22,162)	114,507	(19.35%)	102.93%
2016	0.00072201%	5,950	108,326	5.49%	99.12%
2015	0.00069563%	11,304	101,985	11.08%	98.20%

**SCHEDULE OF TOWN'S CONTRIBUTIONS
FOR THE YEAR ENDED**

Year ended December 31	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2023	\$ 7,704	\$ (7,704)	\$ -	\$ 117,634	6.55%
2022	7,573	(7,573)	-	116,514	6.50%
2021	5,847	(5,847)	-	86,626	6.75%
2020	5,756	(5,756)	-	85,276	6.75%
2019	6,760	(6,760)	-	103,206	6.55%
2018	6,886	(6,886)	-	102,772	6.70%
2017	7,787	(7,787)	-	114,507	6.80%
2016	7,150	(7,150)	-	108,326	6.60%

Required Supplementary Information

Town of New Glarus Local Retiree Life Insurance Fund December 31, 2023

Schedule of Town's Proportionate Share of the Net OPEB Liability (Asset) As of the Measurement Date

Year ended December 31	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2022	0.00553800%	\$ 21,099	\$ 115,000	18.35%	38.81%
2021	0.00297300%	17,572	81,000	21.69%	29.57%
2020	0.00373800%	20,562	81,000	25.39%	31.36%
2019	0.00397100%	16,909	105,000	16.10%	37.58%
2018	0.00390200%	10,068	105,000	9.59%	48.69%
2017	0.00325100%	9,781	136,714	7.15%	44.81%

SCHEDULE OF TOWN'S CONTRIBUTIONS FOR THE YEAR ENDED

Year ended December 31	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2023	\$ 200	\$ (200)	\$ -	\$ 118,000	0.17%
2022	200	(200)	-	115,000	0.17%
2021	60	(60)	-	81,000	0.07%
2020	74	(74)	-	81,000	0.09%
2019	71	(71)	-	81,000	0.09%
2018	75	(75)	-	105,000	0.07%

**Notes to the Required Supplementary Information
For the Year Ended December 31, 2023**

1. Budgetary Information and Excess Expenditures and Other Financing Uses Over Appropriations

This budget is adopted in accordance with State Statutes and is presented in accordance with accounting principles generally accepted in the United States of America. Budgets reflect the original approved budget of the General Fund and subsequent revisions authorized by the Town's Board. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds. Changes to the overall budget must be approved by a two-thirds town board action. The Town controls expenditures at the department level. Some individual line items experienced expenditures which exceeded appropriations. The detail of those items can be found in the Town's year-end budget to actual report. The following departments experienced expenditures in excess of budget of more than \$1,000:

Department	Amount in Excess of Budget
General Government	\$ 35,437
Public Safety	2,872
Culture, Recreation and Education	23,220
Interest Expense	63,782

2. Wisconsin Retirement System

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the next preceding year.

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets)

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.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

2. Wisconsin Retirement System (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

**Notes to the Required Supplementary Information
For the Year Ended December 31, 2023**

2. Wisconsin Retirement System (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

**Notes to the Required Supplementary Information
For the Year Ended December 31, 2023**

3. Local Retiree Life Insurance Schedules

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 4 preceding years.

Changes in Benefit Terms and Assumptions related to LRLIF OPEB Liabilities (Assets)

Benefit Terms: There were no recent changes in benefit terms.

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.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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SUPPLEMENTAL INFORMATION

Town of New Glarus
New Glarus, Wisconsin

General Fund
Detailed Statement of Revenues - Actual and Budget
Year Ended December 31, 2023

	Actual	Original Budget	Final Budget	Variance- Positive (Negative)
TAXES				
General property taxes	\$ 880,343	\$ 880,343	\$ 880,343	\$ -
Other taxes and special charges	2,431	-	-	2,431
Total taxes	<u>882,774</u>	<u>880,343</u>	<u>880,343</u>	<u>2,431</u>
INTERGOVERNMENTAL				
State shared revenues	20,483	9,774	9,774	10,709
Personal property tax aid	-	476	476	(476)
State fire insurance dues	10,548	8,946	8,946	1,602
State transportation aids	119,875	119,860	119,860	15
State recycling grant	1,002	1,001	1,001	1
Aids in lieu of taxes	2,518	1,300	2,637	(119)
Exempt computer aid	56	56	56	-
Forest cropland	61	-	-	61
Municipal services	50	160	160	(110)
Road Construction Grant	1,671	-	1,671	-
Matching Funds	2,000	2,000	2,000	-
ARPA Grant	63,294	-	-	63,294
Total intergovernmental	<u>221,558</u>	<u>143,573</u>	<u>146,581</u>	<u>74,977</u>
LICENSES AND PERMITS				
Business and occupational licenses	337	470	470	(133)
Building permits	17,583	16,000	16,000	1,583
Land division plan review	4,780	2,000	4,780	-
Dog licenses	(12)	220	220	(232)
Impact fees	17,810	14,248	14,248	3,562
Driveway permits	3,500	2,000	2,000	1,500
Total licenses and permits	<u>43,998</u>	<u>34,938</u>	<u>37,718</u>	<u>6,280</u>
PUBLIC CHARGES FOR SERVICES				
Sale of culverts	10,901	1,500	1,500	9,401
Garbage and refuse collection	116,389	109,387	109,387	7,002
Other public charges	3,139	400	400	2,739
Total public charges for services	<u>130,429</u>	<u>111,287</u>	<u>111,287</u>	<u>19,142</u>

Town of New Glarus
New Glarus, Wisconsin

General Fund
Detailed Statement of Revenues - Actual and Budget
Year Ended December 31, 2023

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance- Positive (Negative)</u>
MISCELLANEOUS				
Interest	\$ 48,079	\$ 3,000	\$ 35,350	\$ 12,729
Rental Income	3,500	-	3,500	-
Miscellaneous revenue	<u>568,059</u>	<u>-</u>	<u>566,815</u>	<u>1,244</u>
Total miscellaneous	<u>619,638</u>	<u>3,000</u>	<u>605,665</u>	<u>13,973</u>
Total revenues	<u>\$ 1,898,397</u>	<u>\$ 1,173,141</u>	<u>\$ 1,781,594</u>	<u>\$ 116,803</u>

Town of New Glarus
New Glarus, Wisconsin

General Fund
Detailed Statement of Expenditures - Actual and Budget
Year Ended December 31, 2023

	Actual	Original Budget	Final Budget	Variance-Positive (Negative)
GENERAL GOVERNMENT				
Town board	\$ 22,866	\$ 24,576	\$ 24,576	\$ 1,710
Legal/Professional Fees	69,112	47,500	61,130	(7,982)
Clerk / Treasurer	85,572	78,780	79,780	(5,792)
Assessor	7,500	8,000	8,000	500
Election expenses	4,146	3,600	3,600	(546)
Town hall	26,753	9,100	27,392	639
Insurance	14,184	14,390	14,390	206
Office expenses	20,319	16,650	17,838	(2,481)
Other general government	37,191	-	15,500	(21,691)
Total general government	<u>287,643</u>	<u>202,596</u>	<u>252,206</u>	<u>(35,437)</u>
PUBLIC SAFETY				
Fire protection	71,793	70,143	70,143	(1,650)
EMS	28,889	28,645	28,645	(244)
Inspection	16,478	15,200	15,200	(1,278)
Other Public Safety	-	300	300	300
Total public safety	<u>117,160</u>	<u>114,288</u>	<u>114,288</u>	<u>(2,872)</u>
PUBLIC WORKS				
Transportation and Road Related:				
Patrolmen	99,319	97,683	97,683	(1,636)
Materials	50,960	48,900	48,900	(2,060)
Equipment	7,105	12,200	12,200	5,095
Garage	4,266	6,700	6,700	2,434
Engineering	4,100	12,000	12,000	7,900
Highway & street improvements	170,144	150,000	170,000	(144)
Tree trimming	3,382	10,000	10,000	6,618
Street highway lights	352	500	500	148
Refuse collection	83,243	76,228	76,228	(7,015)
Recycling	30,902	35,360	35,360	4,458
Weed and nuisance control	155	1,000	1,000	845
County match	-	2,000	2,000	2,000
Total public works	<u>453,928</u>	<u>452,571</u>	<u>472,571</u>	<u>18,643</u>

**Town of New Glarus
New Glarus, Wisconsin**

**General Fund
Detailed Statement of Expenditures - Actual and Budget
Year Ended December 31, 2023**

	Actual	Original Budget	Final Budget	Variance- Positive (Negative)
CULTURE AND RECREATION				
Library	28,927	-	-	(28,927)
Parks	9,293	15,000	15,000	5,707
Total culture and recreation	<u>38,220</u>	<u>15,000</u>	<u>15,000</u>	<u>(23,220)</u>
CAPITAL OUTLAY				
General government	-	2,000	2,000	2,000
Public works equipment	2,220	-	-	(2,220)
Impact fees	-	14,248	14,248	14,248
Total capital outlay	<u>2,220</u>	<u>16,248</u>	<u>16,248</u>	<u>14,028</u>
DEBT SERVICE				
Principal	357,713	358,176	358,176	463
Interest	104,729	40,947	40,947	(63,782)
Total debt service	<u>462,442</u>	<u>399,123</u>	<u>399,123</u>	<u>(63,319)</u>
 Total expenditures	 <u>\$ 1,361,613</u>	 <u>\$ 1,199,826</u>	 <u>\$ 1,269,436</u>	 <u>\$ (92,177)</u>

TOWN OF NEW GLARUS
New Glarus, Wisconsin

Schedule of Long-term Debt Payments
December 31, 2023

Year	<u>6/21/2021 Bank Note</u>		<u>9/9/2022 Bank Note</u>		<u>12/31/2022 Bank Note</u>		Total P+I
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 347,338	\$ 27,662	\$ 17,685	\$ 6,438	\$ -	\$ 60,929	\$ 460,052
2025	354,351	20,649	18,324	5,799	-	60,762	459,885
2026	361,429	13,571	18,967	5,156	-	60,762	459,885
2027	316,766	6,352	19,633	4,490	64,604	60,762	472,607
2028	-	-	20,311	3,812	67,352	58,014	149,489
2029-2032	-	-	87,977	8,515	1,218,317	199,796	1,514,605
	<u>\$ 1,379,884</u>	<u>\$ 68,234</u>	<u>\$ 182,897</u>	<u>\$ 34,210</u>	<u>\$ 1,350,273</u>	<u>\$ 501,025</u>	<u>\$ 3,516,523</u>