VILLAGE OF KRONENWETTER, WISCONSIN

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

Village Board
Village of Kronenwetter, Wisconsin

Report on the Financial Statements

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

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Year Comparative Information

We have previously audited the Village's 2019 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated May 6, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pension on page 53 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit for the year ended December 31, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The financial information listed in the table of contents as supplementary information for the year ended December 31, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2020 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2020.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village of Kronenwetter, Wisconsin as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated May 6, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. The 2019 actual amounts in the general fund budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare used to prepare the 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 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 2019 actual amounts in the general fund budgetary comparison information are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2019.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wausau, Wisconsin
June 25, 2021

BASIC FINANCIAL STATEMENTS

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	Governmental Activities	Business-Type Activities	Total 2020	Total 2019
ASSETS				
Cash and Investments	$ 5,181,244	$ 1,592,194	$ 6,773,438	$ 6,303,582
Receivables:				
Taxes and Special Charges	2,459,320	-	2,459,320	2,142,691
Delinquent Taxes	700	-	700	669
Accounts, Net	99,244	255,360	354,604	293,526
Special Assessments	25,769	-	25,769	96,469
Other	-	38	38	18
Inventories and Prepaid Items	109,307	15,816	125,123	46,600
Restricted Assets:				
Cash and Investments	2,792,915	562,416	3,355,331	3,275,326
Net Pension Asset	319,723	21,942	341,665	-
Preliminary Survey	-	108,954	108,954	108,954
Capital Assets, Nondepreciable	2,185,758	121,775	2,307,533	2,392,839
Capital Assets, Depreciable	18,090,193	18,532,325	36,622,518	36,223,421
Total Assets	31,264,173	21,210,820	52,474,993	50,884,095
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	749,612	50,643	800,255	998,499
Total Deferred Outflows of Resources	749,612	50,643	800,255	998,499
LIABILITIES				
Accounts Payable	151,963	82,134	234,097	345,133
Accrued and Other Current Liabilities	80,315	1,184	81,499	154,585
Due to Other Governments	545	-	545	852
Accrued Interest Payable	76,757	-	76,757	85,998
Long-Term Obligations:				
Due Within One Year	2,860,557	-	2,860,557	1,376,754
Due in More Than One Year	14,575,330	-	14,575,330	17,427,871
Net Pension Liability	-	-	-	366,780
Total Liabilities	17,745,467	83,318	17,828,785	19,757,973
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	4,205,466	-	4,205,466	4,046,111
Pension Related Amounts	959,030	65,819	1,024,849	507,460
Total Deferred Inflows of Resources	5,164,496	65,819	5,230,315	4,553,571
NET POSITION				
Net Investment in Capital Assets	11,179,253	18,624,490	29,803,743	28,949,086
Restricted:				
Debt Service	4,753	-	4,753	194,422
Capital Projects - TIDs	2,267,547	-	2,267,547	450,044
Fire Dues Activities	44,149	-	44,149	-
Net Pension Asset	319,723	21,942	341,665	-
Unrestricted (Deficit)	(4,711,603)	2,465,894	(2,245,709)	(2,022,502)
Total Net Position	$ 9,103,822	$ 21,112,326	$ 30,216,148	$ 27,571,050

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	$ 831,498	$ 129,895	$ 12,076	$ 7,000
Public Safety	1,345,315	101,213	90,105	-
Public Works	2,166,483	362,509	365,023	21,462
Health and Human Services	1,295	-	-	-
Culture and Recreation	186,141	3,457	963	718,683
Conservation and Development	36,659	25,810	-	60,025
Interest and Fiscal Charges	520,700	-	-	-
Total Governmental Activities	5,088,091	622,884	468,167	807,170
BUSINESS-TYPE ACTIVITIES				
Water Utility	550,044	797,206	-	22,983
Sewer Utility	777,278	684,289	-	34,063
Total Business-Type Activities	1,327,322	1,481,495	-	57,046
Total	$ 6,415,413	$ 2,104,379	$ 468,167	$ 864,216

GENERAL REVENUES

Taxes:

Property Taxes

Tax Increments

Other Taxes

Federal and State Grants and Other Contributions Not Restricted to Specific Functions

Interest and Investment Earnings

Miscellaneous

Gain on Sale of Asset

Transfers

Total General Revenues and Transfers

CHANGE IN NET POSITION

Net Position - January 1

NET POSITION - DECEMBER 31

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total 2020	Total 2019
$ (682,527)	$ -	$ (682,527)	$ (623,271)
(1,153,997)	-	(1,153,997)	(1,146,914)
(1,417,489)	-	(1,417,489)	(1,410,270)
(1,295)	-	(1,295)	(2,755)
536,962	-	536,962	(153,457)
49,176	-	49,176	(101,768)
(520,700)	-	(520,700)	(593,251)
(3,189,870)	-	(3,189,870)	(4,031,686)
-	270,145	270,145	194,350
-	(58,926)	(58,926)	(120,149)
-	211,219	211,219	74,201
(3,189,870)	211,219	(2,978,651)	(3,957,485)
2,354,957	-	2,354,957	2,286,303
1,153,154	-	1,153,154	917,941
131,045	-	131,045	29,891
1,823,156	-	1,823,156	1,692,516
62,811	18,084	80,895	161,467
68,694	11,848	80,542	116,099
-	-	-	280,990
168,583	(168,583)	-	-
5,762,400	(138,651)	5,623,749	5,485,207
2,572,530	72,568	2,645,098	1,527,722
6,531,292	21,039,758	27,571,050	26,043,328
$ 9,103,822	$ 21,112,326	$ 30,216,148	$ 27,571,050

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	General	Debt Service	TID #2
ASSETS			
Cash and Investments	$ 3,842,634	$ 529,189	$ -
Restricted Cash and Investments	-	-	1,922,779
Receivables:			
Taxes and Special Charges	874,002	671,750	515,643
Delinquent Taxes	700	-	-
Accounts, Net	46,163	-	-
Special Assessments	-	25,769	-
Advance to Other Funds	34,750	-	-
Inventories and Prepaid Items	108,218	-	-
Total Assets	$ 4,906,467	$ 1,226,708	$ 2,438,422
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 126,260	$ -	$ 55
Accrued and Other Current Liabilities	79,372	-	127
Advance from Other Funds	-	-	-
Due to Other Governments	545	-	-
Total Liabilities	206,177	-	182
Deferred Inflows of Resources:			
Property Taxes Levied for Subsequent Year	1,554,968	1,119,429	864,178
Fines Receivable	-	-	-
Special Assessments	-	25,769	-
Total Deferred Inflows of Resources	1,554,968	1,145,198	864,178
Fund Balances:			
Nonspendable	142,968	-	-
Restricted	-	81,510	1,574,062
Committed	-	-	-
Assigned	1,787,383	-	-
Unassigned	1,214,971	-	-
Total Fund Balances	3,145,322	81,510	1,574,062
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,906,467	$ 1,226,708	$ 2,438,422

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

Other Governmental Funds	Total 2020	Total 2019
$ 809,421	$ 5,181,244	$ 5,094,202
870,136	2,792,915	2,721,338
397,925	2,459,320	2,142,691
-	700	669
53,081	99,244	69,970
-	25,769	96,469
-	34,750	663,959
1,089	109,307	31,191
$ 2,131,652	$ 10,703,249	$ 10,820,489
$ 25,648	$ 151,963	$ 326,411
816	80,315	147,655
34,750	34,750	663,959
-	545	852
61,214	267,573	1,138,877
666,891	4,205,466	4,046,111
53,081	53,081	44,241
-	25,769	96,469
719,972	4,284,316	4,186,821
1,089	144,057	65,941
737,634	2,393,206	2,939,373
612,832	612,832	654,923
-	1,787,383	1,362,000
(1,089)	1,213,882	472,554
1,350,466	6,151,360	5,494,791
$ 2,131,652	$ 10,703,249	$ 10,820,489

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	2020	2019
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total Fund Balances as Shown on Previous Page	$ 6,151,360	$ 5,494,791
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 the funds.	20,275,951	19,669,184
Long-term assets are not considered available; therefore, are not reported in the funds:		
Net Pension Asset	319,723	-
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special Assessments	25,769	96,469
Fines Receivable	53,081	44,241
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred Outflows Related to Pensions	749,612	945,984
Deferred Inflows Related to Pensions	(959,030)	(481,057)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and Notes Payable	(17,100,000)	(18,435,000)
Premium on Debt	(31,774)	(45,827)
Compensated Absences	(153,556)	(150,760)
Net Pension Liability	-	(347,697)
Capital Leases	(150,557)	(173,038)
Accrued Interest on Long-Term Obligations	(76,757)	(85,998)
Net Position of Governmental Activities as Reported on the Statement of Net Position (See Page 5)	$ 9,103,822	$ 6,531,292

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	General	Debt Service	TID #2
REVENUES			
Taxes	$ 1,098,639	$ 1,162,002	$ 727,516
Special Assessments	-	70,700	-
Intergovernmental	2,236,973	-	44,295
Licenses and Permits	204,367	-	-
Fines and Forfeits	21,349	-	-
Public Charges for Services	365,622	-	-
Intergovernmental Charges for Services	5,100	-	-
Miscellaneous	53,772	8,040	16,819
Total Revenues	3,985,822	1,240,742	788,630
EXPENDITURES			
Current:			
General Government	712,384	-	675
Public Safety	1,177,757	-	-
Public Works	1,474,659	-	-
Health and Human Services	1,295	-	-
Culture and Recreation	81,061	-	-
Conservation and Development	51,727	-	14,279
Debt Service:			
Principal	22,481	1,050,000	110,000
Interest and Fiscal Charges	5,105	219,583	73,287
Capital Outlay	193,690	-	950,247
Total Expenditures	3,720,159	1,269,583	1,148,488
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	265,663	(28,841)	(359,858)
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	-	-	-
Premium on Debt Issued	-	-	-
Proceeds from Sale of Capital Assets	2,183	-	-
Transfers In	168,583	-	-
Transfers Out	(28,861)	-	(236,000)
Total Other Financing Sources (Uses)	141,905	-	(236,000)
NET CHANGE IN FUND BALANCE	407,568	(28,841)	(595,858)
Fund Balance - January 1	2,737,754	110,351	2,169,920
FUND BALANCE - DECEMBER 31	$ 3,145,322	$ 81,510	$ 1,574,062

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

Other Governmental Funds	Total 2020	Total 2019
$ 650,999	$ 3,639,156	$ 3,234,135
-	70,700	133,875
768,839	3,050,107	2,135,058
-	204,367	263,135
12,886	34,235	34,215
-	365,622	343,612
-	5,100	6,213
103,797	182,428	370,732
1,536,521	7,551,715	6,520,975
42,881	755,940	673,389
12,519	1,190,276	1,201,301
-	1,474,659	1,501,704
-	1,295	2,755
37,253	118,314	138,970
9,443	75,449	214,222
175,000	1,357,481	2,606,837
246,019	543,994	588,145
404,567	1,548,504	1,719,313
927,682	7,065,912	8,646,636
608,839	485,803	(2,125,661)
-	-	1,490,000
-	-	8,478
-	2,183	283,692
264,861	433,444	385,403
-	(264,861)	(221,348)
264,861	170,766	1,946,225
873,700	656,569	(179,436)
476,766	5,494,791	5,674,227
$ 1,350,466	$ 6,151,360	$ 5,494,791

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	2020	2019
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net Change in Fund Balances as Shown on Previous Page	$ 656,569	$ (179,436)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Assets Reported as Capital Outlay in Governmental Fund Statements	1,426,510	1,716,212
Contributed Capital Assets	-	24,000
Depreciation Expense Reported in the Statement of Activities	(816,521)	(757,803)
Net Book Value of Disposals	(3,222)	(67,906)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(61,860)	(132,773)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-Term Debt Issued	-	(1,490,000)
Premium on Debt Issued	-	(8,478)
Principal Repaid	1,357,481	2,606,837
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued Interest on Long-Term Debt	9,241	(17,948)
Amortization of Premiums, Discounts and Loss on Advance Refunding	14,053	12,842
Compensated Absences	(2,796)	764
Net Pension Asset (Liability)	667,420	(627,837)
Deferred Outflows of Resources Related to Pensions	(196,372)	428,607
Deferred Inflows of Resources Related to Pensions	(477,973)	71,528
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (See Pages 6 - 7)	$ 2,572,530	$ 1,578,609

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	Budget			Variance Final Budget - Positive	2019
	Original	Final	Actual	(Negative)	Actual
REVENUES					
Taxes	$ 997,739	$ 997,739	$ 1,098,639	$ 100,900	$ 1,316,194
Intergovernmental	2,058,960	2,080,564	2,236,973	156,409	2,061,453
Licenses and Permits	199,833	215,544	204,367	(11,177)	263,135
Fines and Forfeits	24,000	17,800	21,349	3,549	21,594
Public Charges for Services	352,762	362,262	365,622	3,360	343,612
Intergovernmental Charges for Services	5,100	5,100	5,100	-	5,100
Miscellaneous	50,710	48,424	53,772	5,348	125,413
Total Revenues	3,689,104	3,727,433	3,985,822	258,389	4,136,501
EXPENDITURES					
Current:					
General Government	729,821	744,996	712,384	32,612	632,420
Public Safety	1,265,071	1,262,901	1,177,757	85,144	1,180,647
Public Works	1,639,953	1,609,386	1,474,659	134,727	1,501,704
Health and Human Services	1,295	1,295	1,295	-	2,755
Culture and Recreation	121,970	128,330	81,061	47,269	95,560
Conservation and Development	53,104	53,104	51,727	1,377	49,862
Debt Service:					
Principal	-	-	22,481	(22,481)	21,837
Interest and Fiscal Charges	-	-	5,105	(5,105)	5,749
Capital Outlay	16,000	47,005	193,690	(146,685)	27,289
Total Expenditures	3,827,214	3,847,017	3,720,159	126,858	3,517,823
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(138,110)	(119,584)	265,663	385,247	618,678
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Capital Assets	-	-	2,183	2,183	277,665
Transfers In	170,000	170,000	168,583	(1,417)	164,055
Transfers Out	(31,890)	(31,890)	(28,861)	3,029	(221,348)
Total Other Financing Sources	138,110	138,110	141,905	3,795	220,372
NET CHANGE IN FUND BALANCE	-	18,526	407,568	389,042	839,050
Fund Balance - January 1	2,737,754	2,737,754	2,737,754	-	1,898,704
FUND BALANCE - DECEMBER 31	$ 2,737,754	$ 2,756,280	$ 3,145,322	$ 389,042	$ 2,737,754

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	Water Utility	Sewer Utility	Total 2020	Total 2019
ASSETS				
Current Assets:				
Cash and Investments	$ 640,650	$ 951,544	$ 1,592,194	$ 1,209,380
Receivables:				
Customer Accounts	133,509	121,851	255,360	223,556
Other	38	-	38	18
Inventories and Prepaid Items	13,239	2,577	15,816	15,409
Total Current Assets	787,436	1,075,972	1,863,408	1,448,363
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	281,208	281,208	562,416	553,988
Other Assets:				
Net Pension Asset	10,909	11,033	21,942	-
Preliminary Survey	108,954	-	108,954	108,954
Total Other Assets	119,863	11,033	130,896	108,954
Capital Assets:				
Nondepreciable	121,775	-	121,775	117,209
Depreciable	9,128,735	9,403,590	18,532,325	18,829,867
Total Capital Assets	9,250,510	9,403,590	18,654,100	18,947,076
Total Assets	10,439,017	10,771,803	21,210,820	21,058,381
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	25,199	25,444	50,643	52,515
LIABILITIES				
Current Liabilities:				
Accounts Payable	32,828	49,306	82,134	18,722
Accrued and Other Current Liabilities	592	592	1,184	6,930
Total Current Liabilities	33,420	49,898	83,318	25,652
Long-Term Obligations, Less Current Portion:				
Net Pension Liability	-	-	-	19,083
Total Liabilities	33,420	49,898	83,318	44,735
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	32,724	33,095	65,819	26,403
NET POSITION				
Net Investment in Capital Assets	9,239,601	9,384,889	18,624,490	18,947,076
Restricted				
Net Pension Asset	10,909	11,033	21,942	-
Unrestricted	1,147,562	1,318,332	2,465,894	2,092,682
Total Net Position	$ 10,398,072	$ 10,714,254	$ 21,112,326	$ 21,039,758

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Water Utility	Sewer Utility	Total 2020	Total 2019
OPERATING REVENUES				
Charges for Services	$ 752,008	$ 655,122	$ 1,407,130	$ 1,282,755
Other	45,198	29,167	74,365	93,893
Total Operating Revenues	797,206	684,289	1,481,495	1,376,648
OPERATING EXPENSES				
Operation and Maintenance	341,409	553,512	894,921	882,455
Depreciation	208,635	219,926	428,561	425,860
Taxes	-	3,840	3,840	3,582
Total Operating Expenses	550,044	777,278	1,327,322	1,311,897
OPERATING INCOME (LOSS)	247,162	(92,989)	154,173	64,751
NONOPERATING REVENUES (EXPENSES)				
Interest Income	6,395	11,689	18,084	24,278
Other Nonoperating Revenues (Expenses)	11,098	750	11,848	14,689
Total Nonoperating Revenues (Expenses)	17,493	12,439	29,932	38,967
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	264,655	(80,550)	184,105	103,718
Capital Contributions	22,983	34,063	57,046	9,450
Transfers Out	(163,782)	(4,801)	(168,583)	(164,055)
CHANGE IN NET POSITION	123,856	(51,288)	72,568	(50,887)
Net Position - January 1	10,274,216	10,765,542	21,039,758	21,090,645
NET POSITION - DECEMBER 31	$ 10,398,072	$ 10,714,254	$ 21,112,326	$ 21,039,758

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Water Utility	Sewer Utility	Total 2020	Total 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 753,622	$ 668,049	$ 1,421,671	$ 1,352,135
Cash Received from Tower Rental	28,000	-	28,000	28,000
Cash Paid for Employee Wages and Benefits	(88,936)	(77,671)	(166,607)	(214,161)
Cash Paid to Suppliers	(212,959)	(491,283)	(704,242)	(672,149)
Miscellaneous Nonoperating Income	11,098	750	11,848	14,689
Net Cash Provided by Operating Activities	490,825	99,845	590,670	508,514
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer Out	(163,782)	(4,801)	(168,583)	(164,055)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(31,300)	(17,629)	(48,929)	(108,975)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	6,395	11,689	18,084	24,278
CHANGE IN CASH AND INVESTMENTS	302,138	89,104	391,242	259,762
Cash and Investments - January 1	619,720	1,143,648	1,763,368	1,503,606
CASH AND INVESTMENTS - DECEMBER 31	$ 921,858	$ 1,232,752	$ 2,154,610	$ 1,763,368

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Water Utility	Sewer Utility	Total 2020	Total 2019
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ 247,162	$ (92,989)	$ 154,173	$ 64,751
Miscellaneous Nonoperating Income	11,098	750	11,848	14,689
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	208,635	219,926	428,561	425,860
Depreciation Charged to Sewer Utility	21,516	(21,516)	-	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:				
Change in WRS Asset/Liability	(20,335)	(20,690)	(41,025)	32,849
Change in WRS Deferred Outflow	804	1,068	1,872	(24,110)
Change in WRS Deferred Inflow	19,682	19,734	39,416	(749)
Change in Operating Assets and Liabilities:				
Accounts Receivables	(15,584)	(16,240)	(31,824)	3,487
Inventories and Prepaid Items	(469)	62	(407)	(577)
Accounts Payable	21,189	12,613	33,802	(6,120)
Accrued and Other Current Liabilities	(2,873)	(2,873)	(5,746)	(1,566)
Net Cash Provided by Operating Activities	$ 490,825	$ 99,845	$ 590,670	$ 508,514
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and Cash Equivalents in Current Assets	$ 640,650	$ 951,544	$ 1,592,194	$ 1,209,380
Cash and Cash Equivalents in Restricted Assets	281,208	281,208	562,416	553,988
Total Cash and Investments	$ 921,858	$ 1,232,752	$ 2,154,610	$ 1,763,368
SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Developer and Municipal Contributed Capital Assets	$ 22,983	$ 34,063	$ 57,046	$ 9,450
Capital Assets Purchased on Account with Vendors	$ 10,909	$ 18,701	$ 29,610	$ -

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	Tax Collection Custodial Fund	
	2020	2019
ASSETS		
Cash and Investments	$ 3,814,530	$ 4,353,734
Receivables:		
Taxes and Special Charges	5,643,428	4,934,543
Total Assets	9,457,958	9,288,277
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year	9,457,958	9,288,277
NET POSITION		
Restricted	$ -	$ -

See accompanying Notes to Basic Financial Statements.

VILLAGE OF KRONENWETTER, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	Tax Collection Custodial Fund	
	2020	2019
ADDITIONS		
Property Tax Collections	$ 9,288,277	$ 8,743,840
DEDUCTIONS		
Payments to Taxing Jurisdictions	9,288,277	8,743,840
CHANGE IN NET POSITION	-	-
Net Position - January 1	-	-
NET POSITION - DECEMBER 31	$ -	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Kronenwetter, Wisconsin (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Village are described below:

A. Reporting Entity

The Village is a municipal corporation governed by an elected seven member board. In accordance with U.S. GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has identified the following component unit that is required to be included in the basic financial statements:

Redevelopment Authority

The Village Redevelopment Authority was created by the Village Board on July 21, 2004. The Redevelopment Authority currently serves the Village by issuing redevelopment revenue bonds with the debt proceeds being used to finance various tax incremental district projects. The bonds are scheduled to be repaid from tax increments collected on future tax rolls. Because the financial transactions are intermingled with the Village's tax incremental district transactions, the Redevelopment Authority is blended into the Village's financial statements. No new redevelopment revenue bonds were issued in 2020.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The nonmajor governmental funds are aggregated and presented in a single column.

The Village reports the following major governmental funds:

General Fund
This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Debt Service Fund
This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

Tax Incremental District No. 2 Capital Projects Fund
This fund is used to account for the project plan costs of the Village's Tax Incremental District No. 2.

The Village reports the following major enterprise funds:

Water Utility Fund
This fund accounts for the operations of the Village's water utility.

Sewer Utility Fund
This fund accounts for the operations of the Village's sewer utility.

The Village also reports the following fiduciary fund:

Custodial Fund
The custodial fund is used to report fiduciary activities that are not required to be reported in pension or OPEB trust funds, investments trust funds, or private purpose trust funds. The Tax Collection Custodial Fund accounts for property taxes and special assessments and special charges collected on behalf of other governments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

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

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

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes Receivable

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

In addition to its levy, the Village also levies and collects taxes for the School District of Mosinee, School District of D.C. Everest, Marathon County, North Central Technical College, and the state of Wisconsin.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. Governmental funds accounts receivable of $109,878 have been shown net of an allowance for uncollectible accounts of $10,634.

4. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2020 tax roll are recognized as revenue in 2021.)

6. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as “advances to other funds” and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

7. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure/expense at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

8. Prepaid Items

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

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

9. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of $5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities	Business-Type Activities
	Years	
Land Improvements	10 to 20	10 to 20
Parks	7 to 20	7 to 20
Buildings and Improvements	25 to 100	25 to 100
Machinery and Equipment	3 to 10	3 to 10
Infrastructure	15 to 50	20 to 100

10. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

11. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses and revenues are deferred until the future periods to which the outflows and inflows are applicable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Deferred Outflows/Inflows of Resources (Continued)

Governmental funds may report deferred inflows of resources for unavailable revenues. The Village reports unavailable revenues for special assessments and fines receivable. These inflows are recognized as revenues in the government-wide financial statements.

12. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. Pensions

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

14. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed fund balance.** Amounts that are constrained for specific purposes by action of the Village Board. These constraints can only be removed or changed by the Village Board using the same action that was used to create them.
- **Assigned fund balance.** Amounts that are constrained for specific purposes by action of Village management. The Village Board has not authorized any Village official or committee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Village has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

- **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

14. Fund Equity (Continued)

Government-Wide and Proprietary Fund Statements (Continued)

- **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

E. Use of Estimates

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

F. Prior Year Information

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the Village's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

G. Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

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

1. During November, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general fund adopting a budget.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.
5. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2020.

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2020 as follows:

Funds	Excess Expenditures
General:	
General Government:	
Legal	$ 471
Municipal Court	1,439
Elections	5,689
Treasurer	284
Public Safety:	
Police Clerk	530
First Responders	7,906
Public Works:	
Engineering	5,405
Solid Waste/Recycle Collection	21,653
Debt Service:	
Principal Retirement	22,481
Interest and Fiscal Charges	5,105
Capital Outlay:	
Road Construction	146,851

C. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2020 and 2021 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2020 budget was 4.34%. The actual limit for the Village for the 2021 budget was 3.21%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Village maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the Village's cash and investments totaled $13,943,299 on December 31, 2020 as summarized below:

Petty Cash and Cash on Hand	$ 1,020
Deposits with Financial Institutions	13,535,929
Investments:	
Wisconsin Local Government Investment Pool	406,190
Repurchase Agreement	160
Total	$ 13,943,299

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	$ 6,773,438
Restricted Cash and Investments	3,355,331
Custodial Fund Statement of Net Position:	
Cash and Investments	3,814,530
Total	$ 13,943,299

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village currently has no investments that are subject to fair value measurement.

Deposits and investments of the Village are subject to various risks. Presented below is a discussion of the Village's deposits and investments and the related risks.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for the combined amount of all time and savings deposits and $250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of $250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of $250,000 per credit union member. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2020, $470,028 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

On December 31, 2020, the Village held repurchase agreement investments of $160 of which the underlying securities are held by the investment's counterparty, not in the name of the Village.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Credit Risk continued

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Wisconsin Local Government Investment Pool	$ 406,190	$ -	$ -	$ -	$ 406,190

Concentration of Credit Risk

At December 31, 2020, the Village had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Village investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Village's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity:

		Remaining Maturity (in Months)			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Repurchase Agreement	$ 160	$ 160	$ -	$ -	$ -
Wisconsin Local Government Investment Pool	406,190	406,190	-	-	-
Total	$ 406,350	$ 406,350	$ -	$ -	$ -

Investment in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin Local Government Investment Pool of $406,190 at year-end. The (LGIP) is part of the State Investment Fund (SIF), and is managed by the state of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets

Restricted cash and investments of the governmental activities on December 31, 2020 totaled $2,792,915. $170,070 is being held as debt service reserve funds for the lease revenue bonds and $2,622,845 for project plan expenditures and debt service payments of the tax incremental districts.

Restricted cash and investments of the business-type activities totaled and consisted of $562,416 held as equipment replacement funds for the water and sewer utilities.

C. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	$ 2,185,758	$ -	$ -	$ 2,185,758
Construction in Progress	89,872	946,674	1,036,546	-
Total Capital Assets, Nondepreciable	2,275,630	946,674	1,036,546	2,185,758
Capital Assets, Depreciable:				
Land Improvements	1,110,229	-	-	1,110,229
Parks	1,819,421	706,971	-	2,526,392
Buildings and Improvements	4,007,645	-	-	4,007,645
Machinery and Equipment	3,578,846	348,069	153,314	3,773,601
Infrastructure	16,648,567	461,342	5,370	17,104,539
Subtotal	27,164,708	1,516,382	158,684	28,522,406
Less Accumulated Depreciation for:				
Land Improvements	146,222	22,781	-	169,003
Parks	519,045	56,106	-	575,151
Buildings and Improvements	1,608,818	102,703	-	1,711,521
Machinery and Equipment	2,102,875	170,099	153,314	2,119,660
Infrastructure	5,394,194	464,832	2,148	5,856,878
Subtotal	9,771,154	816,521	155,462	10,432,213
Total Capital Assets, Depreciable, Net	17,393,554	699,861	3,222	18,090,193
Governmental Activities Capital Assets, Net	$ 19,669,184	$ 1,646,535	$ 1,039,768	20,275,951
Less: Capital Related Debt				9,051,967
Less: Debt Premium				21,821
Less: Capital Related Accounts Payable				22,910
Net Investment in Capital Assets				$ 11,179,253

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	$ 117,209	$ -	$ -	$ 117,209
Construction in Progress	-	4,566	-	4,566
Total Capital Assets, Nondepreciable	117,209	4,566	-	121,775
Capital Assets, Depreciable:				
Buildings and Improvements	320,754	-	-	320,754
Machinery and Equipment	2,598,573	73,974	45,288	2,627,259
Infrastructure	22,598,655	57,047	-	22,655,702
Subtotal	25,517,982	131,021	45,288	25,603,715
Less Accumulated Depreciation for:				
Depreciable Assets	6,688,117	428,561	45,288	7,071,390
Total Capital Assets, Depreciable, Net	18,829,865	(297,540)	-	18,532,325
Business-Type Activities Capital Assets, Net	$ 18,947,074	$ (292,974)	$ -	18,654,100
Less: Capital Related Accounts Payable				29,610
Net Investment in Capital Assets				$ 18,624,490

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

Governmental Activities:	
General Government	$ 85,100
Public Safety	82,750
Public Works	587,198
Culture and Recreation	59,102
Conservation and Development	2,371
Total Depreciation Expense - Governmental Activities	$ 816,521
Business-Type Activities:	
Water Utility	$ 208,635
Sewer Utility	219,926
Total Depreciation Expense - Business-Type Activities	$ 428,561

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2020 are detailed below:

	Interfund Receivables	Interfund Payables
Advances to Other Funds:		
General Fund	$ 34,750	$ -
Special Revenue Fund:		
Park	-	34,750
Total	$ 34,750	$ 34,750

The Park Fund will repay the General Fund when the park dedication fees are available.

Interfund transfers for the year ended December 31, 2020 were as follows:

Fund	Transfer In	Transfer Out
General Fund	$ 168,583	$ 28,861
Park	236,000	-
Municipal Court	28,861	-
TID #2		236,000
Water Utility	-	163,782
Sewer Utility	-	4,801
Total	$ 433,444	$ 433,444

Interfund transfers were made for the following purposes:

Tax Equivalent Payment Made by Water Utility to General Fund	$ 163,782
Tax Equivalent Payment Made by Sewer Utility to General Fund	4,801
To Fund Portion of Parks Infrastructure Project	236,000
To Cover Municipal Court Expenditures Not Covered by Fines	28,861
Total	$ 433,444

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	$ 4,595,000	$ -	$ 250,000	$ 4,345,000	$ 250,000
Notes	10,085,000	-	975,000	9,110,000	855,000
Total General Obligation Debt	14,680,000	-	1,225,000	13,455,000	1,105,000
Bond Anticipation Notes	1,490,000	-	-	1,490,000	1,490,000
Redevelopment Revenue Bonds	2,265,000	-	110,000	2,155,000	115,000
Debt Premium	45,827	-	14,053	31,774	-
Capital Leases	173,038	-	22,481	150,557	150,557
Compensated Absences	150,760	2,796	-	153,556	-
Governmental Activities Long-Term Obligations	$ 18,804,625	$ 2,796	$ 1,371,534	$ 17,435,887	$ 2,860,557

Total interest paid during the year on long-term debt totaled $543,381.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
General Obligation Bonds	3/15/09	6/1/28	3.00 - 5.00%	$ 5,100,000	$ 3,100,000
General Obligation Notes	7/17/12	6/1/22	2.70%	3,470,000	3,470,000
General Obligation Bonds	9/27/12	10/1/22	1.85%	1,245,000	1,245,000
General Obligation Notes	11/12/13	6/1/22	2.00 - 3.25%	3,900,000	2,675,000
General Obligation Notes	11/12/13	12/1/21	2.00 - 2.15%	2,380,000	680,000
General Obligation Notes	3/1/16	3/1/22	2.00%	2,300,000	995,000
General Obligation Notes	12/17/18	3/1/28	3.00%	1,290,000	1,290,000
Total Outstanding General Obligation Debt					$ 13,455,000

Annual principal and interest maturities of the outstanding general obligation debt of $13,455,000 on December 31, 2020 are detailed below:

	Governmental Activities		
Year Ended December 31,	Principal	Interest	Total
2021	$ 1,105,000	$ 413,924	$ 1,518,924
2022	8,785,000	283,528	9,068,528
2023	605,000	141,150	746,150
2024	550,000	118,800	668,800
2025	580,000	94,850	674,850
2026 - 2028	1,830,000	123,150	1,953,150
Total	$ 13,455,000	$ 1,175,402	$ 14,630,402

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2020 was $21,109,760 as follows:

Equalized Value per Wisconsin Department of Revenue	$ 691,295,200
Debt Limitation Percentage (5% municipality) *	5.00%
Total Allowable GO Debt	34,564,760
Less: Current GO Debt	13,455,000
Debt Margin	$ 21,109,760

Bond Anticipation Notes

Bond anticipation notes outstanding on December 31, 2020 was comprised of the following issue:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
Bond Anticipation Notes	3/12/19	4/1/21	2.50%	$ 1,490,000	$ 1,490,000

Annual principal and interest maturities of the outstanding anticipation note debt of $1,490,000 on December 31, 2020 are detailed below:

	Governmental Activities		
Year Ended December 31,	Principal	Interest	Total
2021	$ 1,490,000	$ 18,625	$ 1,508,625
Total	$ 1,490,000	$ 18,625	$ 1,508,625

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds

Revenue bonds outstanding on December 31, 2020 totaled $2,155,000 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
Redevelopment Lease Revenue Bonds	3/1/16	4/1/36	0.006 - 3.20%	$ 2,595,000	$ 2,155,000

The Redevelopment lease revenue bonds are obligations of the Redevelopment Authority of the Village of Kronenwetter and are payable from the income and revenues of the Authority derived from a lease agreement with the Village. The Village has pledged future tax increments within TID #1 to pay for the debt service on the lease revenue bonds.

Annual principal and interest maturities of the outstanding revenue bonds of $2,155,000 on December 31, 2020 are detailed below:

	Governmental Activities		
Year Ended December 31,	Principal	Interest	Total
2021	$ 115,000	$ 54,479	$ 169,479
2022	115,000	52,811	167,811
2023	115,000	50,914	165,914
2024	120,000	48,708	168,708
2025	120,000	46,218	166,218
2026 - 2030	655,000	185,266	840,266
2031 - 2035	750,000	85,890	835,890
2036	165,000	2,640	167,640
Total	$ 2,155,000	$ 526,926	$ 2,681,926

Capital Lease

The Village is obligated under various lease accounted for as a capital lease that was used to finance the acquisition of a capital assets. The cost of the capital asset under the capital lease is $264,000 and the related accumulated depreciation is $110,000 as of December 31, 2020. The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments at December 31, 2020:

Year Ending	Governmental Activities
2021	$ 155,000
Less: Amount Representing Interest	4,443
Present Value of Future Minimum Lease Payments	$ 150,557

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan

1. 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 (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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.

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

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

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

The WRS also provides death and disability benefits for employees.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

2. Postretirement 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
2010	(1.3)%	22 %
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	-	(10)

3. Contributions

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

During the reporting period ending December 31, 2020, the WRS recognized $123,113 in contributions from the Village.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

3. Contributions (Continued)

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (Including Teachers, Executives, and Elected Officials)	6.75%	6.75%
Protective With Social Security	6.75%	11.65%
Protective Without Social Security	6.75%	16.25%

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

At December 31, 2020, the Village reported an asset of $341,665 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.01059609%, which was an increase of 0.00028656% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of $129,548.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 648,559	$ 324,560
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	698,487
Changes in Assumptions	26,624	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	1,959	1,802
Employer Contributions Subsequent to the Measurement Date	123,113	-
Total	$ 800,255	$ 1,024,849

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

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

$123,113 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Expense
2021	$ (103,174)
2022	(77,272)
2023	12,121
2024	(179,382)
Total	$ (347,707)

5. Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.9%

* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

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

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class			
Global Equities	49.0 %	8.0%	5.1%
Fixed Income	24.5	4.9%	2.1%
Inflation Sensitive Assets	15.5	4.0%	1.2%
Real Estate	9.0	6.3%	3.5%
Private Equity/Debt	8.0	10.6%	7.6%
Multi-Asset	4.0	6.9%	4.0%
Cash	(10.0)	0.9%	N/A
Total Core Fund	100.0 %	7.5%	4.6%
Variable Fund Asset Class			
U.S. Equities	70.0 %	7.5%	4.6%
International Equities	30.0	8.2%	5.3%
Total Variable Fund	100.0 %	7.8%	4.9%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.75%

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Single Discount Rate. A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a long-term bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members 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.

Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's Proportionate Share of the Net Pension Liability (Asset)	$ 879,851	$ (341,665)	$ (1,254,891)

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

6. Payables to the Pension Plan

At December 31, 2020, the Village reported a payable of $27,294 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2020.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2020, nonspendable fund balance was as follows:

	General	Nonmajor
Nonspendable:		
Inventories and Prepaid Items	$ 108,218	$ 1,089
Advance to Park Fund	34,750	-
Total Nonspendable Fund Balance	$ 142,968	$ 1,089

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2020, restricted fund balance was as follows:

Special Revenue Funds:	
Restricted for	
Fire Dues Expenditures	$ 44,149
Debt Service Fund:	
Restricted for	
Payment of Long-Term Debt Obligations	81,510
Capital Projects Funds:	
Restricted for	
TID #1	528,032
TID #2	1,574,062
TID #3	60,013
TID #4	105,440
Total Capital Projects Funds Restricted Fund Balance	2,267,547
Total Restricted Fund Balance	$ 2,393,206

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Equity (Continued)

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by Village Board action. At December 31, 2020, General Fund balance was committed as follows:

Special Revenue Funds:		
Committed for		
Fire Department Donations Expenditures	$	13,005
Park Projects		110,136
Total Special Revenue Funds Committed Fund Balance		123,141
Capital Projects Funds:		
Committed for		
Capital Projects		181,500
Equipment Replacement		308,191
Total Capital Project Funds Committed Fund Balance		489,691
Total Committed Fund Balance	$	612,832

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2020, fund balance was assigned as follows:

General Fund:		
Assigned for Future TID #1 Debt Payoff	$	1,587,383
Assigned for Future Equipment Replacement		200,000
Total	$	1,787,383

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Equity (Continued)

Minimum General Fund Balance Policy

The Village has also adopted a minimum fund balance policy of 15% of current year budgeted expenditures for the General Fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2020 General Fund Expenditures	$ 3,847,017
Minimum Fund Balance %	(x) 15%
Minimum Fund Balance Amount	$ 577,053

The Village's unassigned General Fund balance of $1,214,971 is above the minimum fund balance amount.

Net Position

The Village reports restricted net position at December 31, 2020 as follows:

Governmental Activities:	
Restricted for	
Debt Service	$ 4,753
Capital Projects - TIDs	2,267,547
Fire Dues Activities	44,149
Net Pension Asset	319,723
Total Governmental Activities Restricted Net Position	2,636,172
Business-Type Activities:	
Restricted for	
Net Pension Asset	21,942
Total Restricted Net Position	$ 2,658,114

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The Village has established separate capital projects funds for Tax Incremental District (TID) #1, #2, #3, and #4 which were created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within the District was “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village’s Districts have reached the end of their expenditure periods except as noted below.

Since creation of the above Districts, the Village has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the Village from any future excess tax increment revenues. As of December 31, 2020, the Village can recover $9,762,453 from future excess tax increment revenues of the following:

	Recoverable Costs
TID # 1	$ 7,136,809
TID # 2	1,033,938
TID # 3	(60,014)
TID # 4	1,651,720
Total	$ 9,762,453

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the Village prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID # 1	2044
TID # 2	2029
TID # 3	2024
TID # 4	2034

2019 Wisconsin Act 179 passed by the Wisconsin Senate and Assembly in March 2020 extended the original expenditure period and life of TID #2 to 2024 and 2029, respectively.

NOTE 5 OTHER INFORMATION

B. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage. The amount of settlements have not exceeded insurance coverage for each of the past three years.

The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of organizations, and local communities. Specific to the Village, COVID-19 may impact parts of its 2021 operations and financial results. Management believes the Village is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of June 25, 2021.

C. Contingencies

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

D. Subsequent Events

On February 3, 2021, the Village issued $4,685,000 General Obligation Refunding Bonds and $1,870,000 Taxable General Obligation Refunding Bonds. The debt issues will be used to refinance the 2009 General Obligation Refunding Bonds, 2012 General Obligation Refunding Bonds Series 2012D, and the 2016 General Obligation Notes.

On June 22,2021, the Village Board approved the redemption of the remaining outstanding principal of the Taxable General Obligation Promissory Notes, Series 2012A, dated July 7, 2012 in the amount of $2,310,000 plus accrued interest.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF KRONENWETTER, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.00964724%	$ (236,963)	$ 1,143,928	20.71%	102.74%
12/31/15	0.00959602%	155,933	1,161,097	13.43%	98.20%
12/31/16	0.00962218%	79,310	1,217,816	6.51%	99.12%
12/31/17	0.00989875%	(293,905)	1,253,433	23.45%	102.93%
12/31/18	0.01030953%	366,780	1,335,317	27.47%	96.45%
12/31/19	0.01059609%	(341,665)	1,379,693	24.76%	102.96%

SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Plan Year)	Contributions as a Percentage of Covered-Employee Payroll
12/31/15	$ 91,396	$ 91,396	$ -	$ 1,161,097	7.87%
12/31/16	94,429	94,429	-	1,217,816	7.75%
12/31/17	104,207	104,207	-	1,253,433	8.31%
12/31/18	110,025	110,025	-	1,335,317	8.24%
12/31/19	113,996	113,996	-	1,379,693	8.26%
12/31/20	123,113	123,113	-	1,381,759	8.91%

NOTE 1 WISCONSIN RETIREMENT SYSTEM

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

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

The Village is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

VILLAGE OF KRONENWETTER, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	Budget			Variance Final Budget - Positive	2019
	Original	Final	Actual	(Negative)	Actual
Taxes:					
General Property	$ 967,592	$ 967,592	$ 967,594	$ 2	$ 1,286,303
Mobile Home Taxes	3,875	3,875	3,620	(255)	3,638
Forest Crop	26,259	26,259	27,090	831	26,253
Other	-	-	100,335	100,335	-
Interest and Taxes	13	13	-	(13)	-
Total Taxes	997,739	997,739	1,098,639	100,900	1,316,194
Intergovernmental:					
State:					
State Shared Taxes	1,642,954	1,618,610	1,627,953	9,343	1,640,996
Tax-Exempt Computer Aid	404	404	404	-	404
Transportation	337,311	371,315	370,858	(457)	308,853
Forest Crop and Severance Tax	4,500	9,147	8,147	(1,000)	2,136
Recycling Grant	28,185	28,185	28,169	(16)	28,185
Environmental Impact	34,627	34,627	34,627	-	34,627
Covid19 Relief	-	-	146,218	146,218	-
Other Intergovernmental	6,200	6,200	8,521	2,321	7,809
County:					
Bridge Aid	-	-	-	-	28,231
Timber Sales	4,779	12,076	12,076	-	10,212
Total Intergovernmental	2,058,960	2,080,564	2,236,973	156,409	2,061,453
Licenses and Permits:					
Licenses:					
Occupational License	3,828	3,828	2,842	(986)	4,215
Dog License	1,600	1,600	1,275	(325)	1,731
Cable Franchise Fees	74,100	74,100	72,710	(1,390)	80,359
Permits:					
Building Permits	103,500	103,500	93,432	(10,068)	139,478
Excavating/Mining Permits	9,839	19,600	21,000	1,400	27,800
Plat Reviews	3,650	6,900	6,860	(40)	5,085
Other:					
Other Licenses/Permits	1,716	1,716	1,910	194	2,117
Other Regulatory Fees	1,600	4,300	4,338	38	2,350
Total Licenses and Permits	199,833	215,544	204,367	(11,177)	263,135
Fines and Forfeits:					
Court Fines and Penalties	24,000	17,800	21,349	3,549	21,594
Public Charges for Services:					
Public Record/Special Assessment Searches	6,000	6,000	7,746	1,746	9,725
Fire Department	-	-	1,471	1,471	-
Ambulance	-	-	(15)	(15)	-
Public Safety	1,000	1,000	1,225	225	90
Garbage/Refuse/Recycling	334,778	342,000	341,509	(491)	323,730
Other	10,984	13,262	13,686	424	10,067
Total Public Charges for Services	352,762	362,262	365,622	3,360	343,612
Intergovernmental Charges for Services					
Fire Protection	5,100	5,100	5,100	-	5,100
Miscellaneous:					
Interest	32,184	24,100	25,520	1,420	70,662
Rent of Village Property	2,400	-	(120)	(120)	3,630
Sale of Village Property	-	-	600	600	-
Sale of Materials and Supplies	200	200	504	304	1,522
Insurance Claims and Refunds	-	6,505	6,596	91	31,334
Private Donations	1,200	2,893	5,110	2,217	3,204
Miscellaneous	14,726	14,726	15,562	836	15,061
Total Miscellaneous	50,710	48,424	53,772	5,348	125,413
Total Revenues	$ 3,689,104	$ 3,727,433	$ 3,985,822	$ 258,389	$ 4,136,501

VILLAGE OF KRONENWETTER, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	Budget			Variance Final Budget - Positive	2019
	Original	Final	Actual	(Negative)	Actual
General Government:					
Village Board	$ 37,900	$ 37,900	$ 33,852	$ 4,048	$ 32,417
Legal	18,546	9,100	9,571	(471)	6,964
Municipal Court	10,200	10,200	11,639	(1,439)	5,857
Office	51,678	82,450	81,336	1,114	45,049
Administrator	89,998	89,998	84,727	5,271	90,565
Deputy Clerk-Treasurer	12,586	12,586	12,266	320	11,743
Community Development/Zoning	68,791	68,791	56,330	12,461	54,758
Clerk	65,221	65,221	62,304	2,917	63,481
Secretary	78,938	61,079	57,715	3,364	57,562
Elections	15,901	31,586	37,275	(5,689)	6,318
Treasurer	65,069	65,069	65,353	(284)	55,862
Assessor	57,519	57,519	57,055	464	14,610
Municipal Building	93,870	104,593	97,821	6,772	99,753
Other General Government	63,604	48,904	45,140	3,764	87,481
Total General Government	729,821	744,996	712,384	32,612	632,420
Public Safety:					
Police and Fire Commissioner	6,275	6,275	5,175	1,100	5,427
Police Department	947,489	945,319	892,325	52,994	887,056
Police Clerk	44,025	44,025	44,555	(530)	41,891
Crossing Guards	5,137	5,137	3,460	1,677	4,662
Fire Department	132,163	132,163	118,104	14,059	133,329
First Responders	19,518	19,518	27,424	(7,906)	13,294
Ambulance	55,144	55,144	50,609	4,535	53,293
Building Inspector	55,320	55,320	36,105	19,215	41,695
Total Public Safety	1,265,071	1,262,901	1,177,757	85,144	1,180,647
Public Works:					
Engineering	-	11,122	16,527	(5,405)	-
Public Works Director	40,819	16,362	13,903	2,459	33,354
Road and Street Maintenance	908,749	891,517	825,991	65,526	788,886
Shop and Garage	18,888	18,888	14,155	4,733	15,661
Street Lighting	48,960	48,960	47,153	1,807	47,076
Storm Sewers	297,519	297,519	210,259	87,260	292,073
Solid Waste/Recycle Collection	325,018	325,018	346,671	(21,653)	324,654
Total Public Works	1,639,953	1,609,386	1,474,659	134,727	1,501,704
Health and Human Services:					
Animal and Insect Control	1,295	1,295	1,295	-	2,755
Culture and Recreation:					
Parks	121,970	128,330	81,061	47,269	95,560
Conservation and Development:					
Community Development/Zoning	53,104	53,104	51,727	1,377	49,862
Debt Service:					
Principal Retirement	-	-	22,481	(22,481)	21,837
Interest and Fiscal Charges	-	-	5,105	(5,105)	5,749
Total Debt Service	-	-	27,586	(27,586)	27,586
Capital Outlay:					
Road Equipment	-	-	-	-	1,611
Road Construction	11,000	42,005	188,856	(146,851)	20,791
Police	5,000	5,000	4,834	166	4,887
Total Capital Outlay	16,000	47,005	193,690	(146,685)	27,289
Total Expenditures	$ 3,827,214	$ 3,847,017	$ 3,720,159	$ 126,858	$ 3,517,823

VILLAGE OF KRONENWETTER, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERMENTAL FUNDS
DECEMBER 31, 2020

	Special Revenue			
	Fire Dept. Donations	Fire Dues	Park	Municipal Court
ASSETS				
Cash and Investments	$ 25,070	$ 44,149	$ 144,886	$ 1,137
Restricted Cash and Investments	-	-	-	-
Receivables:				
Taxes and Special Charges	-	-	-	-
Accounts, Net	-	-	-	53,081
Inventories and Prepaid Items	-	-	-	1,089
Total Assets	$ 25,070	$ 44,149	$ 144,886	$ 55,307
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 12,065	$ -	$ -	$ 1,792
Accrued and Other Current Liabilities	-	-	-	434
Advance from Other Funds	-	-	34,750	-
Total Liabilities	12,065	-	34,750	2,226
Deferred Inflows of Resources:				
Property Taxes Levied for Subsequent Year	-	-	-	-
Fines Receivable	-	-	-	53,081
Total Deferred Inflows of Resources	-	-	-	53,081
Fund Balances:				
Nonspendable	-	-	-	1,089
Restricted	-	44,149	-	-
Committed	13,005	-	110,136	-
Unassigned	-	-	-	(1,089)
Total Fund Balances	13,005	44,149	110,136	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 25,070	$ 44,149	$ 144,886	$ 55,307

VILLAGE OF KRONENWETTER, WISCONSIN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERMENTAL FUNDS
DECEMBER 31, 2020

Capital Projects					
TID #1	TID #3	TID #4	Equipment Replacement	Capital Projects	Total
$ -	$ -	$ -	$ 366,335	$ 227,844	$ 809,421
654,933	65,673	149,530	-	-	870,136
187,164	8,355	65,168	77,569	59,669	397,925
-	-	-	-	-	53,081
-	-	-	-	-	1,089
$ 842,097	$ 74,028	$ 214,698	$ 443,904	$ 287,513	$ 2,131,652
$ 33	$ 2	$ 30	$ 5,713	$ 6,013	$ 25,648
360	11	11	-	-	816
-	-	-	-	-	34,750
393	13	41	5,713	6,013	61,214
313,672	14,002	109,217	130,000	100,000	666,891
-	-	-	-	-	53,081
313,672	14,002	109,217	130,000	100,000	719,972
-	-	-	-	-	1,089
528,032	60,013	105,440	-	-	737,634
-	-	-	308,191	181,500	612,832
-	-	-	-	-	(1,089)
528,032	60,013	105,440	308,191	181,500	1,350,466
$ 842,097	$ 74,028	$ 214,698	$ 443,904	$ 287,513	$ 2,131,652

VILLAGE OF KRONENWETTER, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	Special Revenue			
	Fire Dept. Donations	Fire Dues	Park	Municipal Court
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	26,555	718,683	-
Fines and Forfeits	-	-	-	12,886
Intergovernmental Charges for Services	-	-	-	-
Miscellaneous	25,178	434	1,484	-
Total Revenues	25,178	26,989	720,167	12,886
EXPENDITURES				
Current:				
General Government	-	-	-	41,747
Public Safety	-	12,519	-	-
Culture and Recreation	37,253	-	-	-
Conservation and Development	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	-	8,592	-
Total Expenditures	37,253	12,519	8,592	41,747
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,075)	14,470	711,575	(28,861)
OTHER FINANCING SOURCES				
Transfers In	-	-	236,000	28,861
NET CHANGE IN FUND BALANCE	(12,075)	14,470	947,575	-
Fund Balance - January 1	25,080	29,679	(837,439)	-
FUND BALANCE - DECEMBER 31	$ 13,005	$ 44,149	$ 110,136	$ -

VILLAGE OF KRONENWETTER, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

Capital Projects					
TID #1	TID #3	TID #4	Equipment Replacement	Capital Projects	Total
$ 318,154	$ 13,637	$ 93,847	$ 100,000	$ 125,361	$ 650,999
568	534	1,037	-	21,462	768,839
-	-	-	-	-	12,886
-	-	-	-	-	-
48,485	257	18,182	8,845	932	103,797
367,207	14,428	113,066	108,845	147,755	1,536,521
357	-	-	777	-	42,881
-	-	-	-	-	12,519
-	-	-	-	-	37,253
6,939	1,239	1,265	-	-	9,443
125,000	-	50,000	-	-	175,000
201,735	-	44,284	-	-	246,019
-	-	-	312,103	83,872	404,567
334,031	1,239	95,549	312,880	83,872	927,682
33,176	13,189	17,517	(204,035)	63,883	608,839
-	-	-	-	-	264,861
33,176	13,189	17,517	(204,035)	63,883	873,700
494,856	46,824	87,923	512,226	117,617	476,766
$ 528,032	$ 60,013	$ 105,440	$ 308,191	$ 181,500	$ 1,350,466

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Village Board
Village of Kronenwetter, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kronenwetter, Wisconsin (the Village) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's financial statements, and have issued our report thereon dated June 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as items 2020-003 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2020-001 and 2020-002 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Kronenwetter, Wisconsin's Response to Findings

Village of Kronenwetter's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Village of Kronenwetter's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wausau, Wisconsin
June 25, 2021

Section I – Internal Control Over Financial Reporting

2020-001

Segregation of Duties
Repeat of Finding 2019-001

Type of Finding

Significant deficiency in internal control over financial reporting.

Condition

The Village has a limited number of employees to essentially complete all financial and recordkeeping duties of the Village. Accordingly, this does not allow for a proper segregation of duties for internal control purposes.

Context

While performing audit procedures, it was noted that the Village does not have proper segregation of duties at the Village.

Criteria

Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.

Cause

The lack of segregation of duties is due to the limited number of employees and the size of the Village's operations. In addition, the Village has not completed a formal risk assessment and review of internal controls to identify additional mitigating and compensating controls which could be implemented to reduce the risk of errors or intentional fraud.

Effect

Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.

Recommendation

We recommend the Village Board continue to monitor the transactions and the financial records of the Village. We recommend the Village perform a risk assessment of its operations and current procedures to identify and implement mitigating controls to reduce the risk of errors and intentional fraud.

Management Response

We agree with the auditors' comments and will continue to identify and implement mitigating controls in order to reduce the errors and intentional fraud.

Section I – Internal Control Over Financial Reporting (Continued)

2020-002

Preparation of Annual Financial Report
Repeat of Finding 2019-002

Type of Finding

Significant deficiency in internal control over financial reporting.

Condition

Current Village staff maintains accounting records which reflect the Village's financial transactions; however, preparing the Village's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge.

Context

While performing audit procedures, it was noted that management does not have proper internal controls in place to prepare financial statements in accordance with U.S. GAAP.

Criteria

The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required state financial reports.

Cause

Village management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect

The Village may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Recommendation

We recommend the Village continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Village is necessary to obtain a complete and adequate understanding of the Village's annual financial report.

Management Response

We agree with the auditors' comments and will continue to review the annual financial report.

Section I – Internal Control Over Financial Reporting (Continued)

2020-003

Adjustments to the Village's Financial Records
Repeat of Finding 2019-003

Type of Finding
Material Weakness in internal control over financial reporting.

Condition
As part of our audit, we proposed adjusting journal entries that were material to the Village's financial statements.

Context
While performing audit procedures, it was noted that the Village does not have sufficient controls in place related to year end closing procedures.

Criteria
Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

Cause
While Village staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.

Effect
Year-end financial records prepared by the Village may contain material misstatements.

Recommendation
We recommend the Village designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.

Management Response
We agree with the auditors' comments and will continue to work to improve financial record keeping processes.

Section II – Compliance and Other Matters

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2020.