

VILLAGE OF BLACK CREEK, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020



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INDEPENDENT AUDITORS' REPORT

Village Board
Village of Black Creek, 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 Black Creek, 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 of 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.

Opinions

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 and library special revenue 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 funds, the business-type activities, each major fund and the aggregate remaining fund information in our report dated March 27, 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 was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions and other postemployment benefits on pages 55 and 56 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 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

Other Information (Continued)

and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The financial information listed in the table of contents as supplementary information have been subjected to the auditing procedures applied in the audits 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 accompanying 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 previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated March 27, 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 financial information listed in the table of contents as supplementary information for the year ended December 31, 2019 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 2019 financial statements. The financial information listed in the table of contents as supplementary information have 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 those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial information listed in the table of contents as 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, 2019.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 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 solely to 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

Green Bay, Wisconsin
March 2, 2021

BASIC FINANCIAL STATEMENTS

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2020
(WITH COMPARATIVE FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	Governmental Activities	Business-Type Activities	Totals	
			2020	2019
ASSETS				
Cash and Investments	\$ 944,953	\$ 1,510,867	\$ 2,455,820	\$ 2,348,640
Receivables:				
Taxes and Special Charges	589,387	-	589,387	453,456
Delinquent Taxes	27,216	-	27,216	2,545
Accounts	-	115,697	115,697	118,762
Special Assessments	117,680	7,722	125,402	125,402
Inventories and Prepaid Items	10,655	5,720	16,375	35,064
Restricted Assets:				
Cash and Investments	483,992	647,005	1,130,997	819,251
Net Pension Asset	61,425	18,463	79,888	-
Capital Assets, Nondepreciable	334,272	3,041	337,313	349,725
Capital Assets, Depreciable	1,401,504	4,121,579	5,523,083	5,780,564
Total Assets	3,971,084	6,430,094	10,401,178	10,033,409
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	142,693	43,154	185,847	233,721
Other Postemployment Related Amounts	16,099	5,047	21,146	6,986
Total Deferred Outflows of Resources	158,792	48,201	206,993	240,707
LIABILITIES				
Accounts Payable	244,938	27,890	272,828	78,351
Accrued and Other Current Liabilities	16,191	3,068	19,259	16,229
Accrued Interest Payable	155	3,238	3,393	4,818
Long-Term Obligations:				
Due Within One Year	35,530	96,681	132,211	153,004
Due in More than One Year	24,745	1,303,048	1,327,793	1,453,048
Net Pension Liability	-	-	-	85,473
Other Postemployment Benefits	33,223	10,415	43,638	25,465
Total Liabilities	354,782	1,444,340	1,799,122	1,816,388
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	905,961	-	905,961	881,401
Pension Related Amounts	184,174	55,358	239,532	118,110
Other Postemployment Related Amounts	5,142	1,612	6,754	6,813
Total Deferred Inflows of Resources	1,095,277	56,970	1,152,247	1,006,324
NET POSITION				
Net Investment in Capital Assets	1,720,906	2,724,891	4,445,797	4,605,030
Restricted	61,425	662,230	723,655	632,235
Unrestricted	897,486	1,589,864	2,487,350	2,214,139
Total Net Position	\$ 2,679,817	\$ 4,976,985	\$ 7,656,802	\$ 7,451,404

See accompanying Notes to Basic Financial Statements.

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

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
GOVERNMENTAL ACTIVITIES			
General Government	\$ 242,459	\$ 20,459	\$ 4,286
Public Safety	268,071	54,239	4,535
Public Works	378,997	1,488	68,728
Culture and Recreation	231,960	2,281	107,459
Conservation and Development	338,622	-	-
Interest and Fiscal Charges	2,404	-	-
Total Governmental Activities	1,462,513	78,467	185,008
BUSINESS-TYPE ACTIVITIES			
Water Utility	217,590	256,471	-
Sewer Utility	1,082,515	1,033,045	-
Total Business-Type Activities	1,300,105	1,289,516	-
Total	\$ 2,762,618	\$ 1,367,983	\$ 185,008

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 BLACK CREEK, 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	Totals	
		2020	2019
\$ (217,714)	\$ -	\$ (217,714)	\$ (202,042)
(209,297)	-	(209,297)	(243,049)
(308,781)	-	(308,781)	(353,645)
(122,220)	-	(122,220)	(141,690)
(338,622)	-	(338,622)	(150)
(2,404)	-	(2,404)	(2,109)
(1,199,038)	-	(1,199,038)	(942,685)
-	38,881	38,881	21,657
-	(49,470)	(49,470)	(46,267)
-	(10,589)	(10,589)	(24,610)
(1,199,038)	(10,589)	(1,209,627)	(967,295)
503,534	-	503,534	499,348
506,288	-	506,288	383,762
8,853	-	8,853	4,877
390,597	-	390,597	339,861
12,945	3,443	16,388	20,933
1,287	-	1,287	1,351
(11,922)	-	(11,922)	4,855
(112,750)	112,750	-	-
1,298,832	116,193	1,415,025	1,254,987
99,794	105,604	205,398	287,692
2,580,023	4,871,381	7,451,404	7,163,712
\$ 2,679,817	\$ 4,976,985	\$ 7,656,802	\$ 7,451,404

See accompanying Notes to Basic Financial Statements.

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

	General	TID No. 2	Library	Totals	
				2020	2019
ASSETS					
Cash and Investments	\$ 888,272	\$ -	\$ 56,681	\$ 944,953	\$ 1,002,697
Restricted Cash and Investments	-	483,992	-	483,992	247,480
Receivables:					
Taxes and Special Charges	339,601	249,786	-	589,387	453,456
Delinquent Taxes	27,216	-	-	27,216	2,545
Special Assessments	117,680	-	-	117,680	117,680
Due from Other Funds	128,215	-	-	128,215	-
Prepaid Items	8,773	-	1,882	10,655	10,549
Total Assets	<u>\$ 1,509,757</u>	<u>\$ 733,778</u>	<u>\$ 58,563</u>	<u>\$ 2,302,098</u>	<u>\$ 1,834,407</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 31,269	\$ 210,257	\$ 3,412	\$ 244,938	\$ 32,681
Accrued and Other Current Liabilities	13,458	-	2,733	16,191	14,175
Due to Other Funds	-	128,215	-	128,215	-
Total Liabilities	<u>44,727</u>	<u>338,472</u>	<u>6,145</u>	<u>389,344</u>	<u>46,856</u>
Deferred Inflows of Resources:					
Property Taxes Levied for Subsequent Year	510,655	395,306	-	905,961	881,401
Special Assessments	<u>117,680</u>	<u>-</u>	<u>-</u>	<u>117,680</u>	<u>117,680</u>
Total Deferred Inflows of Resources	<u>628,335</u>	<u>395,306</u>	<u>-</u>	<u>1,023,641</u>	<u>999,081</u>
Fund Balances:					
Nonspendable	8,773	-	1,882	10,655	10,549
Restricted	-	-	-	-	63,915
Committed	-	-	50,536	50,536	51,561
Assigned	485,549	-	-	485,549	485,908
Unassigned	<u>342,373</u>	<u>-</u>	<u>-</u>	<u>342,373</u>	<u>176,537</u>
Total Fund Balances	<u>836,695</u>	<u>-</u>	<u>52,418</u>	<u>889,113</u>	<u>788,470</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,509,757</u>	<u>\$ 733,778</u>	<u>\$ 58,563</u>	<u>\$ 2,302,098</u>	<u>\$ 1,834,407</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(WITH COMPARATIVE FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	<u>2020</u>	<u>2019</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total Fund Balances as Shown on Previous Page	\$ 889,113	\$ 788,470
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.	1,735,776	1,751,239
Long-term assets are not considered available; therefore, are not reported in the funds:		
Net Pension Asset	61,425	-
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special Assessments	117,680	117,680
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	142,693	180,211
Deferred Inflows Related to Pensions	(184,174)	(91,102)
Deferred Outflows Related to Other Postemployment Benefits	16,099	5,372
Deferred Inflows Related to Other Postemployment Benefits	(5,142)	(5,238)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes and Contracts Payable	(39,641)	(58,714)
Compensated Absences	(20,634)	(22,079)
Net Pension Liability	-	(65,929)
Other Postemployment Benefit	(33,223)	(19,580)
Accrued Interest on Long-Term Obligations	<u>(155)</u>	<u>(307)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (See Page 4)	<u>\$ 2,679,817</u>	<u>\$ 2,580,023</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, 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	TID No. 2	Library	Totals	
				2020	2019
REVENUES					
Taxes	\$ 633,968	\$ 378,073	\$ -	\$ 1,012,041	\$ 885,243
Intergovernmental	458,568	10,212	106,321	575,101	513,999
Licenses and Permits	8,286	-	-	8,286	11,647
Fines and Forfeits	46,044	-	-	46,044	28,658
Public Charges for Services	2,237	-	1,681	3,918	5,993
Intergovernmental Charges for Services	6,715	-	-	6,715	7,324
Miscellaneous	33,735	-	1,138	34,873	37,646
Total Revenues	1,189,553	388,285	109,140	1,686,978	1,490,510
EXPENDITURES					
Current:					
General Government	235,534	339,450	-	574,984	219,534
Public Safety	253,363	-	-	253,363	266,457
Public Works	319,437	-	-	319,437	349,348
Culture and Recreation	19,685	-	194,165	213,850	231,620
Debt Service:					
Principal	47,965	-	-	47,965	34,509
Interest and Fiscal Charges	2,556	-	-	2,556	2,175
Capital Outlay	107,598	-	-	107,598	13,200
Total Expenditures	986,138	339,450	194,165	1,519,753	1,116,843
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	203,415	48,835	(85,025)	167,225	373,667
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	28,892	-	-	28,892	-
Proceeds from Sale of Capital Assets	17,276	-	-	17,276	4,855
Transfers In	-	-	84,000	84,000	87,144
Transfers Out	(84,000)	(112,750)	-	(196,750)	(437,144)
Total Other Financing Sources (Uses)	(37,832)	(112,750)	84,000	(66,582)	(345,145)
NET CHANGE IN FUND BALANCES	165,583	(63,915)	(1,025)	100,643	28,522
Fund Balances - January 1	671,112	63,915	53,443	788,470	759,948
FUND BALANCES - DECEMBER 31	<u>\$ 836,695</u>	<u>\$ -</u>	<u>\$ 52,418</u>	<u>\$ 889,113</u>	<u>\$ 788,470</u>

See accompanying Notes to Basic Financial Statements.

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

	<u>2020</u>	<u>2019</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net Change in Fund Balances as Shown on Previous Page	\$ 100,643	\$ 28,522
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Assets Reported as Expenditures in Governmental Fund Statements	109,082	13,200
Depreciation Expense Reported in the Statement of Activities	(95,347)	(96,510)
Net Book Value of Disposals	(29,198)	-
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	(28,892)	-
Principal Repaid	47,965	34,509
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:		
Deferred Outflows of Resources Related to Pensions	(37,518)	80,261
Deferred Inflows of Resources Related to Pensions	(93,072)	15,849
Accrued Interest on Long-Term Debt	152	146
Compensated Absences	1,445	1,556
Net Pension Liability (Asset)	127,354	(120,254)
Deferred Outflows of Resources Related to Other Postemployment Benefits	10,727	819
Deferred Inflows of Resources Related to Other Postemployment Benefits	96	(4,942)
Other Postemployment Benefits	<u>(13,643)</u>	<u>1,592</u>
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (See Pages 5 - 6)	<u>\$ 99,794</u>	<u>\$ (45,252)</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, 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 (Negative)	2019 Actual
	Original	Final	Actual		
REVENUES					
Taxes	\$ 505,028	\$ 505,028	\$ 633,968	\$ 128,940	\$ 501,481
Intergovernmental	421,410	421,410	458,568	37,158	404,925
Licenses and Permits	8,370	8,370	8,286	(84)	11,647
Fines and Forfeits	20,425	20,425	46,044	25,619	28,658
Public Charges for Services	2,010	2,010	2,237	227	2,319
Intergovernmental Charges for Services	5,600	5,600	6,715	1,115	7,324
Miscellaneous	20,596	20,596	33,735	13,139	36,791
Total Revenues	983,439	983,439	1,189,553	206,114	993,145
EXPENDITURES					
Current:					
General Government	245,960	245,960	235,534	10,426	219,269
Public Safety	219,744	219,744	253,363	(33,619)	266,377
Public Works	378,384	378,384	319,437	58,947	349,198
Culture and Recreation	37,361	37,361	19,685	17,676	34,118
Debt Service:					
Principal	37,847	37,847	47,965	(10,118)	34,509
Interest and Fiscal Charges	1,990	1,990	2,556	(566)	2,255
Capital Outlay	16,721	16,721	107,598	(90,877)	13,200
Total Expenditures	938,007	938,007	986,138	(48,131)	918,926
EXCESS OF REVENUES OVER EXPENDITURES	45,432	45,432	203,415	157,983	74,219
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	28,892	28,892	-
Proceeds from Sale of Capital Assets	-	-	17,276	17,276	4,855
Transfers Out	-	-	(84,000)	(84,000)	(87,144)
Total Other Financing Sources (Uses)	-	-	(37,832)	(37,832)	(82,289)
NET CHANGE IN FUND BALANCE	45,432	45,432	165,583	120,151	(8,070)
Fund Balance - January 1	671,112	671,112	671,112	-	679,182
FUND BALANCE - DECEMBER 31	<u>\$ 716,544</u>	<u>\$ 716,544</u>	<u>\$ 836,695</u>	<u>\$ 120,151</u>	<u>\$ 671,112</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – LIBRARY SPECIAL REVENUE GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019)

	Budget		Actual	Variance Final Budget - Positive (Negative)	2019 Actual
	Original	Final			
REVENUES					
Intergovernmental	\$ 106,446	\$ 106,446	\$ 106,321	\$ (125)	107,933
Public Charges for Services	3,650	3,650	1,681	(1,969)	3,674
Miscellaneous	1,100	1,100	1,138	38	855
Total Revenues	111,196	111,196	109,140	(2,056)	112,462
EXPENDITURES					
Current:					
Culture and Recreation	198,201	198,196	194,165	4,031	197,502
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(87,005)	(87,000)	(85,025)	1,975	(85,040)
OTHER FINANCING SOURCES					
Transfers In	84,000	84,000	84,000	-	87,144
NET CHANGE IN FUND BALANCE	(3,005)	(3,000)	(1,025)	1,975	2,104
Fund Balance - January 1	53,443	53,443	53,443	-	51,339
FUND BALANCE - DECEMBER 31	<u>\$ 50,438</u>	<u>\$ 50,443</u>	<u>\$ 52,418</u>	<u>\$ 1,975</u>	<u>\$ 53,443</u>

See accompanying Notes to Basic Financial Statements.

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

	Water Utility	Sewer Utility	Totals	
			2020	2019
ASSETS				
Current Assets:				
Cash and Investments	\$ 316,363	\$ 1,194,504	\$ 1,510,867	\$ 1,345,943
Receivables:				
Customer Accounts	19,974	95,723	115,697	118,762
Inventories and Prepaid Items	5,720	-	5,720	24,515
Total Current Assets	342,057	1,290,227	1,632,284	1,489,220
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	-	647,005	647,005	571,771
Other Assets:				
Long-Term Special Assessments	7,722	-	7,722	7,722
Net Pension Asset	5,342	13,121	18,463	-
Total Other Assets	13,064	13,121	26,185	7,722
Capital Assets:				
Nondepreciable	2,325	716	3,041	8,237
Depreciable	1,958,849	2,162,730	4,121,579	4,370,813
Total Capital Assets	1,961,174	2,163,446	4,124,620	4,379,050
Total Assets	2,316,295	4,113,799	6,430,094	6,447,763
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	12,368	30,786	43,154	53,510
Other Postemployment Related Amounts	1,367	3,680	5,047	1,614
Total Deferred Outflows of Resources	13,735	34,466	48,201	55,124

See accompanying Notes to Basic Financial Statements.

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

	Water Utility	Sewer Utility	Totals	
			2020	2019
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 12,214	\$ 15,676	\$ 27,890	\$ 45,670
Accrued and Other Current Liabilities	339	2,729	3,068	2,054
Accrued Interest Payable	-	-	-	1,060
Current Portion of Long-Term Debt	-	-	-	31,407
Payable from Restricted Assets:				
Current Portion of Long-Term Debt	-	96,681	96,681	94,122
Accrued Interest Payable	-	3,238	3,238	3,451
Total Current Liabilities	<u>12,553</u>	<u>118,324</u>	<u>130,877</u>	<u>177,764</u>
Long-Term Obligations, Less Current Portion:				
Revenue Bonds	-	1,303,048	1,303,048	1,399,730
Net Pension Liability	-	-	-	19,544
Other Postemployment Benefits	2,821	7,594	10,415	5,885
Total Long-Term Liabilities	<u>2,821</u>	<u>1,310,642</u>	<u>1,313,463</u>	<u>1,425,159</u>
Total Liabilities	15,374	1,428,966	1,444,340	1,602,923
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	16,017	39,341	55,358	27,008
Other Postemployment Related Amounts	437	1,175	1,612	1,575
Total Deferred Inflows of Resources	<u>16,454</u>	<u>40,516</u>	<u>56,970</u>	<u>28,583</u>
NET POSITION				
Net Investment in Capital Assets	1,961,174	763,717	2,724,891	2,853,791
Restricted	5,342	656,888	662,230	568,320
Unrestricted	<u>331,686</u>	<u>1,258,178</u>	<u>1,589,864</u>	<u>1,449,270</u>
Total Net Position	<u>\$ 2,298,202</u>	<u>\$ 2,678,783</u>	<u>\$ 4,976,985</u>	<u>\$ 4,871,381</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, 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	Totals	
			2020	2019
OPERATING REVENUES				
Charges for Services	\$ 252,429	\$ 1,022,310	\$ 1,274,739	\$ 1,243,901
Other	4,042	10,735	14,777	7,620
Total Operating Revenues	256,471	1,033,045	1,289,516	1,251,521
OPERATING EXPENSES				
Operation and Maintenance	101,529	467,659	569,188	570,210
Administration and General	43,281	103,916	147,197	124,234
Depreciation	67,937	464,887	532,824	528,371
Taxes	4,565	6,130	10,695	9,259
Total Operating Expenses	217,312	1,042,592	1,259,904	1,232,074
OPERATING INCOME (LOSS)	39,159	(9,547)	29,612	19,447
NONOPERATING REVENUES (EXPENSES)				
Interest Income	511	2,932	3,443	7,554
Interest and Fiscal Charges	(278)	(39,923)	(40,201)	(44,057)
Total Nonoperating Revenues (Expenses)	233	(36,991)	(36,758)	(36,503)
INCOME (LOSS) BEFORE TRANSFERS	39,392	(46,538)	(7,146)	(17,056)
Transfers In	112,750	112,750	225,500	1,100,000
Transfers Out	-	(112,750)	(112,750)	(750,000)
CHANGE IN NET POSITION	152,142	(46,538)	105,604	332,944
Net Position - January 1	2,146,060	2,725,321	4,871,381	4,538,437
NET POSITION - DECEMBER 31	<u>\$ 2,298,202</u>	<u>\$ 2,678,783</u>	<u>\$ 4,976,985</u>	<u>\$ 4,871,381</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, 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	Totals	
			2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 257,440	\$ 1,035,141	\$ 1,292,581	\$ 1,246,959
Cash Paid for Employee Wages and Benefits	(48,542)	(116,344)	(164,886)	(162,794)
Cash Paid to Suppliers	(83,645)	(469,492)	(553,137)	(621,126)
Net Cash Provided by Operating Activities	125,253	449,305	574,558	463,039
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to/from Other Funds	-	-	-	(463,091)
Transfers In (Out)	112,750	-	112,750	350,000
Net Cash Provided (Used) by Noncapital Financing Activities	112,750	-	112,750	(113,091)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(147,749)	(135,841)	(283,590)	(61,889)
Principal Paid on Long-Term Debt	(31,407)	(94,123)	(125,530)	(121,762)
Interest Paid on Long-Term Debt	(1,338)	(40,135)	(41,473)	(45,274)
Net Cash Used by Capital and Related Financing Activities	(180,494)	(270,099)	(450,593)	(228,925)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	511	2,932	3,443	7,554
CHANGE IN CASH AND INVESTMENTS	58,020	182,138	240,158	128,577
Cash and Investments - January 1	258,343	1,659,371	1,917,714	1,789,137
CASH AND INVESTMENTS - DECEMBER 31	<u>\$ 316,363</u>	<u>\$ 1,841,509</u>	<u>\$ 2,157,872</u>	<u>\$ 1,917,714</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, 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	Totals	
			2020	2019
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 39,159	\$ (9,547)	\$ 29,612	\$ 19,447
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	67,937	464,887	532,824	528,371
Depreciation Charged to Sewer Utility	1,805	(1,805)	-	-
Construction in Progress	2,598	2,598	5,196	-
Change in (Asset) Liability and Deferred Outflows and Inflows of Resources:				
Net Pension (Asset) Liability	(11,877)	(26,130)	(38,007)	35,287
Pension Deferred Outflow	5,245	5,111	10,356	(24,048)
Pension Deferred Inflow	6,986	21,364	28,350	(3,984)
Other Postemployment Benefits	1,117	3,413	4,530	(806)
Other Postemployment Benefits Deferred Outflow	(900)	(2,533)	(3,433)	(175)
Other Postemployment Benefits Deferred Inflow	(19)	56	37	1,480
Change in Operating Assets and Liabilities:				
Accounts Receivable	969	2,096	3,065	(4,562)
Inventories and Prepaid Items	5,850	12,945	18,795	(18,807)
Accounts Payable	6,753	(24,534)	(17,781)	(69,758)
Accrued and Other Current Liabilities	(370)	1,384	1,014	594
Net Cash Provided by Operating Activities	<u>\$ 125,253</u>	<u>\$ 449,305</u>	<u>\$ 574,558</u>	<u>\$ 463,039</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and Cash Equivalents in Current Assets	\$ 316,363	\$ 1,194,504	\$ 1,510,867	\$ 1,345,943
Cash and Cash Equivalents in Restricted Assets	-	647,005	647,005	571,771
Total Cash and Investments	<u>\$ 316,363</u>	<u>\$ 1,841,509</u>	<u>\$ 2,157,872</u>	<u>\$ 1,917,714</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
None				

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2020
(WITH COMPARATIVE FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	Custodial Fund	
	2020	2019
ASSETS		
Cash and Investments	\$ 307,347	\$ 388,745
LIABILITIES		
Due to Other Governments	307,347	388,745
NET POSITION		
Fiduciary Net Position - Held for Others	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Custodial Fund	
	2020	2019
ADDITIONS		
Taxes and Special Charges Collected	\$ 494,333	\$ 606,883
DEDUCTIONS		
Payments to Other Taxing Districts	494,333	606,883
CHANGE IN NET POSITION	-	-
Net Position - January 1	-	-
NET POSITION - DECEMBER 31	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Black Creek, Wisconsin (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America (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 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 not identified any component units that are required to be included in the basic financial statements in accordance with standards established in GASB Statement No. 61.

B. Joint Venture

The Village is a participant with the Town of Black Creek in a joint venture to operate the Black Creek Rural Fire Committee. The Rural Fire Committee is governed by a six member board composed of three members from the Village police and fire committee and three members of the Town Board of the Town of Black Creek. The Village and Town are each obligated by agreement to fund 50% of the operation and debt service of the Rural Fire Committee. The Village does not have an equity interest in the joint venture. Financial information for the joint venture can be obtained from the Black Creek Rural Fire Committee.

C. 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*.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general and special revenue funds. Proprietary funds include enterprise funds. The Village has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund

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.

Library Fund

This fund is used to account for financial resources of the library. The library's significant revenue sources are grants from the County and Village property taxes.

Tax Incremental District No. 2 Special Revenue Fund

This fund is used to account for the financial transactions related to Tax Incremental District No. 2. TID No. 2's significant revenue source is tax increments.

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 accounts for property taxes and special charges collected on behalf of other governments.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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 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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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.

E. 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 and Special Charges/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 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. Special charges not paid by January 31 are held in trust by the County and remitted to the Village, including interest, when collected by the County.

In addition to its levy, the Village also levies and collects taxes for the Seymour Community School District, Outagamie County and Fox Valley Technical College.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Accounts Receivable

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

4. 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. Special assessments are subject to collection procedures.

5 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.

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

6. 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 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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

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.

8. 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 two years. 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:

	Governmental Activities	Business-Type Activities
Assets	Years	
Land Improvements	20	18 - 77
Buildings and Improvements	20 - 40	25 - 31
Machinery and Equipment	7 - 20	4 - 23
Infrastructure	15 - 40	40 - 100

9. 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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. 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 or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

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

11. 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.

12. 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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Other Postemployment Benefits Other Than Pensions (OPEB)

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

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 an employee 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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Fund Equity (Continued)

Governmental Fund Financial Statements (Continued)

The Village has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would 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.
- **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.

- F. 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.

- G. 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 general 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.

VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 October, 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 and library funds. 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 governmental funds.
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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations

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

Fund	Excess Expenditures
General:	
General Government:	
Treasurer	\$ 3,809
Special Accounting and Auditing	1,593
Village Hall	5,516
Community Center	729
Worker's Compensation	2,527
Municipal Court	11,235
Public Safety:	
Fire Hydrant Rental	50,455
Public Works:	
Director	13,413
Street Machinery	6,669
Garage and Refuse Collection	5,466
Pension	301
Health Insurance	7,663
Debt Service:	
Principal Retirement	10,118
Interest and Fiscal Charges	566
Capital Outlay:	
Street Department	68,615
Police Department	36,115
Miscellaneous	2,368

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 2019 and 2020 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 0.25%. The actual limit for the Village for the 2021 budget was 1.031%. 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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 \$3,894,164 on December 31, 2020 as summarized below:

Petty Cash and Cash on Hand	\$ 190
Deposits with Financial Institutions	3,546,239
Investments:	
Wisconsin Local Government Investment Pool	<u>347,735</u>
Total	<u><u>\$ 3,894,164</u></u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 2,455,820
Restricted Cash and Investments	1,130,997
Fiduciary Fund Statement of Net Position:	
Cash and Investments	<u>307,347</u>
Total	<u><u>\$ 3,894,164</u></u>

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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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. The Village does not have an additional custodial credit policy.

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. 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, \$2,455,512 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

Investments

The Village has investments in the Wisconsin local government investment pool of \$347,735 at year-end. The Wisconsin local government investment pool (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.

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 investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The Village does not have an additional credit risk policy. The Village's investment in the Wisconsin local government investment pool is not rated.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investments (Continued)

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. The investments held by the Wisconsin local government investment pool mature in 12 months or less.

B. Restricted Assets

Restricted assets on December 31, 2020 totaled \$1,130,997 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
TID No. 2:		
TID No. 2 Funds	\$ 483,992	Available TID No. 2 funds, which can be used to fund unreimbursed TID expenditures
Enterprise Funds:		
Sewer Utility:		
Debt Retirement	299,270	To account for sewer user charges restricted for the repayment of clean water fund loans
DNR Replacement	347,735	To be used for the replacement of certain assets for the sewer utility
Total Enterprise Funds	<u>647,005</u>	
Total	<u><u>\$ 1,130,997</u></u>	

VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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	\$ 341,488	\$ -	\$ 8,700	\$ 332,788
Construction in Progress	-	1,484	-	1,484
Total Capital Assets, not being Depreciated	341,488	1,484	8,700	334,272
Capital Assets, Depreciable:				
Land Improvements	120,573	-	-	120,573
Buildings and Improvements	851,695	-	-	851,695
Machinery and Equipment	493,336	38,983	85,197	447,122
Infrastructure	3,870,694	68,615	-	3,939,309
Subtotals	5,336,298	107,598	85,197	5,358,699
Less Accumulated Depreciation for:				
Land Improvements	120,570	2	-	120,572
Buildings and Improvements	589,469	24,012	-	613,481
Machinery and Equipment	412,586	24,999	64,699	372,886
Infrastructure	2,803,922	46,334	-	2,850,256
Subtotals	3,926,547	95,347	64,699	3,957,195
Total Capital Assets, Depreciable, Net	1,409,751	12,251	20,498	1,401,504
Governmental Activities Capital Assets, Net	<u>\$ 1,751,239</u>	<u>\$ 13,735</u>	<u>\$ 29,198</u>	1,735,776
Less: Capital Related Debt				9,919
Less: Retainage Payable				<u>4,951</u>
Net Investment in Capital Assets				<u>\$ 1,720,906</u>

VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assts (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Nondepreciable:				
Land	\$ 2,004	\$ -	\$ -	\$ 2,004
Organization Costs	1,037	-	-	1,037
Construction in Progress	5,196	-	5,196	-
Total Capital Assets, Nondepreciable	8,237	-	5,196	3,041
Capital Assets, Depreciable:				
Buildings and Improvements	7,920,112	-	-	7,920,112
Machinery and Equipment	2,381,923	111,419	-	2,493,342
Infrastructure	4,088,434	172,171	20,237	4,240,368
Subtotals	14,390,469	283,590	20,237	14,653,822
Less Accumulated Depreciation for:				
Buildings and Improvements	6,767,559	319,718	-	7,087,277
Machinery and Equipment	1,679,979	100,405	-	1,780,384
Infrastructure	1,572,118	112,701	20,237	1,664,582
Subtotals	10,019,656	532,824	20,237	10,532,243
Total Capital Assets, Depreciable, Net	4,370,813	(249,234)	-	4,121,579
Governmental Activities Capital Assets, Net	<u>\$ 4,379,050</u>	<u>\$ (249,234)</u>	<u>\$ 5,196</u>	4,124,620
Less: Capital Related Debt				<u>1,399,729</u>
Net Investment in Capital Assets				<u>\$ 2,724,891</u>

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

Governmental Activities:	
General Government	\$ 5,725
Public Safety	12,486
Public Works	58,712
Culture and Recreation	18,424
Total Depreciation Expense - Governmental Activities	<u>\$ 95,347</u>
Business-Type Activities:	
Water Utility	\$ 69,742
Sewer Utility	463,082
Total Increase in Accumulated Depreciation - Business-Type Activities	<u>\$ 532,824</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers

Interfund receivables and payables for the year ended December 31, 2020 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary Cash Advances to Finance		
Operating Cash Deficits:		
Governmental Funds:		
General Fund	\$ 128,215	\$ -
TID No. 2	-	128,215
Totals	<u>\$ 128,215</u>	<u>\$ 128,215</u>

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

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ -	\$ 84,000
Library	84,000	-
Water utility	112,750	-
Sewer utility	112,750	112,750
TID No. 2	-	112,750
Totals	<u>\$ 309,500</u>	<u>\$ 309,500</u>

Transfers between funds were for the following purposes:

Annual Village subsidy to Library	\$ 84,000
Tax Incremental District Transfers for Reimbursement of Projects	
Costs Paid by Utilities	112,750
Sewer Transfers to Water for Operating Cash to Fund Water Expenses	112,750
Total	<u>\$ 309,500</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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:					
Note from Direct Borrowings	\$ -	\$ 28,892	\$ 18,973	\$ 9,919	\$ 5,808
Contract Payable	58,714	-	28,992	29,722	29,722
Compensated Absences	22,079	10,693	12,138	20,634	-
Governmental Activities Long-Term Obligations	<u>\$ 80,793</u>	<u>\$ 39,585</u>	<u>\$ 60,103</u>	<u>\$ 60,275</u>	<u>\$ 35,530</u>
Business-Type Activities					
General Obligation Debt:					
Note from Direct Borrowings	\$ 31,407	\$ -	\$ 31,407	\$ -	\$ -
Revenue Bonds from Direct Borrowings	1,493,852	-	94,123	1,399,729	96,681
Business-Type Activities Long-Term Obligations	<u>\$ 1,525,259</u>	<u>\$ -</u>	<u>\$ 125,530</u>	<u>\$ 1,399,729</u>	<u>\$ 96,681</u>

Total interest paid during the year on long-term debt totaled \$44,029.

The Village's outstanding note from direct borrowings related to governmental activities of \$9,919 is subject to a statutory provision that in an event of late or non-payment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the State of Wisconsin.

The Village's outstanding revenue bonds from direct borrowings related to business-type activities of \$1,399,729 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the Village or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

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 Note	3/13/20	3/15/25	4.50%	\$ 28,892	<u>\$ 9,919</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$9,919 on December 31, 2020 are detailed below:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 5,808	\$ 290	\$ 6,098
2022	4,111	206	4,317
Total	<u>\$ 9,919</u>	<u>\$ 496</u>	<u>\$ 10,415</u>

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 \$3,795,885 as follows:

Equalized Valuation of the Village	\$ 76,126,000
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	3,806,300
Net Outstanding General Obligation Debt Applicable to Debt limitation	<u>10,415</u>
Legal Margin for New Debt	<u><u>\$ 3,795,885</u></u>

Revenue Bonds

Revenue bonds from direct borrowings outstanding on December 31, 2020 totaled \$1,399,729 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
Clean Water Fund Loan	6/23/10	5/1/30	2.40%	\$ 840,613	\$ 469,915
Clean Water Fund Loan	7/23/14	5/1/34	2.97%	1,225,240	<u>929,814</u>
Total Outstanding Revenue Bonds					<u><u>\$ 1,399,729</u></u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds (Continued)

Annual principal and interest maturities of the outstanding revenue bonds of \$1,399,729 on December 31, 2020 are detailed below:

Year Ended December 31,	Business-Type Activities		
	Direct Borrowings - Revenue Bonds		
	Principal	Interest	Total
2021	\$ 96,681	\$ 37,542	\$ 134,223
2022	99,310	34,877	134,187
2023	102,011	32,138	134,149
2024	104,787	29,324	134,111
2025	107,639	26,433	134,072
2026 - 2030	583,796	85,937	669,733
2031 - 2034	305,505	18,454	323,959
Total	<u>\$ 1,399,729</u>	<u>\$ 264,705</u>	<u>\$ 1,664,434</u>

Utility Revenues Pledged

The Village has pledged future sewer customer revenues, net of specified operating expenses, to repay the water and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water and sewer customer net revenues and are payable through 2034. The total principal and interest remaining to be paid on the bonds is \$1,664,434. Principal and interest paid for the current year and total customer net revenues were \$134,258 and \$458,272 respectively.

Contracts Payable

The Village entered into an intergovernmental agreement with the Town of Black Creek to finance a fire truck purchased by the fire department. The Village is responsible for one-half of the cost of the fire truck. On December 31, 2020, the Village's outstanding portion totaled \$29,722. The agreement requires the Village to make annual payments through 2021 with interest payable at 2.50%.

Annual principal and interest maturities of the outstanding contracts payable of \$29,722 on December 31, 2020 are detailed below:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2021	<u>\$ 29,722</u>	<u>\$ 743</u>	<u>\$ 30,465</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Wisconsin Retirement System (WRS) 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 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 and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit, based on a formula factor, their final average earnings, and years of creditable service.

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

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

The WRS also provides death and disability benefits for employees.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Wisconsin Retirement System (WRS) 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:

<u>Year</u>	<u>Core Fund Adjustment (%)</u>	<u>Variable Fund Adjustment (%)</u>
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	0.0	(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 year ending December 31, 2020, the WRS recognized \$26,822 in contributions from the Village.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Wisconsin Retirement System (WRS) 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 Assets, Liabilities, 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 \$79,888 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 0.00247759%, which was an increase of 0.00007505% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$30,708.

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	\$ 151,646	\$ 75,888
Net Differences between Projected and Actual Earnings on Pension Plan Investments		163,320
Changes in Assumptions	6,225	
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	1,154	324
Employer Contributions Subsequent to the Measurement Date	26,822	-
Total	<u>\$ 185,847</u>	<u>\$ 239,532</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Wisconsin Retirement System (WRS) Pension Plan (Continued)

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

\$26,822 was 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 liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Expenses
2021	\$ (23,693)
2022	(17,831)
2023	2,906
2024	(41,889)
Total	<u>\$ (80,507)</u>

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
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
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.*

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Wisconsin Retirement System (WRS) 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 Liability 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 arithmetic real rates of return for each major asset class are summarized in the following table:

	Current Asset Allocation Percent	Long-Term Expected Nominal Rate of Return Percent	Long-Term Expected Real Rate of Return Percent
<u>Core Fund Asset Class</u>			
Global Equities	49.0 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	12.0
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
<u>Variable Fund Asset Class</u>			
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 US CPI (Inflation) Forecast: 2.75%

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

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Wisconsin Retirement System (WRS) 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 municipal bond rate of 2.75%. (Source: Fixed-Income municipal bonds with 20 years to maturity that include only federally tax-exempt 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)	\$ 205,727	\$ (79,888)	\$ (293,420)

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/publications/cafr.htm>.

6. Payables to the Pension Plan

At December 31, 2020, the Village reported a payable of \$4,002 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2020.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits

1. Local Retiree Life Insurance Fund (LRLIF) Plan Description

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

2. OPEB Plan Fiduciary Net Position

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

Additionally, ETF issued a standalone Retiree Life insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>

3. Benefits Provided

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

4. Contributions

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

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

Contribution rates as of December 31, 2020 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

4. Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2019 are listed below:

Life Insurance Member Contribution Rates Year Ended December 31, 2019	
Attained Age	Basic
Under 30	\$0.05
30 - 34	0.06
35 - 39	0.07
40 - 44	0.08
45 - 49	0.12
50 - 54	0.22
55 - 59	0.39
60 - 64	0.49
65 - 69	0.57

During the reporting period, the LRLIF recognized \$185 in contributions from the employer.

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

At December 31, 2020, the Village reported a liability of \$43,638 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.01024800%, which was an increase of 0.00037900% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized OPEB expense of \$5,468.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

5. OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 1,954
Net Differences between Projected and Actual Earnings on OPEB Plan Investments	823	-
Changes in Assumptions	16,098	4,800
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	4,225	-
Total	<u>\$ 21,146</u>	<u>\$ 6,754</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2021	\$ 2,585
2022	2,585
2023	2,497
2024	2,405
2025	1,916
Thereafter	2,404
Total	<u>\$ 14,392</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

6. Actuarial Assumptions

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry age normal
20-Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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

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

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

6. Actuarial Assumptions (Continued)

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return Percent
U.S. Credit Bonds	Barclays Credit	45 %	2.12 %
U.S. Long Credit Bonds	Barclays Long Credit	5	2.90
U.S. Mortgages	Barclays MBS	50	1.53
Inflation			2.20
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Single Discount Rate. A single discount rate of 2.87% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability was applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

6. Actuarial Assumptions (Continued)

Sensitivity of the Village's proportionate share of net OPEB liability to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 2.87%, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87%) or 1-percentage-point higher (3.87%) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
Village's Proportionate Share of the Net OPEB Liability	\$ 60,257	\$ 43,638	\$ 30,994

7. Payables to the OPEB Plan

At December 31, 2020, the Village had no outstanding contribution to the Plan required for the year ended December 31, 2020.

H. Fund Equity

In the fund financial statements, portions of the governmental fund balance 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 Fund:	
Prepaid Items	\$ 8,773
Library Fund:	
Prepaid Items	1,882
Total	<u>\$ 10,655</u>

VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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, governmental fund balances were committed as follows:

Special Revenue Funds:

Committed for:

Library	\$ 50,536
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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:

Garbage Truck	\$ 28,000
Salt Truck	2,200
Street Sweeper	8,092
Utility Vehicle	2,047
Lawnmower/Snow Blower	4,800
Tractor	18,460
Dump Truck	100
Utility Truck	2,583
Sidewalks	3,438
New Village Hall	385,000
Steve Theobald Property	14,488
2021 Revaluation	16,200
Emergency Siren	141
Total	<u>\$ 485,549</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

Net Position

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

Governmental Activities:

Restricted for:

Pension Benefits	\$ 61,425
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Business-Type Activities:

Restricted for:

Sewer Debt Service	296,032
Sewer Capital Assets	347,735
Pension Benefits	18,463
Total Business-Type Activities Restricted Net Position	<u>662,230</u>

Total Restricted Net Position	<u><u>\$ 723,655</u></u>
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NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The Village has a separate special revenue fund for Tax Incremental District (TID) No. 2 which was created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was 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. TID No. 2 is accounted for as a special revenue fund since it's passed the expenditure period and is collecting increments to recover unreimbursed expenditures.

Since creation of the above Districts, the Village has provided various financing sources to the TID. The unreimbursed expenditures of the TID are not recorded as liabilities in the TID special revenue fund but can be recovered by the Village from any future excess tax increment revenues. As of December 31, 2020, the Village recovered all unreimbursed expenditures with tax increment revenues of the District. The Village terminated the TID effective June 2020 and has recorded final distribution payables as of December 31, 2020.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

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. Settled claims have not exceeded coverage amounts in any of the last three fiscal years.

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 the Village Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

D. Enterprise Funds – Significant Customers

The water utility has one significant customer who was responsible for 27% of operating revenues in 2020. The sewer utility has one significant customer who was responsible for 68% of operating revenues in 2020.

NOTE 5 RISKS AND UNCERTAINTIES

A. Coronavirus Disease

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 estimate as of December 31, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

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

Plan Fiscal 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	0.00241813 %	\$ (59,396)	\$ 312,358	19.02 %	102.74 %
12/31/15	0.00238114	38,693	303,948	12.73	98.20
12/31/16	0.00233312	19,232	314,525	6.11	99.12
12/31/17	0.00235988	(70,068)	337,543	20.76	102.93
12/31/18	0.00240254	85,473	338,619	25.24	96.45
12/31/19	0.00247759	(79,888)	374,528	21.33	102.96

**VILLAGE OF BLACK CREEK, WISCONSIN
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 (Fiscal Year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 22,007	\$ 22,007	\$ -	\$ 303,948	7.24 %
12/31/16	22,229	22,229	-	314,525	7.07
12/31/17	24,950	24,950	-	337,543	7.39
12/31/18	24,967	24,967	-	338,619	7.37
12/31/19	26,917	26,917	-	374,528	7.19
12/31/20	26,822	26,822	-	354,238	7.57

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS**

Plan Fiscal Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.00926100 %	\$ 27,863	\$ 389,452	7.15 %	44.81 %
12/31/18	0.00986900	25,465	307,000	8.29	48.69
12/31/19	0.01024800	43,638	347,000	12.58	37.58

**VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 175	\$ 175	\$ -	\$ 338,619	0.05 %
12/31/19	190	190	-	374,528	0.05
12/31/20	185	185	-	354,238	0.05

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020**

NOTE 1 PENSION

Wisconsin Retirement System (WRS)

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

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

The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The Village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

NOTE 2 OTHER POSTEMPLOYMENT BENEFIT PLAN

Local Retiree Life Insurance Fund (LRLIF)

There were no changes of benefit terms. Actuarial assumptions were based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015 – 2017 and the discount rate was updated to reflect the municipal bond rate at the completion of the actuarial valuation.

The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The Village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

SUPPLEMENTARY INFORMATION

**VILLAGE OF BLACK CREEK, 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 (Negative)	2019 Actual
	Original	Final	Actual		
Taxes:					
General Property	\$ 503,328	\$ 503,328	\$ 631,543	\$ 128,215	\$ 499,332
Mobile Home	1,700	1,700	2,219	519	2,133
Interest and Taxes	-	-	206	206	16
Total Taxes	505,028	505,028	633,968	128,940	501,481
Intergovernmental:					
State Aids:					
State Shared Taxes	349,405	349,405	351,274	1,869	337,637
Fire Insurance	-	-	3,095	3,095	3,104
Exempt Computer Aid	1,955	1,955	813	(1,142)	813
Law Enforcement	960	960	1,440	480	800
Local Streets	68,821	68,821	68,728	(93)	62,302
Payments in Lieu of Taxes	269	269	280	11	269
Federal Cares Act Funding	-	-	28,017	28,017	-
County Shared Sales Tax	-	-	4,921	4,921	-
Total Intergovernmental	421,410	421,410	458,568	37,158	404,925
Licenses and Permits:					
Liquor and Malt Beverage	1,650	1,650	1,680	30	1,853
Operators	1,900	1,900	2,185	285	2,445
Cigarettes	200	200	250	50	260
Dog	400	400	312	(88)	427
Cable Television	1,900	1,900	1,713	(187)	2,744
Building Permits	1,600	1,600	1,350	(250)	2,885
Other Licenses and Permits	720	720	796	76	1,033
Total Licenses and Permits	8,370	8,370	8,286	(84)	11,647
Fines and Forfeits:					
Court Penalties and Costs	20,000	20,000	44,312	24,312	26,247
Parking Violations	425	425	597	172	396
Warrants for Other Police Departments	-	-	1,135	1,135	2,015
Total Fines and Forfeits	20,425	20,425	46,044	25,619	28,658
Public Charges for Services:					
Parks	950	950	600	(350)	970
Law Enforcement Fees	10	10	-	(10)	39
Clerk	250	250	525	275	413.00
Recycling	800	800	1,112	312	897
Total Public Charges for Services	2,010	2,010	2,237	227	2,319

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

	Budget			Variance Final Budget - Positive (Negative)	2019 Actual
	Original	Final	Actual		
Intergovernmental Charges for Services:					
Police Rent - Outagamie County	\$ 3,600	\$ 3,600	\$ 3,600	\$ -	\$ 3,000
Municipal Court Charges	2,000	2,000	3,115	1,115	4,324
Total Intergovernmental Charges for Services	5,600	5,600	6,715	1,115	7,324
Miscellaneous:					
Interest on Investments	4,500	4,500	12,945	8,445	13,380
Donations	-	-	4,373	4,373	5,215
Rent of Village Property	750	750	140	(610)	900
Rental Property	14,746	14,746	15,077	331	15,945
Miscellaneous	600	600	1,200	600	1,351
Total Miscellaneous	20,596	20,596	33,735	13,139	36,791
Total Revenues	\$ 983,439	\$ 983,439	\$ 1,189,553	\$ 206,114	\$ 993,145

**VILLAGE OF BLACK CREEK, 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 (Negative)	2019 Actual
	Original	Final	Actual		
General Government:					
Board and Publications	\$ 21,992	\$ 21,992	\$ 21,513	\$ 479	\$ 22,075
Clerk	150	150	-	150	392
Elections	8,750	8,750	6,815	1,935	3,969
Assessment of Property	21,400	21,400	6,500	14,900	3,900
Treasurer	90,723	90,723	94,532	(3,809)	85,307
Special Accounting and Auditing	10,000	10,000	11,593	(1,593)	4,415
Village Hall	9,295	9,295	14,811	(5,516)	17,907
Community Center	12,076	12,076	12,805	(729)	7,979
Property and Liability Insurance	18,195	18,195	8,570	9,625	10,039
Worker's Compensation	10,815	10,815	13,342	(2,527)	12,318
Village Attorney	17,000	17,000	9,301	7,699	18,146
Municipal Court	19,648	19,648	30,883	(11,235)	25,930
Custodian	5,916	5,916	4,869	1,047	6,892
Total General Government	245,960	245,960	235,534	10,426	219,269
Public Safety:					
Police Department	146,444	146,444	139,395	7,049	155,328
Fire Department	51,500	51,500	48,495	3,005	53,604
Fire Hydrant Rental	-	-	50,455	(50,455)	50,455
Ambulance	17,000	17,000	10,218	6,782	2,190
Building Inspector	4,800	4,800	4,800	-	4,800
Total Public Safety	219,744	219,744	253,363	(33,619)	266,377
Public Works:					
Director	38,158	38,158	51,571	(13,413)	40,627
Street Maintenance and Construction	117,755	117,755	42,800	74,955	56,890
Snow and Ice Removal	30,739	30,739	22,427	8,312	44,531
Street Machinery	42,378	42,378	49,047	(6,669)	47,949
Street Lighting	32,400	32,400	32,371	29	32,976
Public Works Employee Benefits:					
Pension	1,845	1,845	2,146	(301)	2,351
Health Insurance	8,678	8,678	16,341	(7,663)	12,842
Disability Insurance	2,056	2,056	834	1,222	1,044
Garbage and Refuse Collection	74,589	74,589	80,055	(5,466)	82,071
Recycling	2,975	2,975	2,429	546	1,878
Landfill	-	-	268	(268)	-
Weed Control	9,862	9,862	8,571	1,291	11,499
Street Sweeping	3,730	3,730	2,065	1,665	3,423
Building and Grounds	9,985	9,985	7,070	2,915	9,762
Locate Utilities	3,234	3,234	1,442	1,792	1,355
Total Public Works	378,384	378,384	319,437	58,947	349,198

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

	Budget			Variance Final Budget - Positive (Negative)	2019 Actual
	Original	Final	Actual		
Culture and Recreation:					
Library	\$ 346	\$ 346	\$ -	\$ 346	\$ -
Parks	33,148	33,148	18,035	15,113	32,602
Lake Park	3,867	3,867	1,650	2,217	1,516
Total Culture and Recreation	37,361	37,361	19,685	17,676	34,118
Debt Service:					
Principal Retirement	37,847	37,847	47,965	(10,118)	34,509
Interest and Fiscal Charges	1,990	1,990	2,556	(566)	2,255
Total Debt Service	39,837	39,837	50,521	(10,684)	36,764
Capital Outlay:					
Street Department	-	-	68,615	(68,615)	-
Non-Street Equipment	11,221	11,221	-	11,221	-
Parks	5,000	5,000	-	5,000	-
Police Department	-	-	36,115	(36,115)	-
Public Works	-	-	-	-	13,200
Miscellaneous	500	500	2,868	(2,368)	-
Total Capital Outlay	16,721	16,721	107,598	(90,877)	13,200
Total Expenditures	\$ 938,007	\$ 938,007	\$ 986,138	\$ (48,131)	\$ 918,926

VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF WATER UTILITY
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Charges for Services:		
Metered Sales to General Customers	\$ 138,058	\$ 137,142
Sales to Public Authorities	9,457	10,596
Public Fire Protection	<u>104,914</u>	<u>104,863</u>
Total Charges for Services	252,429	252,601
Other Revenues:		
Forfeited Discounts	231	482
Other Water Revenues	<u>3,811</u>	<u>1,281</u>
Total Other Revenues	<u>4,042</u>	<u>1,763</u>
 Total Operating Revenues	 256,471	 254,364
OPERATING EXPENSES		
Operation and Maintenance:		
Operating Labor	24,067	26,243
Utilities	19,390	16,547
Testing	5,790	1,684
Operating Supplies	28,052	13,819
Repairs and Maintenance	22,813	58,762
Transportation Expenses	<u>1,417</u>	<u>2,009</u>
Total Operation and Maintenance	<u>101,529</u>	<u>119,064</u>
Administrative and General:		
Administrative Wages	8,496	8,011
Office Supplies and Expenses	3,381	3,249
Insurance Expenses	6,082	7,048
Employees Benefits	11,596	13,244
Outside Services Employed:		
Accounting and Auditing	9,785	7,022
Engineering	3,941	3,973
Miscellaneous General Expenses	<u>-</u>	<u>276</u>
Total Administrative and General	<u>43,281</u>	<u>42,823</u>
 Total Plant Operation and Maintenance	 144,810	 161,887
Depreciation	67,937	66,367
Taxes	<u>4,565</u>	<u>2,848</u>
Total Operating Expenses	<u>217,312</u>	<u>231,102</u>
OPERATING INCOME	<u><u>\$ 39,159</u></u>	<u><u>\$ 23,262</u></u>

VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF SEWER UTILITY
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Charges for Services:		
Metered Sales to General Customers	\$ 1,013,540	\$ 979,173
Sales to Public Authorities	8,770	12,127
Total Charges for Services	<u>1,022,310</u>	<u>991,300</u>
Other Revenues:		
Forfeited Discounts	654	1,784
Other Water Revenues	10,081	4,073
Total Other Revenues	<u>10,735</u>	<u>5,857</u>
 Total Operating Revenues	 1,033,045	 997,157
OPERATING EXPENSES		
Operation and Maintenance:		
Operating Labor	72,885	75,560
Utilities	117,015	109,130
Testing	25,516	29,037
Operating Supplies	147,205	113,300
Repairs and Maintenance	101,853	122,147
Transportation Expenses	3,185	1,972
Total Operation and Maintenance	<u>467,659</u>	<u>451,146</u>
Administrative and General:		
Administrative Wages	8,632	8,775
Office Supplies and Expenses	4,028	3,260
Insurance Expenses	16,694	12,745
Employees Benefits	31,362	30,050
Outside Services Employed:		
Accounting and Auditing	4,477	6,505
Engineering	35,040	16,275
Miscellaneous General Expenses	3,683	3,801
Total Administrative and General	<u>103,916</u>	<u>81,411</u>
 Total Plant Operation and Maintenance	 571,575	 532,557
Depreciation	464,887	462,004
Taxes	6,130	6,411
Total Operating Expenses	<u>1,042,592</u>	<u>1,000,972</u>
OPERATING LOSS	<u><u>\$ (9,547)</u></u>	<u><u>\$ (3,815)</u></u>

**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 Black Creek, 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 Black Creek, 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, and have issued our report thereon dated March 2, 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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.

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 Village's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-001 and 2020-002 that we consider 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 Black Creek, Wisconsin's Response to Findings

The Village's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Village'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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Green Bay, Wisconsin
March 2, 2021

**VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2020**

Section I – Internal Control Over Financial Reporting

2020-001 Adjustments to the Village’s Financial Records (Repeat of Finding 2019-001)

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: As part of our audit, we proposed adjusting journal entries to the Village’s financial statements. Additional explanations and training was provided to Village personnel that resulted in some journal entries being made by the Village.

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

Criteria: 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 Clerk/Treasurer continue to obtain additional training in order to increase the number of adjusting and closing entries prepared by the Village. We are available to assist the individual in obtaining the understanding to prepare these entries.

Management Response: The Village Clerk-Treasurer is receptive to receiving the training necessary to prepare additional material journal entries.

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. The Village contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. For the same reasons, the Village contracts with us to compile the Wisconsin Municipal Report Form C and the Public Service Commission Report.

Context: While performing audit procedures, it was noted that management does not have internal controls in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

**VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Section I – Internal Control Over Financial Reporting (Continued)

2020-002 Preparation of Annual Financial Report (Continued) (Repeat of Finding 2019-002)

Criteria: The preparation and review of the annual financial report, Municipal Financial Report, and Public Service Commission 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: Without our involvement, 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, Municipal Financial Report and Public Service Commission Report.

Management Response: Management will continue to review and approve the annual financial reports prior to issuance.

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.