

VILLAGE OF BLACK CREEK, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**VILLAGE OF BLACK CREEK, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	5
STATEMENT OF ACTIVITIES	6
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	8
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION – GOVERNMENTAL FUNDS	9
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	10
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES – GOVERNMENTAL FUNDS	11
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND	12
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – LIBRARY SPECIAL REVENUE GOVERNMENTAL FUND	13
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	14
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	16
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	17
STATEMENT OF FIDUCIARY NET POSITION	19
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	20
NOTES TO BASIC FINANCIAL STATEMENTS	21
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM	55
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM	55
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) – LOCAL RETIREE LIFE INSURANCE FUND	56

**VILLAGE OF BLACK CREEK, WISCONSIN
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND	56
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	57
SUPPLEMENTARY INFORMATION	
GENERAL FUND	
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES	58
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES	60
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	62
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	63
SCHEDULE OF WATER UTILITY OPERATING REVENUES AND EXPENSES	64
SCHEDULE OF SEWER UTILITY OPERATING REVENUES AND EXPENSES	65
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 <i>GOVERNMENT AUDITING STANDARDS</i>	64
SCHEDULE OF FINDINGS AND RESPONSES	66



INDEPENDENT AUDITORS' REPORT

Village Board
Village of Black Creek, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The detailed comparison of general fund budgeted and actual revenues, detailed comparison of general fund budgeted and actual expenditures, nonmajor governmental fund combining statements, and water and sewer operating revenues and expenses (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior-Year Comparative Information

We have previously audited the Village's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated March 2, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it was derived.

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, 2020 (not presented herein), and have issued our report thereon dated March 2, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type, 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, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The information was subjected to the auditing procedures applied in the audit of the 2020 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 statement 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, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin
March 31, 2022

BASIC FINANCIAL STATEMENTS

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Governmental Activities	Business-Type Activities	Totals	
			2021	2020
ASSETS				
Cash and Investments	\$ 1,668,981	\$ 1,675,195	\$ 3,344,176	\$ 2,455,820
Receivables:				
Taxes and Special Charges	366,936	-	366,936	589,387
Delinquent Taxes	27,151	-	27,151	27,216
Accounts	-	176,048	176,048	115,697
Special Assessments	117,680	7,722	125,402	125,402
Inventories and Prepaid Items	5,512	5,595	11,107	16,375
Restricted Assets:				
Cash and Investments	-	677,707	677,707	1,130,997
Net Pension Asset	117,233	35,416	152,649	79,888
Capital Assets, Nondepreciable	334,272	31,125	365,397	337,313
Capital Assets, Depreciable	1,324,540	3,708,654	5,033,194	5,523,083
Total Assets	3,962,305	6,317,462	10,279,767	10,401,178
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	192,289	58,107	250,396	185,847
Other Postemployment Related Amounts	19,577	6,033	25,610	21,146
Total Deferred Outflow s of Resources	211,866	64,140	276,006	206,993
LIABILITIES				
Accounts Payable	24,395	37,121	61,516	272,828
Accrued and Other Current Liabilities	19,100	3,230	22,330	19,259
Accrued Interest Payable	-	3,238	3,238	3,393
Unearned Revenues	68,453	-	68,453	-
Long-Term Obligations:				
Due Within One Year	3,761	99,310	103,071	132,211
Due in More than One Year	24,996	1,203,739	1,228,735	1,327,793
Other Postemployment Benefits	42,108	12,976	55,084	43,638
Total Liabilities	182,813	1,359,614	1,542,427	1,799,122
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	587,241	-	587,241	905,961
Pension Related Amounts	257,357	77,747	335,104	239,532
Other Postemployment Related Amounts	5,400	1,664	7,064	6,754
Total Deferred Inflow s of Resources	849,998	79,411	929,409	1,152,247
NET POSITION				
Net Investment in Capital Assets	1,655,051	2,436,730	4,091,781	4,445,797
Restricted				
Pension Benefits	117,233	35,416	152,649	79,888
Housing Projects	410,423	-	410,423	
Debt Retirement	-	296,032	296,032	296,032
Equipment Replacement	-	378,437	378,437	347,735
Unrestricted	958,653	1,795,962	2,754,615	2,487,350
Total Net Position	\$ 3,141,360	\$ 4,942,577	\$ 8,083,937	\$ 7,656,802

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
GOVERNMENTAL ACTIVITIES			
General Government	\$ 261,655	\$ 21,779	\$ 9,297
Public Safety	259,946	39,361	4,410
Public Works	334,502	2,105	75,341
Culture and Recreation	244,625	4,089	117,268
Conservation and Development	-	-	-
Interest and Fiscal Charges	15,835	-	-
Total Governmental Activities	1,116,563	67,334	206,316
BUSINESS-TYPE ACTIVITIES			
Water Utility	215,116	329,351	-
Sewer Utility	1,147,642	998,351	-
Total Business-Type Activities	1,362,758	1,327,702	-
Total	\$ 2,479,321	\$ 1,395,036	\$ 206,316

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

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, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals	
		2021	2020
\$ (230,579)	\$ -	\$ (230,579)	\$ (217,714)
(216,175)	-	(216,175)	(209,297)
(257,056)	-	(257,056)	(308,781)
(123,268)	-	(123,268)	(122,220)
-	-	-	(338,622)
(15,835)	-	(15,835)	(2,404)
(842,913)	-	(842,913)	(1,199,038)
-	114,235	114,235	38,881
-	(149,291)	(149,291)	(49,470)
-	(35,056)	(35,056)	(10,589)
(842,913)	(35,056)	(877,969)	(1,209,627)
510,655	-	510,655	503,534
395,306	-	395,306	506,288
15,507	-	15,507	8,853
369,260	-	369,260	390,597
9,299	648	9,947	16,388
3,159	-	3,159	1,287
1,270	-	1,270	(11,922)
1,304,456	648	1,305,104	1,415,025
461,543	(34,408)	427,135	205,398
2,679,817	4,976,985	7,656,802	7,451,404
\$ 3,141,360	\$ 4,942,577	\$ 8,083,937	\$ 7,656,802

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	General	TID No. 2	Library	Other Governmental Funds	Totals	
					2021	2020
ASSETS						
Cash and Investments	\$ 1,128,675	\$ -	\$ 61,430	\$ 478,876	\$ 1,668,981	\$ 944,953
Restricted Cash and Investments	-	-	-	-	-	483,992
Receivables:						
Taxes and Special Charges	366,936	-	-	-	366,936	589,387
Delinquent Taxes	27,151	-	-	-	27,151	27,216
Special Assessments	117,680	-	-	-	117,680	117,680
Due from Other Funds	-	-	-	-	-	128,215
Prepaid Items	3,630	-	1,882	-	5,512	10,655
Total Assets	<u>\$ 1,644,072</u>	<u>\$ -</u>	<u>\$ 63,312</u>	<u>\$ 478,876</u>	<u>\$ 2,186,260</u>	<u>\$ 2,302,098</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 19,182	\$ -	\$ 5,213	\$ -	\$ 24,395	\$ 244,938
Accrued and Other Current Liabilities	16,229	-	2,871	-	19,100	16,191
Due to Other Funds	-	-	-	-	-	128,215
Unearned Revenues	-	-	-	68,453	68,453	-
Total Liabilities	<u>35,411</u>	<u>-</u>	<u>8,084</u>	<u>68,453</u>	<u>111,948</u>	<u>389,344</u>
Deferred Inflows of Resources:						
Property Taxes Levied for Subsequent Year	587,241	-	-	-	587,241	905,961
Special Assessments	117,680	-	-	-	117,680	117,680
Total Deferred Inflows of Resources	<u>704,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>704,921</u>	<u>1,023,641</u>
Fund Balances:						
Nonspendable	3,630	-	1,882	-	5,512	10,655
Restricted	-	-	-	410,423	410,423	-
Committed	-	-	53,346	-	53,346	50,536
Assigned	469,349	-	-	-	469,349	485,549
Unassigned	430,761	-	-	-	430,761	342,373
Total Fund Balances	<u>903,740</u>	<u>-</u>	<u>55,228</u>	<u>410,423</u>	<u>1,369,391</u>	<u>889,113</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,644,072</u>	<u>\$ -</u>	<u>\$ 63,312</u>	<u>\$ 478,876</u>	<u>\$ 2,186,260</u>	<u>\$ 2,302,098</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
Total Fund Balances as Shown on Previous Page	\$ 1,369,391	\$ 889,113
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.	1,658,812	1,735,776
Long-term assets are not current financial resources; therefore, are not reported in the funds:		
Net Pension Asset	117,233	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	192,289	142,693
Deferred Inflows Related to Pensions	(257,357)	(184,174)
Deferred Outflows Related to Other Postemployment Benefits	19,577	16,099
Deferred Inflows Related to Other Postemployment Benefits	(5,400)	(5,142)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes and Contracts Payable	(3,761)	(39,641)
Compensated Absences	(24,996)	(20,634)
Other Postemployment Benefit	(42,108)	(33,223)
Accrued Interest on Long-Term Obligations	-	(155)
Net Position of Governmental Activities as Reported on the Statement of Net Position (See Page 5)	<u>\$ 3,141,360</u>	<u>\$ 2,679,817</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, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	General	TID No. 2	Library	Other Governmental Funds	Totals	
					2021	2020
REVENUES						
Taxes	\$ 512,007	\$ 395,306	\$ -	\$ -	\$ 907,313	\$ 1,012,041
Intergovernmental	446,741	16,046	114,617	-	577,404	575,101
Licenses and Permits	6,600	-	-	-	6,600	8,286
Fines and Forfeits	30,580	-	-	-	30,580	46,044
Public Charges for Services	4,386	-	2,214	-	6,600	3,918
Intergovernmental Charges for Services	7,041	-	-	-	7,041	6,715
Miscellaneous	38,247	-	3,051	-	41,298	34,873
Total Revenues	1,045,602	411,352	119,882	-	1,576,836	1,686,978
EXPENDITURES						
Current:						
General Government	260,200	929	-	-	261,129	574,984
Public Safety	257,701	-	-	-	257,701	253,363
Public Works	297,114	-	-	-	297,114	319,437
Culture and Recreation	37,942	-	192,072	-	230,014	213,850
Debt Service:						
Principal	47,815	-	-	-	47,815	47,965
Interest and Fiscal Charges	4,055	-	-	-	4,055	2,556
Capital Outlay	-	-	-	-	-	107,598
Total Expenditures	904,827	929	192,072	-	1,097,828	1,519,753
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	140,775	410,423	(72,190)	-	479,008	167,225
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	-	-	28,892
Proceeds from Sale of Capital Assets	1,270	-	-	-	1,270	17,276
Transfers In	-	-	75,000	410,423	485,423	84,000
Transfers Out	(75,000)	(410,423)	-	-	(485,423)	(196,750)
Total Other Financing Sources (Uses)	(73,730)	(410,423)	75,000	410,423	1,270	(66,582)
NET CHANGE IN FUND BALANCES	67,045	-	2,810	410,423	480,278	100,643
Fund Balances - January 1	836,695	-	52,418	-	889,113	788,470
FUND BALANCES - DECEMBER 31	<u>\$ 903,740</u>	<u>\$ -</u>	<u>\$ 55,228</u>	<u>\$ 410,423</u>	<u>\$ 1,369,391</u>	<u>\$ 889,113</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES -
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>2020</u>	<u>2020</u>
Net Change in Fund Balances as Shown on Previous Page	\$ 480,278	\$ 100,643
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	5,350	109,082
Depreciation Expense Reported in the Statement of Activities	(82,314)	(95,347)
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	35,880	47,965
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued Interest on Long-Term Debt	155	152
Compensated Absences	(4,362)	1,445
Net Pension Asset	55,808	127,354
Deferred Outflows of Resources Related to Pensions	49,596	(37,518)
Deferred Inflows of Resources Related to Pensions	(73,183)	(93,072)
Deferred Outflows of Resources Related to Other Postemployment Benefits	3,478	10,727
Deferred Inflows of Resources Related to Other Postemployment Benefits	(258)	96
Other Postemployment Benefits	(8,885)	(13,643)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (See Pages 6 - 7)	<u>\$ 461,543</u>	<u>\$ 99,794</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, 2021
(WITH SUMMARIZED ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	Budget			Variance Final Budget - Positive (Negative)	2020 Actual
	Original	Final	Actual		
REVENUES					
Taxes	\$ 512,355	\$ 512,355	\$ 512,007	\$ (348)	\$ 633,968
Intergovernmental	464,107	464,107	446,741	(17,366)	458,568
Licenses and Permits	8,055	8,055	6,600	(1,455)	8,286
Fines and Forfeits	22,425	22,425	30,580	8,155	46,044
Public Charges for Services	1,350	1,350	4,386	3,036	2,237
Intergovernmental Charges for Services	6,000	6,000	7,041	1,041	6,715
Miscellaneous	22,877	22,877	38,247	15,370	33,735
Total Revenues	1,037,169	1,037,169	1,045,602	8,433	1,189,553
EXPENDITURES					
Current:					
General Government	255,900	255,900	260,200	(4,300)	235,534
Public Safety	245,371	245,371	257,701	(12,330)	253,363
Public Works	386,871	386,871	297,114	89,757	319,437
Culture and Recreation	24,659	24,659	37,942	(13,283)	19,685
Debt Service:					
Principal	35,172	35,172	47,815	(12,643)	47,965
Interest and Fiscal Charges	1,769	1,769	4,055	(2,286)	2,556
Capital Outlay	3,038	3,038	-	3,038	107,598
Total Expenditures	952,780	952,780	904,827	47,953	986,138
EXCESS OF REVENUES OVER EXPENDITURES	84,389	84,389	140,775	56,386	203,415
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	28,892
Proceeds from Sale of Capital Assets	-	-	1,270	1,270	17,276
Transfers Out	-	-	(75,000)	(75,000)	(84,000)
Total Other Financing Sources (Uses)	-	-	(73,730)	(73,730)	(37,832)
NET CHANGE IN FUND BALANCE	84,389	84,389	67,045	(17,344)	165,583
Fund Balance - January 1	836,695	836,695	836,695	-	671,112
FUND BALANCE - DECEMBER 31	<u>\$ 921,084</u>	<u>\$ 921,084</u>	<u>\$ 903,740</u>	<u>\$ (17,344)</u>	<u>\$ 836,695</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, 2021
(WITH SUMMARIZED ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	Budget			Variance Final Budget - Positive (Negative)	2020 Actual
	Original	Final	Actual		
REVENUES					
Intergovernmental	\$ 114,561	\$ 114,561	\$ 114,617	\$ 56	106,321
Public Charges for Services	2,286	2,286	2,214	(72)	1,681
Miscellaneous	2,500	2,500	3,051	551	1,138
Total Revenues	119,347	119,347	119,882	535	109,140
EXPENDITURES					
Current:					
Culture and Recreation	197,852	197,847	192,072	5,775	194,165
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(78,505)	(78,500)	(72,190)	6,310	(85,025)
OTHER FINANCING SOURCES					
Transfers In	75,000	75,000	75,000	-	84,000
NET CHANGE IN FUND BALANCE	(3,505)	(3,500)	2,810	6,310	(1,025)
Fund Balance - January 1	52,418	52,418	52,418	-	53,443
FUND BALANCE - DECEMBER 31	\$ 48,913	\$ 48,918	\$ 55,228	\$ 6,310	\$ 52,418

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Water Utility	Sewer Utility	Totals	
			2021	2020
ASSETS				
Current Assets:				
Cash and Investments	\$ 408,438	\$ 1,266,757	\$ 1,675,195	\$ 1,510,867
Receivables:				
Customer Accounts	33,653	142,395	176,048	115,697
Inventories and Prepaid Items	5,595	-	5,595	5,720
Total Current Assets	447,686	1,409,152	1,856,838	1,632,284
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	-	677,707	677,707	647,005
Other Assets:				
Long-Term Special Assessments	7,722	-	7,722	7,722
Net Pension Asset	9,970	25,446	35,416	18,463
Total Other Assets	17,692	25,446	43,138	26,185
Capital Assets:				
Nondepreciable	17,747	13,378	31,125	3,041
Depreciable	1,944,820	1,763,834	3,708,654	4,121,579
Total Capital Assets	1,962,567	1,777,212	3,739,779	4,124,620
Total Assets	2,427,945	3,889,517	6,317,462	6,430,094
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	16,333	41,774	58,107	43,154
Other Postemployment Related Amounts	1,653	4,380	6,033	5,047
Total Deferred Outflows of Resources	17,986	46,154	64,140	48,201

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Water Utility	Sewer Utility	Totals	
			2021	2020
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 5,947	\$ 31,174	\$ 37,121	\$ 27,890
Accrued and Other Current Liabilities	1,223	2,007	3,230	3,068
Payable from Restricted Assets:				
Current Portion of Long-Term Debt	-	99,310	99,310	96,681
Accrued Interest Payable	-	3,238	3,238	3,238
Total Current Liabilities	7,170	135,729	142,899	130,877
Long-Term Obligations, Less Current Portion:				
Revenue Bonds	-	1,203,739	1,203,739	1,303,048
Other Postemployment Benefits	3,556	9,420	12,976	10,415
Total Long-Term Liabilities	3,556	1,213,159	1,216,715	1,313,463
Total Liabilities	10,726	1,348,888	1,359,614	1,444,340
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	21,886	55,861	77,747	55,358
Other Postemployment Related Amounts	456	1,208	1,664	1,612
Total Deferred Inflows of Resources	22,342	57,069	79,411	56,970
NET POSITION				
Net Investment in Capital Assets	1,962,567	474,163	2,436,730	2,724,891
Restricted	9,970	699,915	709,885	662,230
Unrestricted	440,326	1,355,636	1,795,962	1,589,864
Total Net Position	\$ 2,412,863	\$ 2,529,714	\$ 4,942,577	\$ 4,976,985

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, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Water Utility	Sewer Utility	Totals	
			2021	2020
OPERATING REVENUES				
Charges for Services	\$ 324,756	\$ 970,846	\$ 1,295,602	\$ 1,274,739
Other	4,595	27,505	32,100	14,777
Total Operating Revenues	329,351	998,351	1,327,702	1,289,516
OPERATING EXPENSES				
Operation and Maintenance	108,289	533,027	641,316	569,188
Administration and General	33,608	102,554	136,162	147,197
Depreciation	70,442	468,921	539,363	532,824
Taxes	2,777	5,598	8,375	10,695
Total Operating Expenses	215,116	1,110,100	1,325,216	1,259,904
OPERATING INCOME (LOSS)	114,235	(111,749)	2,486	29,612
NONOPERATING REVENUES (EXPENSES)				
Interest Income	426	222	648	3,443
Interest and Fiscal Charges	-	(37,542)	(37,542)	(40,201)
Total Nonoperating Revenues (Expenses)	426	(37,320)	(36,894)	(36,758)
INCOME (LOSS) BEFORE TRANSFERS	114,661	(149,069)	(34,408)	(7,146)
Transfers In	-	-	-	225,500
Transfers Out	-	-	-	(112,750)
CHANGE IN NET POSITION	114,661	(149,069)	(34,408)	105,604
Net Position - January 1	2,298,202	2,678,783	4,976,985	4,871,381
NET POSITION - DECEMBER 31	<u>\$ 2,412,863</u>	<u>\$ 2,529,714</u>	<u>\$ 4,942,577</u>	<u>\$ 4,976,985</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Water Utility	Sewer Utility	Totals	
			2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 315,672	\$ 951,679	\$ 1,267,351	\$ 1,292,581
Cash Paid for Employee Wages and Benefits	(45,416)	(114,299)	(159,715)	(164,886)
Cash Paid to Suppliers	(104,931)	(519,580)	(624,511)	(553,137)
Net Cash Provided by Operating Activities	165,325	317,800	483,125	574,558
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In (Out)	-	-	-	112,750
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(73,676)	(80,846)	(154,522)	(283,590)
Principal Paid on Long-Term Debt	-	(96,680)	(96,680)	(125,530)
Interest Paid on Long-Term Debt	-	(37,541)	(37,541)	(41,473)
Net Cash Used by Capital and Related Financing Activities	(73,676)	(215,067)	(288,743)	(450,593)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	426	222	648	3,443
CHANGE IN CASH AND INVESTMENTS	92,075	102,955	195,030	240,158
Cash and Investments - January 1	316,363	1,841,509	2,157,872	1,917,714
CASH AND INVESTMENTS - DECEMBER 31	<u>\$ 408,438</u>	<u>\$ 1,944,464</u>	<u>\$ 2,352,902</u>	<u>\$ 2,157,872</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Water Utility	Sewer Utility	Totals	
			2021	2020
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 114,235	\$ (111,749)	\$ 2,486	\$ 29,612
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	70,442	468,921	539,363	532,824
Depreciation Charged to Sewer Utility	1,842	(1,842)	-	-
Construction in Progress	-	-	-	5,196
Change in (Asset) Liability and Deferred Outflows and Inflows of Resources:				
Net Pension (Asset) Liability	(4,628)	(12,325)	(16,953)	(38,007)
Pension Deferred Outflow	(3,965)	(10,988)	(14,953)	10,356
Pension Deferred Inflow	5,869	16,520	22,389	28,350
Other Postemployment Benefits	735	1,826	2,561	4,530
Other Postemployment Benefits Deferred Outflow	(286)	(700)	(986)	(3,433)
Other Postemployment Benefits Deferred Inflow	19	33	52	37
Change in Operating Assets and Liabilities:				
Accounts Receivable	(13,679)	(46,672)	(60,351)	3,065
Inventories and Prepaid Items	125	-	125	18,795
Accounts Payable	(6,268)	15,498	9,230	(17,781)
Accrued and Other Current Liabilities	884	(722)	162	1,014
Net Cash Provided by Operating Activities	<u>\$ 165,325</u>	<u>\$ 317,800</u>	<u>\$ 483,125</u>	<u>\$ 574,558</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and Cash Equivalents in Current Assets	\$ 408,438	\$ 1,266,757	\$ 1,675,195	\$ 1,510,867
Cash and Cash Equivalents in Restricted Assets	-	677,707	677,707	647,005
Total Cash and Investments	<u>\$ 408,438</u>	<u>\$ 1,944,464</u>	<u>\$ 2,352,902</u>	<u>\$ 2,157,872</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, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Custodial Fund	
	2020	2020
ASSETS		
Cash and Investments	\$ 390,557	\$ 388,745
Receivables:		
Taxes and Special Charges	647,341	446,165
Total Assets	<u>1,037,898</u>	<u>834,910</u>
DEFERRED INFLOW OF RESOURCES		
Property Taxes Levied for Subsequent Year	<u>1,037,898</u>	<u>834,910</u>
FIDUCIARY NET POSITION		
Restricted	<u>\$ -</u>	<u>\$ -</u>

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, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Custodial Fund	
	2021	2020
ADDITIONS		
Taxes and Special Charges Collected	\$ 834,910	\$ 606,883
DEDUCTIONS		
Payments to Other Taxing Districts	834,910	606,883
CHANGE IN NET POSITION	-	-
Net Position - January 1	-	-
NET POSITION - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

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, 2021**

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.

TID No. 2

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

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.

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, 2021

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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021**

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, 2021**

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:

Assets	Governmental Activities	Business-Type Activities
	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, 2021**

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 (revenue), information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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, 2021**

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 (revenue), 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, 2021**

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, 2020, from which the summarized information was derived.

VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021 as follows:

Fund	Excess Expenditures
General:	
General Government:	
Assessment of Property	\$ 14,900
Treasurer	7,631
Village Attorney	5,772
Municipal Court	612
Illegal Taxes Refunded	316
Public Safety:	
Fire Hydrant Rental	50,455
Ambulance	91,025
Public Works:	
Director	1,899
Street Machinery	3,100
Street Lighting	7,121
Garage and Refuse Collection	7,683
Landfill	968
Streete Sweeping	262
Building and Grounds	1,300
Culture and Recreation:	
Parks	13,370
Debt Service:	
Principal Retirement	12,643
Interest and Fiscal Charges	2,286

Excess expenditures were funded by positive variances in other general fund appropriations and other financing sources.

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 2021 and 2022 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 2021 budget was 1.031%. The actual limit for the Village for the 2022 budget was 0.72%. 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, 2021

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 \$4,412,440 on December 31, 2021 as summarized below:

Petty Cash and Cash on Hand	\$ 190
Deposits with Financial Institutions	4,033,813
Investments:	
Wisconsin Local Government Investment Pool	378,437
Total	<u>\$ 4,412,440</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 3,344,176
Restricted Cash and Investments	677,707
Fiduciary Fund Statement of Net Position:	
Cash and Investments	390,557
Total	<u>\$ 4,412,440</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, 2021**

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, 2021, \$2,939,508 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 \$378,437 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, 2021, 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, 2021**

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. As of June 30, 2021, the Wisconsin local government investment pool had a weighted average maturity of 31 days.

B. Restricted Assets

Restricted assets on December 31, 2021 totaled \$677,707 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
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	378,437	To be used for the replacement of certain assets for the sewer utility
Total Enterprise Funds	<u>677,707</u>	
Total	<u><u>\$ 677,707</u></u>	

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Nondepreciable:				
Land	\$ 332,788	\$ -	\$ -	\$ 332,788
Construction in Progress	1,484	-	-	1,484
Total Capital Assets, not being Depreciat	341,488	-	-	334,272
Capital Assets, Depreciable:				
Land Improvements	120,573	5,350	21,676	104,247
Buildings and Improvements	851,695	-	-	851,695
Machinery and Equipment	447,122	-	-	447,122
Infrastructure	3,939,309	-	-	3,939,309
Subtotals	5,358,699	5,350	21,676	5,342,373
Less Accumulated Depreciation for:				
Land Improvements	120,572	156	21,676	99,052
Buildings and Improvements	613,481	24,012	-	637,493
Machinery and Equipment	372,886	16,807	-	389,693
Infrastructure	2,850,256	41,339	-	2,891,595
Subtotals	3,957,195	82,314	21,676	4,017,833
Total Capital Assets, Depreciable, Net	1,401,504	(76,964)	-	1,324,540
Governmental Activities Capital Assets, Net	\$ 1,742,992	\$ (76,964)	\$ -	1,658,812
Less: Capital Related Debt				3,761
Net Investment in Capital Assets				<u>\$ 1,655,051</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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	-	28,084	-	28,084
Total Capital Assets, Nondepreciable	3,041	28,084	-	31,125
Capital Assets, Depreciable:				
Buildings and Improvements	7,920,112	-	-	7,920,112
Machinery and Equipment	2,493,342	118,369	-	2,611,711
Infrastructure	4,240,368	8,069	5,996	4,242,441
Subtotals	14,653,822	126,438	5,996	14,774,264
Less Accumulated Depreciation for:				
Buildings and Improvements	7,087,277	318,858	-	7,406,135
Machinery and Equipment	1,780,384	105,951	-	1,886,335
Infrastructure	1,664,582	114,554	5,996	1,773,140
Subtotals	10,532,243	539,363	5,996	11,065,610
Total Capital Assets, Depreciable, Net	4,121,579	(412,925)	-	3,708,654
Governmental Activities Capital Assets, Net	<u>\$ 4,124,620</u>	<u>\$ (384,841)</u>	<u>\$ -</u>	3,739,779
Less: Capital Related Debt				1,303,049
Net Investment in Capital Assets				<u>\$ 2,436,730</u>

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

Governmental Activities:	
General Government	\$ 3,428
Public Safety	8,878
Public Works	51,586
Culture and Recreation	18,422
Total Depreciation Expense - Governmental Activities	<u>\$ 82,314</u>
Business-Type Activities:	
Water Utility	\$ 72,284
Sewer Utility	467,079
Total Increase in Accumulated Depreciation - Business-Type Activities	<u>\$ 539,363</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Transfers

Interfund transfers for the year ended December 31, 2021 were as follows:

Fund	Transfer In	Transfer Out
General	\$ -	\$ 75,000
Library	75,000	-
Affordable Housing	410,422	
TID No. 2	-	410,422
Totals	<u>\$ 485,422</u>	<u>\$ 485,422</u>

Transfers between funds were for the following purposes:

Annual Village subsidy to Library	\$ 75,000
Tax Incremental District (TID) Transfer to Affordable Housing - Final Year of Increment	410,422
Total	<u>\$ 485,422</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Debt:					
Note from Direct Borrowings	\$ 9,919	\$ -	\$ 6,158	\$ 3,761	\$ 3,761
Contract Payable	29,722	-	29,722	-	-
Compensated Absences	20,634	8,278	3,916	24,996	-
Governmental Activities Long-Term Obligations	<u>\$ 60,275</u>	<u>\$ 8,278</u>	<u>\$ 39,796</u>	<u>\$ 28,757</u>	<u>\$ 3,761</u>
Business-Type Activities					
Revenue Bonds from Direct Borrowings	<u>\$ 1,399,729</u>	<u>\$ -</u>	<u>\$ 96,680</u>	<u>\$ 1,303,049</u>	<u>\$ 99,310</u>

Total interest paid during the year on long-term debt totaled \$41,596.

The Village's outstanding note from direct borrowings related to governmental activities of \$3,761 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 \$1,303,049 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 12/31/21
General Obligation Note	3/13/20	3/15/25	4.50%	\$ 28,892	<u>\$ 3,761</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 \$3,761 on December 31, 2021 are detailed below:

Year Ended December 31, 2022	Governmental Activities		
	Principal	Interest	Total
	\$ 3,761	\$ 188	\$ 3,949

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, 2021 was \$3,802,539 as follows:

Equalized Valuation of the Village	\$ 76,126,000
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	3,806,300
Net Outstanding General Obligation Debt Applicable to Debt limitation	3,761
Legal Margin for New Debt	<u>\$ 3,802,539</u>

Revenue Bonds

Revenue bonds from direct borrowings outstanding on December 31, 2021 totaled \$1,303,049 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
Clean Water Fund Loan	6/23/10	5/1/30	2.40%	\$ 840,613	\$ 427,779
Clean Water Fund Loan	7/23/14	5/1/34	2.97%	1,225,240	875,270
Total Outstanding Revenue Bonds					<u>\$ 1,303,049</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 \$1,303,049 on December 31, 2021 are detailed below:

Year Ended December 31,	Business-Type Activities		
	Direct Borrowings - Revenue Bonds		
	Principal	Interest	Total
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	110,569	23,463	134,032
2027 - 2031	546,288	70,452	616,740
2032 - 2034	232,445	10,476	242,921
Total	<u>\$ 1,303,049</u>	<u>\$ 227,163</u>	<u>\$ 1,530,212</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 \$1,530,212. Principal and interest paid for the current year and total customer net revenues were \$134,223 and \$357,394 respectively.

Contract Payable

The Village entered into intergovernmental agreements with the Town of Black Creek to finance a fire truck. The Village is responsible for one-half of the cost of the fire truck. On December 31, 2021, the Village's outstanding portion totaled \$0.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit, based on a formula factor, their final average earnings, and 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, 2021**

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>
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)
2020	1.7	21

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.

For the year ended December 31, 2021, the WRS recognized \$25,416 in contributions from the Village.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 %	11.75 %
Protective Without Social Security	6.75 %	16.35 %

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

At December 31, 2021, the Village reported an asset of \$152,649 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Village's proportion was 0.00244507%, which was an decrease of 0.00003252% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized pension revenue of \$16,328.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 220,928	\$ 47,587
Net Differences between Projected and Actual Earnings on Pension Plan Investments		286,585
Changes in Assumptions	3,462	
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	590	932
Employer Contributions Subsequent to the Measurement Date	25,416	-
Total	<u>\$ 250,396</u>	<u>\$ 335,104</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

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

\$25,416 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, 2022. 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
2022	\$ (28,246)
2023	(7,783)
2024	(51,989)
2025	(22,106)
Total	<u>\$ (110,124)</u>

5. Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
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, 2021**

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, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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	51.0 %	7.2 %	4.7 %
Fixed Income	5.0	3.2	0.8
Inflation Sensitive Assets	16.0	2.0	(0.4)
Real Estate	8.0	5.6	3.1
Private Equity/Debt	11.0	10.2	7.6
Multi-Asset	4.0	5.8	3.3
Cash	(15.0)	0.9	N/A
Total Core Fund	100.0	6.6	4.1
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0	6.6	4.1
International Equities	30.0	7.4	4.9
Total Variable Fund	100.0	7.1	4.6

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

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

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 2.00%. (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, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. 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. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	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)	\$ 145,300	\$ (152,649)	\$ (371,491)

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

6. Payables to the Pension Plan

At December 31, 2021, the Village reported a payable of \$3,878 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 Annual Comprehensive Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

3. Benefits Provided

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

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 member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2021 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, 2021**

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, 2020	
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 \$194 in contributions from the employer.

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

At December 31, 2021, the Village reported a liability of \$55,084 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. 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, 2020, the Village's proportion was 0.01001400%, which was an decrease of 0.00023400% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized OPEB expense of \$7,492.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

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

At December 31, 2021, 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	\$ -	\$ 2,628
Net Differences between Projected and Actual Earnings on OPEB Plan Investments	802	-
Changes in Assumptions	21,429	3,780
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	3,379	656
Total	<u>\$ 25,610</u>	<u>\$ 7,064</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
2022	\$ 3,714
2023	3,627
2024	3,538
2025	3,054
2026	3,250
Thereafter	1,363
Total	<u>\$ 18,546</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

6. Actuarial Assumptions

The total OPEB liability in the January 1, 2020 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, 2020
Measurement Date of Net OPEB Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry age normal
20-Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
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, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 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, 2021**

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 %
U.S. Credit Bonds	Barclays Credit	50	1.47
U.S. Mortgages	Barclays MBS	50	0.82
Inflation			2.20
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. 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 2.25% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. 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, 2021**

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 2.25%, 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 (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Village's Proportionate Share of the Net OPEB Liability	\$ 74,930	\$ 55,084	\$ 40,075

7. Payables to the OPEB Plan

At December 31, 2021, the Village had no outstanding contribution to the Plan required for the year ended December 31, 2021.

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, 2021, nonspendable fund balance was as follows:

General Fund:	
Prepaid Items	\$ 3,630
Library Fund:	
Prepaid Items	1,882
Total	<u>\$ 5,512</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021, governmental fund balances were committed as follows:

Special Revenue Funds:

Committed for:

Library	\$ 53,346
---------	-----------

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2021, 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
Emergency Siren	141
Total	<u>\$ 469,349</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 OTHER INFORMATION

A. 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.

B. 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.

C. Enterprise Funds – Significant Customers

The water utility has one significant customer who was responsible for 30% of operating revenues in 2021. The sewer utility has one significant customer who was responsible for 68% of operating revenues in 2021.

REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement Period 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
12/31/20	0.00244507	(152,649)	354,238	43.09	105.26

**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
12/31/21	25,416	25,416	-	334,245	7.60

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
12/31/20	0.01001400	55,084	305,000	18.06	31.36

**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
12/31/21	194	194	-	334,245	0.06

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021**

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.

The Single Discount Rate assumption used to develop Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section above for additional details.

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, 2021
(WITH SUMMARIZED ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2020 Actual
	Original	Final			
Taxes:					
General Property	\$ 510,655	\$ 510,655	\$ 510,655	\$ -	\$ 631,543
Mobile Home	1,700	1,700	1,352	(348)	2,219
Interest and Taxes	-	-	-	-	206
Total Taxes	512,355	512,355	512,007	(348)	633,968
Intergovernmental:					
State Aids:					
State Shared Taxes	363,218	363,218	349,410	(13,808)	351,274
Fire Insurance	3,000	3,000	3,290	290	3,095
Exempt Computer Aid	19,543	19,543	813	(18,730)	813
Law Enforcement	-	-	1,120	1,120	1,440
Local Streets	63,841	63,841	63,841	-	68,728
Payments in Lieu of Taxes	280	280	266	(14)	280
Federal Cares Act Funding	2,725	2,725	2,725	-	28,017
County Shared Sales Tax	11,500	11,500	25,276	13,776	4,921
Total Intergovernmental	464,107	464,107	446,741	(17,366)	458,568
Licenses and Permits:					
Liquor and Malt Beverage	1,680	1,680	1,705	25	1,680
Operators	1,965	1,965	1,835	(130)	2,185
Cigarettes	250	250	250	-	250
Dog	450	450	361	(89)	312
Cable Television	1,900	1,900	379	(1,521)	1,713
Building Permits	1,100	1,100	1,650	550	1,350
Other Licenses and Permits	710	710	420	(290)	796
Total Licenses and Permits	8,055	8,055	6,600	(1,455)	8,286
Fines and Forfeits:					
Court Penalties and Costs	22,000	22,000	28,257	6,257	44,312
Parking Violations	425	425	863	438	597
Warrants for Other Police Departments	-	-	1,460	1,460	1,135
Total Fines and Forfeits	22,425	22,425	30,580	8,155	46,044
Public Charges for Services:					
Parks	550	550	1,475	925	600
Clerk	-	-	956	956	525
Recycling	800	800	1,955	1,155	1,112
Total Public Charges for Services	1,350	1,350	4,386	3,036	2,237

**VILLAGE OF BLACK CREEK, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	Budget			Variance Final Budget - Positive (Negative)	2020 Actual
	Original	Final	Actual		
Intergovernmental Charges for Services:					
Police Rent - Outagamie County	\$ 3,600	\$ 3,600	\$ 3,600	\$ -	\$ 3,600
Municipal Court Charges	2,400	2,400	3,441	1,041	3,115
Total Intergovernmental Charges for Services	6,000	6,000	7,041	1,041	6,715
Miscellaneous:					
Interest on Investments	6,000	6,000	9,299	3,299	12,945
Donations	-	-	10,506	10,506	4,373
Rent of Village Property	140	140	300	160	140
Rental Property	15,987	15,987	16,192	205	15,077
Miscellaneous	750	750	1,950	1,200	1,200
Total Miscellaneous	22,877	22,877	38,247	15,370	33,735
Total Revenues	<u>\$ 1,037,169</u>	<u>\$ 1,037,169</u>	<u>\$ 1,045,602</u>	<u>\$ 8,433</u>	<u>\$ 1,189,553</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	Budget			Variance Final Budget - Positive (Negative)	2020 Actual
	Original	Final	Actual		
General Government:					
Board and Publications	\$ 21,992	\$ 21,992	\$ 21,494	\$ 498	\$ 21,513
Elections	5,800	5,800	3,004	2,796	6,815
Assessment of Property	21,400	21,400	36,300	(14,900)	6,500
Treasurer	94,834	94,834	102,465	(7,631)	94,532
Special Accounting and Auditing	15,000	15,000	12,688	2,312	11,593
Village Hall	8,775	8,775	6,210	2,565	14,811
Community Center	11,775	11,775	6,559	5,216	12,805
Property and Liability Insurance	18,000	18,000	11,144	6,856	8,570
Worker's Compensation	14,500	14,500	11,109	3,391	13,342
Village Attorney	17,000	17,000	22,772	(5,772)	9,301
Municipal Court	21,100	21,100	21,712	(612)	30,883
Custodian	5,724	5,724	4,427	1,297	4,869
Illegal Taxes Refunded	-	-	316	(316)	-
Total General Government	255,900	255,900	260,200	(4,300)	235,534
Public Safety:					
Police Department	174,871	174,871	137,902	36,969	139,395
Fire Department	52,600	52,600	51,450	1,150	48,495
Fire Hydrant Rental	-	-	50,455	(50,455)	50,455
Ambulance	13,100	13,100	(77,937)	91,037	10,218
Ambulance Capital Outlay	-	-	91,031	(91,031)	-
Building Inspector	4,800	4,800	4,800	-	4,800
Total Public Safety	245,371	245,371	257,701	(12,330)	253,363
Public Works:					
Director	22,878	22,878	24,777	(1,899)	51,571
Street Maintenance and Construction	110,394	106,594	19,041	87,553	42,800
Snow and Ice Removal	36,515	36,515	24,458	12,057	22,427
Street Machinery	44,870	44,870	47,970	(3,100)	49,047
Street Lighting	46,048	46,048	53,169	(7,121)	32,371
Public Works Employee Benefits:					
Pension	1,850	1,850	1,410	440	2,146
Health Insurance	16,494	16,494	7,190	9,304	16,341
Disability Insurance	820	820	377	443	834
Garbage and Refuse Collection	76,790	76,790	84,473	(7,683)	80,055
Recycling	2,975	2,975	2,834	141	2,429
Landfill	-	-	968	(968)	268
Weed Control	8,012	11,812	10,853	959	8,571
Street Sweeping	3,361	3,361	3,623	(262)	2,065
Building and Grounds	13,068	13,068	14,368	(1,300)	7,070
Locate Utilities	2,796	2,796	1,603	1,193	1,442
Total Public Works	386,871	386,871	297,114	89,757	319,437

**VILLAGE OF BLACK CREEK, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	Budget			Variance Final Budget - Positive (Negative)	2020 Actual
	Original	Final	Actual		
Culture and Recreation:					
Parks	\$ 22,492	\$ 22,492	\$ 35,862	\$ (13,370)	\$ 18,035
Lake Park	2,167	2,167	2,080	87	1,650
Total Culture and Recreation	24,659	24,659	37,942	(13,283)	19,685
Debt Service:					
Principal Retirement	35,172	35,172	47,815	(12,643)	47,965
Interest and Fiscal Charges	1,769	1,769	4,055	(2,286)	2,556
Total Debt Service	36,941	36,941	51,870	(14,929)	50,521
Capital Outlay:					
Street Department	-	-	-	-	68,615
Parks	200	200	-	200	-
Police Department	-	-	-	-	36,115
Miscellaneous	2,838	2,838	-	2,838	2,868
Total Capital Outlay	3,038	3,038	-	3,038	107,598
Total Expenditures	\$ 952,780	\$ 952,780	\$ 904,827	\$ 47,953	\$ 986,138

**VILLAGE OF BLACK CREEK, WISCONSIN
GENERAL FUND
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(WITH SUMMARIZED ACTUAL AMOUNTS AS OF DECEMBER 31, 2020)**

	ARPA	Affordable Housing	Totals	
			2021	2020
ASSETS				
Cash and Investments	\$ 68,453	\$ 410,423	\$ 478,876	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Unearned Revenues	\$ 68,453	\$ -	\$ 68,453	\$ -
Fund Balances:				
Restricted	-	410,423	410,423	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 68,453	\$ 410,423	\$ 478,876	\$ -

**VILLAGE OF BLACK CREEK, WISCONSIN
GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	ARPA	Affordable Housing	Totals	
			2021	2020
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ 410,423	\$ 410,423	\$ -
NET CHANGE IN FUND BALANCES	-	410,423	410,423	-
Fund Balances - January 1	-	-	-	-
FUND BALANCES - DECEMBER 31	<u>\$ -</u>	<u>\$ 410,423</u>	<u>\$ 410,423</u>	<u>\$ -</u>

VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF WATER UTILITY
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021	2020
OPERATING REVENUES		
Charges for Services:		
Metered Sales to General Customers	\$ 197,726	\$ 138,058
Sales to Public Authorities	11,804	9,457
Public Fire Protection	115,226	104,914
Total Charges for Services	<u>324,756</u>	<u>252,429</u>
Other Revenues:		
Forfeited Discounts	561	231
Other Water Revenues	4,034	3,811
Total Other Revenues	<u>4,595</u>	<u>4,042</u>
 Total Operating Revenues	 329,351	 256,471
OPERATING EXPENSES		
Operation and Maintenance:		
Operating Labor	25,179	24,067
Utilities	17,770	19,390
Testing	940	5,790
Operating Supplies	15,310	28,052
Repairs and Maintenance	46,826	22,813
Transportation Expenses	2,264	1,417
Total Operation and Maintenance	<u>108,289</u>	<u>101,529</u>
Administrative and General:		
Administrative Wages	7,829	8,496
Office Supplies and Expenses	4,653	3,381
Insurance Expenses	5,827	6,082
Employees Benefits	8,259	11,596
Outside Services Employed:		
Accounting and Auditing	6,590	9,785
Engineering	450	3,941
Total Administrative and General	<u>33,608</u>	<u>43,281</u>
 Total Plant Operation and Maintenance	 141,897	 144,810
 Depreciation	 70,442	 67,937
Taxes	2,777	4,565
Total Operating Expenses	<u>215,116</u>	<u>217,312</u>
OPERATING INCOME	<u><u>\$ 114,235</u></u>	<u><u>\$ 39,159</u></u>

VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF SEWER UTILITY
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021	2020
OPERATING REVENUES		
Charges for Services:		
Metered Sales to General Customers	\$ 961,978	\$ 1,013,540
Sales to Public Authorities	8,868	8,770
Total Charges for Services	970,846	1,022,310
Other Revenues:		
Forfeited Discounts	1,180	654
Other Water Revenues	26,325	10,081
Total Other Revenues	27,505	10,735
 Total Operating Revenues	 998,351	 1,033,045
OPERATING EXPENSES		
Operation and Maintenance:		
Operating Labor	70,914	72,885
Utilities	118,178	117,015
Testing	38,351	25,516
Operating Supplies	174,373	147,205
Repairs and Maintenance	129,241	101,853
Transportation Expenses	1,970	3,185
Total Operation and Maintenance	533,027	467,659
Administrative and General:		
Administrative Wages	8,578	8,632
Office Supplies and Expenses	5,204	4,028
Insurance Expenses	16,439	16,694
Employees Benefits	22,853	31,362
Outside Services Employed:		
Accounting and Auditing	5,638	4,477
Engineering	40,206	35,040
Miscellaneous General Expenses	3,636	3,683
Total Administrative and General	102,554	103,916
 Total Plant Operation and Maintenance	 635,581	 571,575
Depreciation	468,921	464,887
Taxes	5,598	6,130
Total Operating Expenses	1,110,100	1,042,592
OPERATING LOSS	\$ (111,749)	\$ (9,547)

**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, 2021, 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 31, 2022.

Report on 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 2021-001 and 2021-002 that we consider to be significant deficiencies.

Report on 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

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and 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 31, 2022

**VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2021**

Section I – Internal Control Over Financial Reporting

2021-001 Adjustments to the Village’s Financial Records (Repeat of Finding 2020-001)

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.

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.

2021-002 Preparation of Annual Financial Report (Repeat of Finding 2020-002)

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. However, as independent audits, CLA cannot be considered part of the Village’s internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the Village had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.

**VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section I – Internal Control Over Financial Reporting (Continued)

2021-002 Preparation of Annual Financial Report (Continued) (Repeat of Finding 2020-002)

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. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Village's activities and operations. 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, 2021.