

VILLAGE OF BLACK CREEK, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022



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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, 2022, 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, 2022, 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.

Emphasis of Matter

As discussed in Note 1.G. to the financial statements, effective January 1, 2022, the Village adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with leases terms greater than twelve months. Our opinions are not modified with respect to this matter.

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.

Village Board
Village of Black Creek, Wisconsin

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2023, 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 black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Green Bay, Wisconsin
March 10, 2023

BASIC FINANCIAL STATEMENTS

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 1,985,469	\$ 1,871,626	\$ 3,857,095
Receivables:			
Taxes and Special Charges	323,211	-	323,211
Delinquent Taxes	2,502	-	2,502
Accounts	-	163,390	163,390
Special Assessments	117,680	7,722	125,402
Lease Receivables	285,540	-	285,540
Prepaid Items	2,778	13,007	15,785
Restricted Assets:			
Cash and Investments	-	807,191	807,191
Net Pension Asset	145,563	44,965	190,528
Capital Assets, Nondepreciable	334,272	46,497	380,769
Capital Assets, Depreciable, Net	1,285,103	3,199,296	4,484,399
Total Assets	4,482,118	6,153,694	10,635,812
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	283,549	87,612	371,161
Other Postemployment Related Amounts	13,053	4,031	17,084
Total Deferred Outflows of Resources	296,602	91,643	388,245
LIABILITIES			
Accounts Payable	16,417	4,008	20,425
Accrued and Other Current Liabilities	28,653	4,026	32,679
Accrued Interest Payable	-	2,794	2,794
Unearned Revenues	136,906	-	136,906
Long-Term Obligations:			
Due Within One Year	-	102,011	102,011
Due in More than One Year	23,307	1,101,727	1,125,034
Other Postemployment Benefits	35,274	10,892	46,166
Total Liabilities	240,557	1,225,458	1,466,015
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	587,241	-	587,241
Leases	285,540	-	285,540
Pension Related Amounts	343,482	106,102	449,584
Other Postemployment Related Amounts	9,574	2,956	12,530
Total Deferred Inflows of Resources	1,225,837	109,058	1,334,895
NET POSITION			
Net Investment in Capital Assets	1,619,375	2,042,055	3,661,430
Restricted			
Pension Benefits	145,563	44,965	190,528
Housing Projects	410,423	-	410,423
Debt Retirement	-	296,980	296,980
Equipment Replacement	-	507,417	507,417
Unrestricted	1,136,965	2,019,404	3,156,369
Total Net Position	\$ 3,312,326	\$ 4,910,821	\$ 8,223,147

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
GOVERNMENTAL ACTIVITIES			
General Government	\$ 230,204	\$ 21,713	\$ 8,167
Public Safety	285,059	34,183	4,668
Public Works	314,892	1,856	73,417
Culture and Recreation	237,574	4,606	119,202
Conservation and Development	14,500	-	-
Interest and Fiscal Charges	57	-	-
Total Governmental Activities	1,082,286	62,358	205,454
BUSINESS-TYPE ACTIVITIES			
Water Utility	199,821	326,865	-
Sewer Utility	1,120,676	953,248	-
Total Business-Type Activities	1,320,497	1,280,113	-
Total	\$ 2,402,783	\$ 1,342,471	\$ 205,454

GENERAL REVENUES

Taxes:
 Property Taxes
 Other Taxes
 Federal and State Grants and Other Contributions
 not Restricted to Specific Functions
 Interest and Investment Earnings
 Miscellaneous
 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, 2022**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Totals
\$ (200,324)	\$ -	\$ (200,324)
(246,208)	-	(246,208)
(239,619)	-	(239,619)
(113,766)	-	(113,766)
(14,500)	-	(14,500)
(57)	-	(57)
<u>(814,474)</u>	<u>-</u>	<u>(814,474)</u>
-	127,044	127,044
-	<u>(167,428)</u>	<u>(167,428)</u>
-	<u>(40,384)</u>	<u>(40,384)</u>
(814,474)	(40,384)	(854,858)
594,016	-	594,016
16,215	-	16,215
340,228	-	340,228
33,211	8,628	41,839
1,770	-	1,770
<u>985,440</u>	<u>8,628</u>	<u>994,068</u>
170,966	(31,756)	139,210
<u>3,141,360</u>	<u>4,942,577</u>	<u>8,083,937</u>
<u>\$ 3,312,326</u>	<u>\$ 4,910,821</u>	<u>\$ 8,223,147</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Library	ARPA	Other Governmental Funds	Totals
ASSETS					
Cash and Investments	\$ 1,406,196	\$ 31,944	\$ 136,906	\$ 410,423	\$ 1,985,469
Receivables:					
Taxes and Special Charges	323,211	-	-	-	323,211
Delinquent Taxes	2,502	-	-	-	2,502
Special Assessments	117,680	-	-	-	117,680
Lease Receivables	285,540	-	-	-	285,540
Due from Other Funds	14,500	-	-	-	14,500
Prepaid Items	2,778	-	-	-	2,778
Total Assets	<u>\$ 2,152,407</u>	<u>\$ 31,944</u>	<u>\$ 136,906</u>	<u>\$ 410,423</u>	<u>\$ 2,731,680</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 9,817	\$ 6,600	\$ -	\$ -	\$ 16,417
Accrued and Other Current Liabilities	25,439	3,214	-	-	28,653
Due to Other Funds	-	-	-	14,500	14,500
Unearned Revenues	-	-	136,906	-	136,906
Total Liabilities	<u>35,256</u>	<u>9,814</u>	<u>136,906</u>	<u>14,500</u>	<u>196,476</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	587,241	-	-	-	587,241
Leases	285,540	-	-	-	285,540
Special Assessments	117,680	-	-	-	117,680
Total Deferred Inflows of Resources	<u>990,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>990,461</u>
FUND BALANCES					
Nonspendable	2,778	-	-	-	2,778
Restricted	-	-	-	410,423	410,423
Committed	-	22,130	-	-	22,130
Assigned	639,208	-	-	-	639,208
Unassigned	484,704	-	-	(14,500)	470,204
Total Fund Balances	<u>1,126,690</u>	<u>22,130</u>	<u>-</u>	<u>395,923</u>	<u>1,544,743</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,152,407</u>	<u>\$ 31,944</u>	<u>\$ 136,906</u>	<u>\$ 410,423</u>	<u>\$ 2,731,680</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, 2022**

Total Fund Balances as Shown on Previous Page	\$ 1,544,743
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	1,619,375
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Long-term assets are not current financial resources; therefore, are not reported in the funds:	
Net Pension Asset	145,563

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.	
Special Assessments	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	283,549
Deferred Inflows Related to Pensions	(343,482)
Deferred Outflows Related to Other Postemployment Benefits	13,053
Deferred Inflows Related to Other Postemployment Benefits	(9,574)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated Absences	(23,307)
Other Postemployment Benefit	(35,274)

Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 3,312,326</u>
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VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Library	ARPA	Other Governmental Funds	Totals
REVENUES					
Taxes	\$ 595,159	\$ -	\$ -	\$ -	\$ 595,159
Intergovernmental	433,385	118,017	-	-	551,402
Licenses and Permits	5,734	-	-	-	5,734
Fines and Forfeits	31,007	-	-	-	31,007
Public Charges for Services	4,061	2,097	-	-	6,158
Intergovernmental Charges for Services	1,906	-	-	-	1,906
Miscellaneous	60,017	1,869	-	-	61,886
Total Revenues	1,131,269	121,983	-	-	1,253,252
EXPENDITURES					
Current:					
General Government	228,697	-	-	14,500	243,197
Public Safety	289,050	-	-	-	289,050
Public Works	276,828	-	-	-	276,828
Culture and Recreation	28,926	235,081	-	-	264,007
Debt Service:					
Principal	3,761	-	-	-	3,761
Interest and Fiscal Charges	57	-	-	-	57
Capital Outlay	1,000	-	-	-	1,000
Total Expenditures	828,319	235,081	-	14,500	1,077,900
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	302,950	(113,098)	-	(14,500)	175,352
OTHER FINANCING SOURCES (USES)					
Transfers In	-	80,000	-	-	80,000
Transfers Out	(80,000)	-	-	-	(80,000)
Total Other Financing Uses	(80,000)	80,000	-	-	-
NET CHANGE IN FUND BALANCES	222,950	(33,098)	-	(14,500)	175,352
Fund Balances - January 1	903,740	55,228	-	410,423	1,369,391
FUND BALANCES - DECEMBER 31	<u>\$ 1,126,690</u>	<u>\$ 22,130</u>	<u>\$ -</u>	<u>\$ 395,923</u>	<u>\$ 1,544,743</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, 2022

Net Change in Fund Balances as Shown on Previous Page	\$	175,352
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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		41,180
Depreciation Expense Reported in the Statement of Activities		(80,617)

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.

Principal Repaid		3,761
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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:

Compensated Absences		1,689
Net Pension Asset		28,330
Deferred Outflows of Resources Related to Pensions		91,260
Deferred Inflows of Resources Related to Pensions		(86,125)
Deferred Outflows of Resources Related to Other Postemployment Benefits		(6,524)
Deferred Inflows of Resources Related to Other Postemployment Benefits		(4,174)
Other Postemployment Benefits		6,834

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	\$	170,966
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VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 589,241	\$ 589,241	\$ 595,159	\$ 5,918
Intergovernmental	415,661	415,661	433,385	17,724
Licenses and Permits	8,110	8,110	5,734	(2,376)
Fines and Forfeits	22,850	22,850	31,007	8,157
Public Charges for Services	1,700	1,700	4,061	2,361
Intergovernmental Charges for Services	5,580	5,580	1,906	(3,674)
Miscellaneous	24,453	24,453	60,017	35,564
Total Revenues	1,067,595	1,067,595	1,131,269	63,674
EXPENDITURES				
Current:				
General Government	250,031	250,031	228,697	21,334
Public Safety	292,590	292,590	289,050	3,540
Public Works	320,359	320,359	276,828	43,531
Culture and Recreation	28,858	28,858	28,926	(68)
Debt Service:				
Principal	24,125	24,125	3,761	20,364
Interest and Fiscal Charges	3,650	3,650	57	3,593
Capital Outlay	68,482	68,482	1,000	67,482
Total Expenditures	988,095	988,095	828,319	159,776
EXCESS OF REVENUES OVER EXPENDITURES	79,500	79,500	302,950	223,450
OTHER FINANCING SOURCES (USES)				
Transfers Out	(80,000)	(80,000)	(80,000)	-
Total Other Financing Sources (Uses)	(80,000)	(80,000)	(80,000)	-
NET CHANGE IN FUND BALANCE	(500)	(500)	222,950	223,450
Fund Balance - January 1	903,740	903,740	903,740	-
FUND BALANCE - DECEMBER 31	<u>\$ 903,240</u>	<u>\$ 903,240</u>	<u>\$ 1,126,690</u>	<u>\$ 223,450</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, 2022

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 118,017	\$ 118,017	\$ 118,017	\$ -
Public Charges for Services	1,000	1,000	2,097	1,097
Miscellaneous	500	500	1,869	1,369
Total Revenues	119,517	119,517	121,983	2,466
EXPENDITURES				
Current:				
Culture and Recreation	199,517	199,517	235,081	(35,564)
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(80,000)	(80,000)	(113,098)	(33,098)
OTHER FINANCING SOURCES				
Transfers In	80,000	80,000	80,000	-
NET CHANGE IN FUND BALANCE	-	-	(33,098)	(33,098)
Fund Balance - January 1	55,228	55,228	55,228	-
FUND BALANCE - DECEMBER 31	<u>\$ 55,228</u>	<u>\$ 55,228</u>	<u>\$ 22,130</u>	<u>\$ (33,098)</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Water Utility	Sewer Utility	Totals
ASSETS			
Current Assets:			
Cash and Investments	\$ 585,734	\$ 1,285,892	\$ 1,871,626
Receivables:			
Customer Accounts	34,734	128,656	163,390
Inventories and Prepaid Items	13,007	-	13,007
Total Current Assets	633,475	1,414,548	2,048,023
Noncurrent Assets:			
Restricted Assets:			
Cash and Investments	-	807,191	807,191
Other Assets:			
Long-Term Special Assessments	7,722	-	7,722
Net Pension Asset	12,646	32,319	44,965
Total Other Assets	20,368	32,319	52,687
Capital Assets:			
Nondepreciable	25,433	21,064	46,497
Depreciable	1,874,269	1,325,027	3,199,296
Total Capital Assets	1,899,702	1,346,091	3,245,793
Total Assets	2,553,545	3,600,149	6,153,694
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	24,729	62,883	87,612
Other Postemployment Related Amounts	1,133	2,898	4,031
Total Deferred Outflows of Resources	25,862	65,781	91,643

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Water Utility	Sewer Utility	Totals
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 3,626	\$ 382	\$ 4,008
Accrued and Other Current Liabilities	1,393	2,633	4,026
Payable from Restricted Assets:			
Current Portion of Long-Term Debt	-	102,011	102,011
Accrued Interest Payable	-	2,794	2,794
Total Current Liabilities	<u>5,019</u>	<u>107,820</u>	<u>112,839</u>
Long-Term Obligations, Less Current Portion:			
Revenue Bonds	-	1,101,727	1,101,727
Other Postemployment Benefits	<u>3,061</u>	<u>7,831</u>	<u>10,892</u>
Total Long-Term Liabilities	<u>3,061</u>	<u>1,109,558</u>	<u>1,112,619</u>
Total Liabilities	8,080	1,217,378	1,225,458
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	29,840	76,262	106,102
Other Postemployment Related Amounts	<u>831</u>	<u>2,125</u>	<u>2,956</u>
Total Deferred Inflows of Resources	<u>30,671</u>	<u>78,387</u>	<u>109,058</u>
NET POSITION			
Net Investment in Capital Assets	1,899,702	142,353	2,042,055
Restricted	12,646	836,716	849,362
Unrestricted	<u>628,308</u>	<u>1,391,096</u>	<u>2,019,404</u>
Total Net Position	<u>\$ 2,540,656</u>	<u>\$ 2,370,165</u>	<u>\$ 4,910,821</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	Water Utility	Sewer Utility	Totals
OPERATING REVENUES			
Charges for Services	\$ 325,361	\$ 940,810	\$ 1,266,171
Other	1,504	12,438	13,942
Total Operating Revenues	<u>326,865</u>	<u>953,248</u>	<u>1,280,113</u>
OPERATING EXPENSES			
Operation and Maintenance	83,855	487,911	571,766
Administration and General	41,460	121,022	162,482
Depreciation	71,336	470,531	541,867
Taxes	3,170	6,779	9,949
Total Operating Expenses	<u>199,821</u>	<u>1,086,243</u>	<u>1,286,064</u>
OPERATING INCOME (LOSS)	127,044	(132,995)	(5,951)
NONOPERATING REVENUES (EXPENSES)			
Interest Income	749	7,879	8,628
Interest and Fiscal Charges	-	(34,433)	(34,433)
Total Nonoperating Revenues (Expenses)	<u>749</u>	<u>(26,554)</u>	<u>(25,805)</u>
CHANGE IN NET POSITION	127,793	(159,549)	(31,756)
Net Position - January 1	<u>2,412,863</u>	<u>2,529,714</u>	<u>4,942,577</u>
NET POSITION - DECEMBER 31	<u><u>\$ 2,540,656</u></u>	<u><u>\$ 2,370,165</u></u>	<u><u>\$ 4,910,821</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 325,784	\$ 966,987	\$ 1,292,771
Cash Paid for Employee Wages and Benefits	(54,858)	(135,103)	(189,961)
Cash Paid to Suppliers	(84,088)	(519,366)	(603,454)
Net Cash Provided by Operating Activities	186,838	312,518	499,356
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(10,291)	(37,590)	(47,881)
Principal Paid on Long-Term Debt	-	(99,311)	(99,311)
Interest Paid on Long-Term Debt	-	(34,877)	(34,877)
Net Cash Used by Capital and Related Financing Activities	(10,291)	(171,778)	(182,069)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	749	7,879	8,628
CHANGE IN CASH AND INVESTMENTS	177,296	148,619	325,915
Cash and Investments - January 1	408,438	1,944,464	2,352,902
CASH AND INVESTMENTS - DECEMBER 31	<u>\$ 585,734</u>	<u>\$ 2,093,083</u>	<u>\$ 2,678,817</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 127,044	\$ (132,995)	\$ (5,951)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	71,336	470,531	541,867
Depreciation Charged to Sewer Utility	1,820	(1,820)	-
Change in (Asset) Liability and Deferred Outflows and Inflows of Resources:			
Net Pension Asset	(2,676)	(6,873)	(9,549)
Pension Deferred Outflow	(8,396)	(21,109)	(29,505)
Pension Deferred Inflow	7,954	20,401	28,355
Other Postemployment Benefits	(495)	(1,589)	(2,084)
Other Postemployment Benefits Deferred Outflow	520	1,482	2,002
Other Postemployment Benefits Deferred Inflow	375	917	1,292
Change in Operating Assets and Liabilities:			
Accounts Receivable	(1,081)	13,739	12,658
Inventories and Prepaid Items	(7,412)	-	(7,412)
Accounts Payable	(2,321)	(30,792)	(33,113)
Accrued and Other Current Liabilities	170	626	796
Net Cash Provided by Operating Activities	<u>\$ 186,838</u>	<u>\$ 312,518</u>	<u>\$ 499,356</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and Cash Equivalents in Current Assets	\$ 585,734	\$ 1,285,892	\$ 1,871,626
Cash and Cash Equivalents in Restricted Assets	-	807,191	807,191
Total Cash and Investments	<u>\$ 585,734</u>	<u>\$ 2,093,083</u>	<u>\$ 2,678,817</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND – CUSTODIAL FUND
DECEMBER 31, 2022**

ASSETS

Cash and Investments	\$ 509,469
Receivables:	
Taxes and Special Charges	<u>622,340</u>
Total Assets	<u>1,131,809</u>

DEFERRED INFLOW OF RESOURCES

Property Taxes Levied for Subsequent Year	<u>1,131,809</u>
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FIDUCIARY NET POSITION

Restricted	<u><u>\$ -</u></u>
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See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND – CUSTODIAL FUND
YEAR ENDED DECEMBER 31, 2022**

ADDITIONS

Taxes and Special Charges Collected	\$ 1,037,898
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DEDUCTIONS

Payments to Other Taxing Districts	<u>1,037,898</u>
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CHANGE IN NET POSITION

-

Net Position - January 1

-

NET POSITION - DECEMBER 31

\$ -

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Village reports the following major governmental funds:

General Fund

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

Library Fund

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

ARPA Fund (American Rescue Plan Act)

This fund accounts for the American Rescue Plan Act funds.

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.

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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. Leases Receivable

The Village is a lessor for a noncancellable lease of property used for cellular telephone towers. The Village recognizes a lease receivable and a deferred inflows of resources in the applicable governmental activities or business-type activities in the government-wide and in the governmental fund financial statements.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Leases Receivable (Continued)

At the commencement of a lease, the Village initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Village determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Village uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

5. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made. Special assessments are subject to collection procedures.

6 Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” in the fund financial statements.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6 Interfund Receivables and Payables (Continued)

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

7. Inventories

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

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

8. Prepaid Items

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

9. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of 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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Capital Assets (Continued)

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 to 77
Buildings and Improvements	20 to 40	25 to 31
Machinery and Equipment	7 to 20	4 to 23
Infrastructure	15 to 40	40 to 100

10. Compensated Absences

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

11. Deferred Outflows/Inflows of Resources

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

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Long-Term Obligations

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

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

13. Pensions

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

14. 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 member 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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. 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.

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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Fund Equity (Continued)

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. Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflows of resources.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Adoption of New Accounting Standards (Continued)

The Village adopted the requirement of the guidance effective January 1, 2022, for lease receivables and corresponding deferred inflows of resources, and has elected to apply the provisions of this standard to the beginning of the period of adoption. As a result of the implementation of this standard, the Village recorded lease receivables and corresponding deferred inflows of resources for lessor agreements on property for cellular telephone towers of \$285,540 in governmental activities and the general fund.

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, 2022.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022, as follows:

Fund	Excess Expenditures
General:	
General Government:	
Clerk	\$ 137
Treasurer	2,144
Village Hall	2,176
Municipal Court	1,280
Public Safety:	
Ambulance	13,079
Public Works:	
Director	19,160
Street Machinery	6,169
Public Works Employee Benefits	6,346
Street Sweeping	1,219
Culture and Recreation:	
Parks	1,921
Capital Outlay:	
Public Works	1,000
Library:	
Culture and Recreation	35,564

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 2022 and 2023 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 2022 budget was 0.72%. The actual limit for the Village for the 2023 budget was 0%. 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, 2022

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 \$5,173,755 on December 31, 2022, as summarized below:

Petty Cash and Cash on Hand	\$ 190
Deposits with Financial Institutions	4,666,148
Investments:	
Wisconsin Local Government Investment Pool	507,417
Total	<u>\$ 5,173,755</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 3,857,095
Restricted Cash and Investments	807,191
Fiduciary Fund Statement of Net Position:	
Cash and Investments	509,469
Total	<u>\$ 5,173,755</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; and 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, 2022**

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, 2022, \$3,582,121 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 \$507,417 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, 2022, 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, 2022**

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 74 days.

B. Restricted Assets

Restricted assets on December 31, 2022, totaled \$807,191 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Enterprise Funds:		
Sewer Utility:		
Debt Retirement	\$ 299,774	To account for sewer user charges restricted for the repayment of clean water fund loans
DNR Replacement	507,417	To be used for the replacement of certain assets for the sewer utility
Total	<u>\$ 807,191</u>	

C. Lease Receivables

The Village, acting as lessor, leases property for cellular telephone towers under long-term, noncancelable lease agreements. The leases expire at various dates through 2037 and provide for renewal options for five years. During the year ended December 31, 2022, the Village recognized \$14,558 and \$2,918 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Governmental Activities		Total
	Principal	Interest	
2023	\$ 14,867	\$ 2,775	\$ 17,642
2024	15,155	2,625	17,780
2025	15,449	2,472	17,921
2026	10,727	2,341	13,068
2027	11,053	2,233	13,286
2028-2032	62,784	9,330	72,114
2033 and Thereafter	155,505	7,890	163,395
Total Minimum Lease Payments	<u>\$ 285,540</u>	<u>\$ 29,666</u>	<u>\$ 315,206</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

Capital asset activity for the year ended December 31, 2022, 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, Nondepreciable	341,488	-	-	334,272
Capital Assets, Depreciable:				
Land Improvements	104,247	-	4,113	100,134
Buildings and Improvements	851,695	-	-	851,695
Machinery and Equipment	447,122	41,180	4,813	483,489
Infrastructure	3,939,309	-	-	3,939,309
Subtotals	5,342,373	41,180	8,926	5,374,627
Less: Accumulated Depreciation for:				
Land Improvements	99,052	268	4,113	95,207
Buildings and Improvements	637,493	24,012	-	661,505
Machinery and Equipment	389,693	16,935	4,813	401,815
Infrastructure	2,891,595	39,402	-	2,930,997
Subtotals	4,017,833	80,617	8,926	4,089,524
Total Capital Assets, Depreciable, Net	1,324,540	(39,437)	-	1,285,103
Governmental Activities Capital Assets, Net	<u>\$ 1,666,028</u>	<u>\$ (39,437)</u>	<u>\$ -</u>	<u>\$ 1,619,375</u>

VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. 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	15,372	-	43,456
Total Capital Assets, Nondepreciable	31,125	15,372	-	46,497
Capital Assets, Depreciable:				
Buildings and Improvements	7,920,112	-	-	7,920,112
Machinery and Equipment	2,611,711	29,904	17,071	2,624,544
Infrastructure	4,242,441	2,605	3,680	4,241,366
Subtotals	14,774,264	32,509	20,751	14,786,022
Less: Accumulated Depreciation for:				
Buildings and Improvements	7,406,135	317,762	-	7,723,897
Machinery and Equipment	1,886,335	109,788	17,071	1,979,052
Infrastructure	1,773,140	114,317	3,680	1,883,777
Subtotals	11,065,610	541,867	20,751	11,586,726
Total Capital Assets, Depreciable, Net	3,708,654	(509,358)	-	3,199,296
Business-Type Activities Capital Assets, Net	<u>\$ 3,739,779</u>	<u>\$ (493,986)</u>	<u>\$ -</u>	3,245,793
Less: Capital Related Debt				1,203,738
Net Investment in Capital Assets				<u>\$ 2,042,055</u>

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

Governmental Activities:	
General Government	\$ 3,428
Public Safety	8,878
Public Works	49,398
Culture and Recreation	18,913
Total Depreciation Expense - Governmental Activities	<u>\$ 80,617</u>
Business-Type Activities:	
Water Utility	\$ 73,156
Sewer Utility	468,711
Total Depreciation Expense - Business-Type Activities	<u>\$ 541,867</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivables and Payables and Transfers

Advances From/To Other Funds at December 31, 2022 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Tax Incremental District #3	<u>\$ 14,500</u>

The amounts payable to the general fund relate to working capital loans made to a nonmajor governmental fund. The balance is scheduled to be collected in the subsequent year.

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

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ -	\$ 80,000
Library	80,000	-

Transfers between funds were for the following purposes:

Annual Village subsidy to Library	\$ 80,000
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F. Long-Term Obligations

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Debt:					
Note from Direct Borrowings	\$ 3,761	\$ -	\$ 3,761	\$ -	\$ -
Compensated Absences	24,996	9,274	10,963	23,307	-
Governmental Activities					
Long-Term Obligations	<u>\$ 28,757</u>	<u>\$ 9,274</u>	<u>\$ 14,724</u>	<u>\$ 23,307</u>	<u>\$ -</u>
Business-Type Activities					
Revenue Bonds from Direct					
Borrowings	<u>\$ 1,303,049</u>	<u>\$ -</u>	<u>\$ 99,311</u>	<u>\$ 1,203,738</u>	<u>\$ 102,011</u>

Total interest paid during the year on long-term debt totaled \$34,933.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

The Village's outstanding revenue bonds from direct borrowings related to business-type activities of \$1,203,738 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.

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, 2022, was \$4,621,100 as follows:

Equalized Valuation of the Village	\$ 92,422,000
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section	
67.03 of the Wisconsin Statutes	4,621,100
Net Outstanding General Obligation Debt	
Applicable to Debt limitation	-
Legal Margin for New Debt	<u>\$ 4,621,100</u>

Revenue Bonds

Revenue bonds from direct borrowings outstanding on December 31, 2022, totaled \$1,203,738 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Clean Water Fund Loan	6/23/10	5/1/30	2.40%	\$ 840,613	\$ 384,630
Clean Water Fund Loan	7/23/14	5/1/34	2.97%	1,225,240	819,108
Total Outstanding Revenue Bonds					<u>\$ 1,203,738</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Annual principal and interest maturities of the outstanding revenue bonds of \$1,203,738 on December 31, 2022, are detailed below:

<u>Year Ending December 31,</u>	Business-Type Activities		
	Direct Borrowings - Revenue Bonds		
	Principal	Interest	Total
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	113,580	20,410	133,990
2028 - 2032	507,936	55,821	563,757
2033 - 2034	157,216	4,697	161,913
Total	<u>\$ 1,203,738</u>	<u>\$ 192,286</u>	<u>\$ 1,396,024</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 \$1,396,024. Principal and interest paid for the current year and total customer net revenues were \$134,187 and \$337,918, respectively.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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/reports-and-studies/financial-reports-and-statements>.

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

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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

1. Plan Description (Continued)

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.

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

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

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, 2022, the WRS recognized \$27,526 in contributions from the Village.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including Teachers, Executives, and Elected Officials)	6.50 %	6.50 %
Protective With Social Security	6.50 %	12.00 %
Protective Without Social Security	6.50 %	16.40 %

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

At December 31, 2022, the Village reported an asset of \$190,528 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Village's proportion was 0.00236382%, which was an decrease of 0.00008125% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized pension revenue of \$16,638.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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)

At December 31, 2022, 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	\$ 307,787	\$ 22,193
Net Differences between Projected and Actual Earnings on Pension Plan Investments		426,225
Changes in Assumptions	35,545	
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	303	1,166
Employer Contributions Subsequent to the Measurement Date	27,526	-
Total	<u>\$ 371,161</u>	<u>\$ 449,584</u>

\$27,526 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expenses</u>
2023	\$ (9,158)
2024	(51,894)
2025	(23,007)
2026	(21,890)
Total	<u>\$ (105,949)</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

5. Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability changes from prior year, including the discount rate, long-term expected rate of return, postretirement adjustment, price inflation, mortality, and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

5. Actuarial Assumptions (Continued)

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

	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	52.0 %	6.8 %	4.2 %
Fixed Income	5.0	4.3	1.8
Inflation Sensitive Assets	19.0	2.7	0.2
Real Estate	7.0	5.6	3.0
Private Equity/Debt	12.0	9.7	7.0
Cash	(15.0)	0.9	N/A
Total Core Fund	<u>100.0</u>	6.6	4.1
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0 %	6.3 %	3.7 %
International Equities	30.0	7.2	4.6
Total Variable Fund	<u>100.0</u>	6.8	4.2

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

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

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

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

5. Actuarial Assumptions (Continued)

Single Discount Rate. A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84%. (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, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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 6.80%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ 135,193	\$ (190,528)	\$ (424,987)

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>.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

6. Payables to the Pension Plan

At December 31, 2022, the Village reported a payable of \$4,505 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

H. Other Postemployment Benefits

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

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides 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/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

4. Contributions (Continued)

Contribution rates as of December 31, 2022, are:

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

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

Life Insurance Member Contribution Rates Year Ended December 31, 2021	
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 \$170 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, 2022, the Village reported a liability of \$46,166 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021, rolled forward to December 31, 2021. No material changes in assumptions or 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, 2021, the Village's proportion was 0.00781100%, which was an decrease of 0.00220300% from its proportion measured as of December 31, 2020.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

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

For the year ended December 31, 2022, the Village recognized OPEB expense of \$5,236.

At December 31, 2022, 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	\$ -	\$ 2,348
Net Differences between Projected and Actual Earnings on OPEB Plan Investments	602	-
Changes in Assumptions	13,948	2,238
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,534	7,944
Total	<u>\$ 17,084</u>	<u>\$ 12,530</u>

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

<u>Year Ending December 31,</u>	<u>Expense</u>
2023	\$ 1,759
2024	1,690
2025	1,267
2026	1,323
2027	(288)
Thereafter	<u>(1,197)</u>
Total	<u>\$ 4,554</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

6. Actuarial Assumptions

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

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

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

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

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

6. Actuarial Assumptions (Continued)

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

The long-term expected rate of return remained unchanged from in the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020, to 2.3% as of December 31, 2021.

Single Discount Rate. A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020, to 2.06% as of December 31, 2021. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive 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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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 2.17%, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
Village's Proportionate Share of the Net OPEB Liability	\$ 62,630	\$ 46,166	\$ 33,777

7. Payables to the OPEB Plan

At December 31, 2022, the Village had no outstanding contribution to the Plan required for the year ended December 31, 2022.

I. Fund Equity

Nonspendable Fund Balance

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, 2022, nonspendable fund balance was as follows:

General Fund:	
Prepaid Items	<u>\$ 2,778</u>

Restricted Fund Balance

In the fund financial statements, portions of government fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2022, restricted fund balance was as follows:

Special Revenue Funds:	
Restricted for:	
Affordable Housing	<u>\$ 410,423</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. 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, 2022, governmental fund balances were committed as follows:

Special Revenue Funds:

Committed for:

Library	<u>\$ 22,130</u>
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Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2022, fund balance was assigned as follows:

General Fund:

Garbage Truck	\$ 37,000
Salt Truck	2,200
Street Sweeper	8,092
Utility Vehicle	2,047
Lawnmower and Snow Blower	4,800
Tractor	18,460
Dump Truck	100
Utility Truck	2,583
Sidewalks	3,438
New Village Hall	395,000
Steve Theobald Property	14,488
Parks	26,000
Street and Storm Sewer Projects	<u>125,000</u>
Total	<u>\$ 639,208</u>

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing District

The Village has established a separate capital projects fund for Tax Incremental District (TID) #3 which was created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District of \$5,505,400 was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village's District remains eligible to incur project costs.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Tax Incremental Financing District (Continued)

Since creation of the above District, the Village has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the Village from any future excess tax increment revenues. As of December 31, 2022, the Village can recover \$14,500 from future excess tax increment revenues.

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the District. Unless terminated by the Village prior thereto, the TID has a statutory termination year of 2042.

B. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage amounts in any of the last three fiscal years.

C. Contingencies

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

D. Enterprise Funds – Significant Customers

The water utility has one significant customer who was responsible for 29% of operating revenues in 2022. The sewer utility has one significant customer who was responsible for 69% of operating revenues in 2022.

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
12/31/21	0.00236382	(190,528)	334,247	57.00	106.02

**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
12/31/22	27,526	27,526	-	366,165	7.52

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
12/31/21	0.00781100	46,166	339,000	13.62	29.57

**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
12/31/22	170	170	-	366,165	0.05

See accompanying Notes to Required Supplementary Information.

VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

NOTE 1 PENSION

Wisconsin Retirement System (WRS)

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

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2019 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year ended December 31, 2021, including the following:

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

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

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

The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The Village is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

**VILLAGE OF BLACK CREEK, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 2 OTHER POSTEMPLOYMENT BENEFIT PLAN

Local Retiree Life Insurance Fund (LRLIF)

Benefit Terms: There were no changes of benefit terms.

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

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

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

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

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The Village is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

**VILLAGE OF BLACK CREEK, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Taxes:				
General Property	\$ 587,241	\$ 587,241	\$ 587,241	\$ -
Mobile Home	2,000	2,000	1,143	(857)
Interest and Taxes	-	-	6,775	6,775
Total Taxes	589,241	589,241	595,159	5,918
Intergovernmental:				
State Aids:				
State Shared Taxes	336,243	336,243	336,025	(218)
Fire Insurance	2,000	2,000	3,388	1,388
Exempt Computer Aid	-	-	1,272	1,272
Law Enforcement	900	900	1,280	380
Local Streets	73,417	73,417	73,417	-
Payments in Lieu of Taxes	266	266	206	(60)
Federal Cares Act Funding	2,835	2,835	2,725	(110)
County Shared Sales Tax	-	-	15,072	15,072
Total Intergovernmental	415,661	415,661	433,385	17,724
Licenses and Permits:				
Liquor and Malt Beverage	1,600	1,600	1,595	(5)
Operators	2,000	2,000	2,025	25
Cigarettes	250	250	200	(50)
Dog	450	450	154	(296)
Cable Television	1,900	1,900	-	(1,900)
Building Permits	1,200	1,200	1,200	-
Other Licenses and Permits	710	710	560	(150)
Total Licenses and Permits	8,110	8,110	5,734	(2,376)
Fines and Forfeits:				
Court Penalties and Costs	22,000	22,000	29,311	7,311
Parking Violations	850	850	982	132
Warrants for Other Police Departments	-	-	714	714
Total Fines and Forfeits	22,850	22,850	31,007	8,157
Public Charges for Services:				
Parks	1,000	1,000	1,825	825
Clerk	400	400	680	280
Recycling	300	300	1,556	1,256
Total Public Charges for Services	1,700	1,700	4,061	2,361

**VILLAGE OF BLACK CREEK, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
Intergovernmental Charges for Services:				
Police Rent - Outagamie County	\$ 3,600	\$ 3,600	\$ -	\$ (3,600)
Municipal Court Charges	1,980	1,980	1,906	(74)
Total Intergovernmental Charges for Services	5,580	5,580	1,906	(3,674)
Miscellaneous:				
Interest on Investments	6,500	6,500	33,211	26,711
Donations	891	891	8,362	7,471
Rent of Village Property	200	200	350	150
Rental Property	16,112	16,112	16,519	407
Miscellaneous	750	750	1,575	825
Total Miscellaneous	24,453	24,453	60,017	35,564
Total Revenues	<u>\$ 1,067,595</u>	<u>\$ 1,067,595</u>	<u>\$ 1,131,269</u>	<u>\$ 63,674</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Board and Publications	\$ 21,992	\$ 21,992	\$ 20,832	\$ 1,160
Clerk	-	-	137	(137)
Elections	9,000	9,000	5,622	3,378
Assessment of Property	7,200	7,200	5,200	2,000
Treasurer	96,229	96,229	98,373	(2,144)
Special Accounting and Auditing	14,000	14,000	12,829	1,171
Village Hall	9,100	9,100	11,276	(2,176)
Community Center	17,692	17,692	12,215	5,477
Property and Liability Insurance	19,000	19,000	13,966	5,034
Worker's Compensation	13,000	13,000	11,384	1,616
Village Attorney	18,000	18,000	11,610	6,390
Municipal Court	19,098	19,098	20,378	(1,280)
Custodian	5,720	5,720	4,875	845
Total General Government	250,031	250,031	228,697	21,334
Public Safety:				
Police Department	167,435	167,435	159,829	7,606
Fire Department	56,000	56,000	46,987	9,013
Fire Hydrant Rental	50,455	50,455	50,455	-
Ambulance	13,900	13,900	26,979	(13,079)
Building Inspector	4,800	4,800	4,800	-
Total Public Safety	292,590	292,590	289,050	3,540
Public Works:				
Director	10,607	10,607	29,767	(19,160)
Street Maintenance and Construction	90,722	90,722	30,234	60,488
Snow and Ice Removal	23,730	23,730	16,869	6,861
Street Machinery	35,318	35,318	41,487	(6,169)
Street Lighting	40,000	40,000	36,915	3,085
Public Works Employee Benefits:				
Pension	385	385	1,451	(1,066)
Health Insurance	3,649	3,649	8,751	(5,102)
Disability Insurance	124	124	302	(178)
Garbage and Refuse Collection	83,956	83,956	83,820	136
Recycling	4,300	4,300	3,007	1,293
Weed Control	12,638	12,638	11,093	1,545
Street Sweeping	2,522	2,522	3,741	(1,219)
Building and Grounds	8,652	8,652	8,223	429
Locate Utilities	3,756	3,756	1,168	2,588
Total Public Works	320,359	320,359	276,828	43,531

**VILLAGE OF BLACK CREEK, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Culture and Recreation:				
Parks	\$ 26,921	\$ 26,921	\$ 28,842	\$ (1,921)
Lake Park	1,937	1,937	84	1,853
Total Culture and Recreation	28,858	28,858	28,926	(68)
Debt Service:				
Principal Retirement	24,125	24,125	3,761	20,364
Interest and Fiscal Charges	3,650	3,650	57	3,593
Total Debt Service	27,775	27,775	3,818	23,957
Capital Outlay:				
Street Department	62,482	62,482	-	62,482
Parks	6,000	6,000	-	6,000
Public Works	-	-	1,000	(1,000)
Total Capital Outlay	68,482	68,482	1,000	67,482
Total Expenditures	\$ 988,095	\$ 988,095	\$ 828,319	\$ 159,776

**VILLAGE OF BLACK CREEK, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Tax Incremental District No. 3	Affordable Housing	Totals
ASSETS			
Cash and Investments	\$ -	\$ 410,423	\$ 410,423
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to Other Funds	\$ 14,500	\$ -	\$ 14,500
Unearned Revenues	-	-	-
Total Liabilities	14,500	-	14,500
FUND BALANCES			
Restricted	-	410,423	410,423
Unassigned	(14,500)	-	(14,500)
Total Fund Balances	(14,500)	410,423	395,923
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 410,423	\$ 410,423

**VILLAGE OF BLACK CREEK, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Tax Incremental District No. 3	Affordable Housing	Totals
EXPENDITURES			
Current:			
General Government	\$ 14,500	\$ -	\$ 14,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,500)	-	(14,500)
NET CHANGE IN FUND BALANCES	(14,500)	-	(14,500)
Fund Balances - January 1	-	410,423	410,423
FUND BALANCES - DECEMBER 31	<u>\$ (14,500)</u>	<u>\$ 410,423</u>	<u>\$ 395,923</u>

**VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF WATER UTILITY
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2022**

OPERATING REVENUES

Charges for Services:

Metered Sales to General Customers	\$ 195,209
Sales to Public Authorities	15,827
Public Fire Protection	114,325
Total Charges for Services	<u>325,361</u>

Other Revenues:

Forfeited Discounts	466
Other Water Revenues	1,038
Total Other Revenues	<u>1,504</u>

Total Operating Revenues	326,865
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OPERATING EXPENSES

Operation and Maintenance:

Operating Labor	28,218
Utilities	17,994
Testing	1,556
Operating Supplies	9,371
Repairs and Maintenance	24,651
Transportation Expenses	2,065
Total Operation and Maintenance	<u>83,855</u>

Administrative and General:

Administrative Wages	8,733
Office Supplies and Expenses	3,479
Insurance Expenses	10,123
Employees Benefits	12,189
Outside Services Employed:	
Accounting and Auditing	6,628
Engineering	308
Total Administrative and General	<u>41,460</u>

Total Plant Operation and Maintenance	125,315
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Depreciation	71,336
Taxes	3,170
Total Operating Expenses	<u>199,821</u>

OPERATING INCOME	<u><u>\$ 127,044</u></u>
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**VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF SEWER UTILITY
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2022**

OPERATING REVENUES

Charges for Services:

Metered Sales to General Customers	\$ 931,837
Sales to Public Authorities	8,973
Total Charges for Services	<u>940,810</u>

Other Revenues:

Forfeited Discounts	12,346
Other Water Revenues	92
Total Other Revenues	<u>12,438</u>

Total Operating Revenues	953,248
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OPERATING EXPENSES

Operation and Maintenance:

Operating Labor	81,955
Utilities	107,372
Testing	37,959
Operating Supplies	189,408
Repairs and Maintenance	69,070
Transportation Expenses	2,147
Total Operation and Maintenance	<u>487,911</u>

Administrative and General:

Administrative Wages	8,050
Office Supplies and Expenses	4,263
Insurance Expenses	10,123
Employees Benefits	32,174
Outside Services Employed:	
Accounting and Auditing	5,790
Engineering	57,032
Miscellaneous General Expenses	3,590
Total Administrative and General	<u>121,022</u>

Total Plant Operation and Maintenance	608,933
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Depreciation	470,531
Taxes	6,779
Total Operating Expenses	<u>1,086,243</u>

OPERATING LOSS	<u>\$ (132,995)</u>
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**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, 2022, 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 10, 2023.

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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 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 cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin
March 10, 2023

**VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

Section I – Internal Control Over Financial Reporting

2022-001 Adjustments to the Village's Financial Records

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 or Specific Requirement: 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.

Repeat Finding: Yes; 2021-001

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.

**VILLAGE OF BLACK CREEK, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section I – Internal Control Over Financial Reporting (Continued)

2022-002 Preparation of Annual Financial Report

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 auditors, 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.

Criteria or Specific Requirement: 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.

Repeat Finding: Yes; 2021-002

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 for the year ended December 31, 2022.

