

**VILLAGE OF BLACK CREEK, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2025**



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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 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, 2025, 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 accompanying 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

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

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

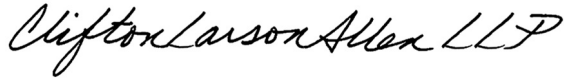
***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The detailed comparison of general fund budgeted and actual revenues, detailed comparison of general fund budgeted and actual expenditures, nonmajor governmental funds combining statements, and schedules of 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 3, 2026, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
March 3, 2026

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF BLACK CREEK, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2025**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 959,895	\$ 1,953,020	\$ 2,912,915
Receivables:			
Taxes and Special Charges	339,021	-	339,021
Accounts	-	106,633	106,633
Special Assessments	117,306	7,722	125,028
Lease Receivables	693,155	-	693,155
Prepaid Items	455	29,167	29,622
Land Held for Resale	72,692	-	72,692
Restricted Assets:			
Cash and Investments	-	1,047,000	1,047,000
Capital Assets, Nondepreciable	419,253	206,247	625,500
Capital Assets, Depreciable, Net	2,486,784	5,516,754	8,003,538
Total Assets	<u>5,088,561</u>	<u>8,866,543</u>	<u>13,955,104</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Amounts	171,111	57,760	228,871
Other Postemployment Related Amounts	16,110	5,273	21,383
Total Deferred Outflows of Resources	<u>187,221</u>	<u>63,033</u>	<u>250,254</u>
<b>LIABILITIES</b>			
Accounts Payable	114,864	108,489	223,353
Accrued and Other Current Liabilities	8,421	5,448	13,869
Accrued Interest Payable	-	19,526	19,526
Long-Term Obligations:			
Due Within One Year	-	207,275	207,275
Due in More than One Year	29,910	2,838,276	2,868,186
Net Pension Liability	29,784	9,830	39,614
Other Postemployment Benefits	28,778	9,421	38,199
Total Liabilities	<u>211,757</u>	<u>3,198,265</u>	<u>3,410,022</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	636,203	-	636,203
Leases	693,155	-	693,155
Pension Related Amounts	88,095	29,074	117,169
Other Postemployment Related Amounts	23,912	7,828	31,740
Total Deferred Inflows of Resources	<u>1,441,365</u>	<u>36,902</u>	<u>1,478,267</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,810,761	2,600,037	5,410,798
Restricted:			
Housing Projects	330,595	-	330,595
Equipment Replacement	-	1,047,000	1,047,000
Unrestricted	481,304	2,047,372	2,528,676
Total Net Position	<u>\$ 3,622,660</u>	<u>\$ 5,694,409</u>	<u>\$ 9,317,069</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2025**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ 318,665	\$ 21,882	\$ 7,980
Public Safety	272,120	20,884	6,429
Public Works	495,158	526	74,064
Culture and Recreation	297,924	3,923	130,682
Conservation and Development	56,266	-	-
Total Governmental Activities	1,440,133	47,215	219,155
<b>BUSINESS-TYPE ACTIVITIES</b>			
Water Utility	351,895	343,505	-
Sewer Utility	1,058,022	933,513	-
Total Business-Type Activities	1,409,917	1,277,018	-
Total	\$ 2,850,050	\$ 1,324,233	\$ 219,155

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2025**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Totals
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ (288,803)	\$ -	\$ (288,803)
Public Safety	(244,807)	-	(244,807)
Public Works	(420,568)	-	(420,568)
Culture and Recreation	(163,319)	-	(163,319)
Conservation and Development	(56,266)	-	(56,266)
Total Governmental Activities	(1,173,763)	-	(1,173,763)
<b>BUSINESS-TYPE ACTIVITIES</b>			
Water Utility	-	(8,390)	(8,390)
Sewer Utility	-	(124,509)	(124,509)
Total Business-Type Activities	-	(132,899)	(132,899)
Total	(1,173,763)	(132,899)	(1,306,662)
<b>GENERAL REVENUES</b>			
Taxes:			
Property Taxes	582,504	-	582,504
Tax Increments	9,125	-	9,125
Other Taxes	18,773	-	18,773
Federal and State Grants and Other Contributions not Restricted to Specific Functions	432,642	-	432,642
Interest and Investment Earnings	91,440	60,664	152,104
Miscellaneous	461	-	461
Gain on Sale of Asset	550	-	550
Total General Revenues and Transfers	1,135,495	60,664	1,196,159
<b>CHANGE IN NET POSITION</b>	(38,268)	(72,235)	(110,503)
Net Position - January 1	3,660,928	5,766,644	9,427,572
<b>NET POSITION - DECEMBER 31</b>	\$ 3,622,660	\$ 5,694,409	\$ 9,317,069

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2025**

	General	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 569,265	\$ 390,630	\$ 959,895
Receivables:			
Taxes and Special Charges	311,539	27,482	339,021
Special Assessments	117,306	-	117,306
Lease Receivables	693,155	-	693,155
Prepaid Items	455	-	455
Land Held for Resale	-	72,692	72,692
Total Assets	\$ 1,691,720	\$ 490,804	\$ 2,182,524
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 113,061	\$ 1,803	\$ 114,864
Accrued and Other Current Liabilities	3,629	4,792	8,421
Total Liabilities	116,690	6,595	123,285
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	584,394	51,809	636,203
Leases	693,155	-	693,155
Special Assessments	117,680	-	117,680
Total Deferred Inflows of Resources	1,395,229	51,809	1,447,038
 <b>FUND BALANCES</b>			
Nonspendable	455	72,692	73,147
Restricted	-	330,595	330,595
Committed	-	35,652	35,652
Assigned	179,346	-	179,346
Unassigned	-	(6,539)	(6,539)
Total Fund Balances	179,801	432,400	612,201
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,691,720	\$ 490,804	\$ 2,182,524

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, 2025**

Total Fund Balances as Shown on Previous Page	\$	612,201
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.		2,906,037
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		171,111
Deferred Inflows Related to Pensions		(88,095)
Deferred Outflows Related to Other Postemployment Benefits		16,110
Deferred Inflows Related to Other Postemployment Benefits		(23,912)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated Absences		(29,910)
Net Pension Liability		(29,784)
Other Postemployment Benefit		(28,778)
		(88,372)
Net Position of Governmental Activities as Reported on the Statement of Net Position	\$	3,622,660

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2025**

	General	Library	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>				
Taxes	\$ 583,967	\$ -	\$ 9,125	\$ 593,092
Intergovernmental	528,998	-	126,900	655,898
Licenses and Permits	11,837	-	-	11,837
Fines and Forfeits	12,394	-	-	12,394
Public Charges for Services	2,494	-	1,683	4,177
Intergovernmental Charges for Services	1,120	-	-	1,120
Miscellaneous	107,532	-	15,265	122,797
Total Revenues	<u>1,248,342</u>	<u>-</u>	<u>152,973</u>	<u>1,401,315</u>
<b>EXPENDITURES</b>				
Current:				
General Government	246,768	-	12,025	258,793
Public Safety	269,797	-	-	269,797
Public Works	425,187	-	-	425,187
Culture and Recreation	70,483	-	198,091	268,574
Capital Outlay	975,879	-	-	975,879
Total Expenditures	<u>1,988,114</u>	<u>-</u>	<u>210,116</u>	<u>2,198,230</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(739,772)	-	(57,143)	(796,915)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	550	-	-	550
Loss on Sale of Land Held for Resale	-	-	(46,585)	(46,585)
Transfers In	-	-	60,000	60,000
Transfers Out	(60,000)	-	-	(60,000)
Total Other Financing Sources (Uses)	<u>(59,450)</u>	<u>-</u>	<u>13,415</u>	<u>(46,035)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(799,222)	-	(43,728)	(842,950)
Fund Balances - January 1, As Originally Reported	979,023	41,073	435,055	1,455,151
Change Within Financial Reporting Entity Major to Nonmajor Fund	<u>-</u>	<u>(41,073)</u>	<u>41,073</u>	<u>-</u>
Fund Balances - January 1, As Adjusted	<u>979,023</u>	<u>-</u>	<u>476,128</u>	<u>1,455,151</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 179,801</u>	<u>\$ -</u>	<u>\$ 432,400</u>	<u>\$ 612,201</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, 2025**

Net Change in Fund Balances as Shown on Previous Page \$ (842,950)

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	989,289
Depreciation Expense Reported in the Statement of Activities	(164,625)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

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	(1,084)
Net Pension Liability	(3,230)
Deferred Outflows of Resources Related to Pensions	(68,024)
Deferred Inflows of Resources Related to Pensions	54,001
Deferred Outflows of Resources Related to Other	
Postemployment Benefits	(293)
Deferred Inflows of Resources Related to Other	
Postemployment Benefits	(2,947)
Other Postemployment Benefits	1,595

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	\$ (38,268)
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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, 2025**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 583,704	\$ 583,704	\$ 583,967	\$ 263
Intergovernmental	511,232	511,232	528,998	17,766
Licenses and Permits	4,995	4,995	11,837	6,842
Fines and Forfeits	23,500	23,500	12,394	(11,106)
Public Charges for Services	2,100	2,100	2,494	394
Intergovernmental Charges for Services	1,200	1,200	1,120	(80)
Miscellaneous	44,212	44,212	107,532	63,320
Total Revenues	<u>1,170,943</u>	<u>1,170,943</u>	<u>1,248,342</u>	<u>77,399</u>
<b>EXPENDITURES</b>				
Current:				
General Government	277,793	277,793	246,768	31,025
Public Safety	331,080	331,080	269,797	61,283
Public Works	364,912	395,882	425,187	(29,305)
Culture and Recreation	80,193	80,193	70,483	9,710
Debt Service:				
Principal	13,300	13,300	-	13,300
Interest and Fiscal Charges	1,125	1,125	-	1,125
Capital Outlay	15,000	15,000	975,879	(960,879)
Total Expenditures	<u>1,083,403</u>	<u>1,114,373</u>	<u>1,988,114</u>	<u>(873,741)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	87,540	56,570	(739,772)	(796,342)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	550	550
Transfers Out	(60,000)	(60,000)	(60,000)	-
Total Other Financing Sources (Uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>(59,450)</u>	<u>550</u>
<b>NET CHANGE IN FUND BALANCE</b>	27,540	(3,430)	(799,222)	(795,792)
Fund Balance - January 1	<u>979,023</u>	<u>979,023</u>	<u>979,023</u>	<u>-</u>
<b>FUND BALANCE - DECEMBER 31</b>	<u><u>\$ 1,006,563</u></u>	<u><u>\$ 975,593</u></u>	<u><u>\$ 179,801</u></u>	<u><u>\$ (795,792)</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2025**

	Water Utility	Sewer Utility	Totals
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 408,513	\$ 1,544,507	\$ 1,953,020
Receivables:			
Customer Accounts	24,064	82,569	106,633
Inventories and Prepaid Items	26,783	2,384	29,167
Total Current Assets	459,360	1,629,460	2,088,820
Noncurrent Assets:			
Restricted Assets:			
Cash and Investments	-	1,047,000	1,047,000
Other Assets:			
Long-Term Special Assessments	7,722	-	7,722
Capital Assets:			
Nondepreciable	2,325	203,922	206,247
Depreciable	3,271,562	2,245,192	5,516,754
Total Capital Assets	3,273,887	2,449,114	5,723,001
Total Assets	3,740,969	5,125,574	8,866,543
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Amounts	17,924	39,836	57,760
Other Postemployment Related Amounts	1,632	3,641	5,273
Total Deferred Outflows of Resources	19,556	43,477	63,033

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN  
STATEMENT OF NET POSITION (CONTINUED)  
PROPRIETARY FUNDS  
DECEMBER 31, 2025**

	Water Utility	Sewer Utility	Totals
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 1,256	\$ 107,233	\$ 108,489
Accrued and Other Current Liabilities	1,577	3,871	5,448
Accrued Interest Payable	15,352	4,174	19,526
Current Portion of Long-Term Debt	71,644	135,631	207,275
Total Current Liabilities	<u>89,829</u>	<u>250,909</u>	<u>340,738</u>
Long-Term Obligations, Less			
Current Portion:			
General Obligation Debt	1,501,282	558,262	2,059,544
Revenue Bonds	-	778,732	778,732
Net Pension Liability	3,118	6,712	9,830
Other Postemployment Benefits	2,916	6,505	9,421
Total Long-Term Liabilities	<u>1,507,316</u>	<u>1,350,211</u>	<u>2,857,527</u>
Total Liabilities	1,597,145	1,601,120	3,198,265
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Amounts	9,222	19,852	29,074
Other Postemployment Related Amounts	2,423	5,405	7,828
Total Deferred Inflows of Resources	<u>11,645</u>	<u>25,257</u>	<u>36,902</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,700,961	899,076	2,600,037
Restricted	-	1,047,000	1,047,000
Unrestricted	450,774	1,596,598	2,047,372
Total Net Position	<u>\$ 2,151,735</u>	<u>\$ 3,542,674</u>	<u>\$ 5,694,409</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, 2025**

	Water Utility	Sewer Utility	Totals
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 341,514	\$ 899,333	\$ 1,240,847
Other	1,991	34,180	36,171
Total Operating Revenues	<u>343,505</u>	<u>933,513</u>	<u>1,277,018</u>
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	104,132	552,442	656,574
Administration and General	65,553	132,325	197,878
Depreciation	88,594	304,417	393,011
Taxes	6,017	7,714	13,731
Total Operating Expenses	<u>264,296</u>	<u>996,898</u>	<u>1,261,194</u>
<b>OPERATING INCOME (LOSS)</b>	79,209	(63,385)	15,824
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	14,633	46,031	60,664
Interest and Fiscal Charges	<u>(87,599)</u>	<u>(61,124)</u>	<u>(148,723)</u>
Total Nonoperating Revenues (Expenses)	<u>(72,966)</u>	<u>(15,093)</u>	<u>(88,059)</u>
<b>CHANGE IN NET POSITION</b>	6,243	(78,478)	(72,235)
Net Position - January 1	<u>2,145,492</u>	<u>3,621,152</u>	<u>5,766,644</u>
<b>NET POSITION - DECEMBER 31</b>	<u><u>\$ 2,151,735</u></u>	<u><u>\$ 3,542,674</u></u>	<u><u>\$ 5,694,409</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2025**

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 344,758	\$ 930,666	\$ 1,275,424
Cash Paid for Employee Wages and Benefits	(60,265)	(151,314)	(211,579)
Cash Paid to Suppliers	<u>(214,981)</u>	<u>(482,270)</u>	<u>(697,251)</u>
Net Cash Provided by Operating Activities	69,512	297,082	366,594
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	(30,897)	(162,131)	(193,028)
Issuances of Long-Term Debt	1,197,295	583,324	1,780,619
Principal Paid on Long-Term Debt	(1,436,508)	(694,039)	(2,130,547)
Interest Paid on Long-Term Debt	<u>(113,116)</u>	<u>(72,191)</u>	<u>(185,307)</u>
Net Cash Used by Capital and Related Financing Activities	(383,226)	(345,037)	(728,263)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	<u>14,633</u>	<u>46,031</u>	<u>60,664</u>
<b>CHANGE IN CASH AND INVESTMENTS</b>	(299,081)	(1,924)	(301,005)
Cash and Investments - January 1	<u>707,594</u>	<u>2,593,431</u>	<u>3,301,025</u>
<b>CASH AND INVESTMENTS - DECEMBER 31</b>	<u>\$ 408,513</u>	<u>\$ 2,591,507</u>	<u>\$ 3,000,020</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2025**

	Water Utility	Sewer Utility	Totals
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 79,209	\$ (63,385)	\$ 15,824
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Depreciation	88,594	304,417	393,011
Depreciation Charged to Sewer Utility	1,907	(1,907)	-
Change in (Asset) Liability and Deferred Outflows and Inflows of Resources:			
Net Pension Liability	364	983	1,347
Pension Deferred Outflow	7,160	11,623	18,783
Pension Deferred Inflow	(5,514)	(10,802)	(16,316)
Other Postemployment Benefits	(116)	(56)	(172)
Deferred Outflow	5	(98)	(93)
Other Postemployment Benefits Deferred Inflow	331	876	1,207
Change in Operating Assets and Liabilities:			
Accounts Receivable	1,253	(2,847)	(1,594)
Inventories and Prepaid Items	(14,689)	(2,384)	(17,073)
Accounts Payable	(89,512)	59,717	(29,795)
Accrued and Other Current Liabilities	520	945	1,465
Net Cash Provided by Operating Activities	\$ 69,512	\$ 297,082	\$ 366,594
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>			
Cash and Cash Equivalents in Current Assets	\$ 408,513	\$ 1,544,507	\$ 1,953,020
Cash and Cash Equivalents in Restricted Assets	-	1,047,000	1,047,000
Total Cash and Investments	\$ 408,513	\$ 2,591,507	\$ 3,000,020

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BLACK CREEK, WISCONSIN  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND – CUSTODIAL FUND  
DECEMBER 31, 2025**

**ASSETS**

Cash and Investments	\$ 633,754
Receivables:	
Taxes and Special Charges	<u>715,946</u>
Total Assets	<u>1,349,700</u>

**DEFERRED INFLOW OF RESOURCES**

Property Taxes Levied for Subsequent Year	<u>1,349,700</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, 2025**

**ADDITIONS**

Taxes and Special Charges Collected	\$ 1,357,715
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**DEDUCTIONS**

Payments to Other Taxing Districts	<u>1,357,715</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, 2025**

**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 providing fire and emergency medical services to the Village. The Rural Fire Committee provides fire protection and emergency medical services to the Village. 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, 2025**

**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.

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, 2025**

**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.

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.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**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, 2025**

**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, 2025**

**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, 2025**

**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 35
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 assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets 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. The Village recognizes deferred outflows related to pensions and other postemployment related amounts and deferred inflows related to property taxes levied for the subsequent year, leases receivable, and pension and other postemployment related amounts.

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, 2025**

**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**

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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 following:

- Net OPEB Liability
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs, and
- OPEB Expense (Revenue)

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.

**15. Fund Balance and Net Position**

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.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**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 Balance and Net Position (Continued)**

Governmental Fund Financial Statements (Continued)

- **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.

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.

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, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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
3. fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
4. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
5. 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's total General Fund expenditures net of other financing sources for the year ended December 31, 2025, exceeded budget by \$873,741.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**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, 2025, as follows:

Fund	Excess Expenditures
General:	
General Government:	
Village Hall	\$ 653
Custodian	32
Public Safety:	
Fire Hydrant Rental	2,162
Ambulance	14,427
Building Inspector	2,910
Public Works:	
Director	15,134
Street Maintenance and Construction	71,289
Snow and Ice Removal	4,935
Public Works Employee Benefits:	
Pension	978
Disability Insurance	311
Capital Outlay:	
General Government	185,415
Street Department	765,667
Parks	1,325
Sidewalk	1,100
Public Works	7,372

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 2025 and 2026 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 2025 budget was 0.178%. The actual limit for the Village for the 2026 budget was 0.319%. 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, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

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

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

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

The carrying amount of the Village's cash and investments totaled \$4,593,669 on December 31, 2025, as summarized below:

Petty Cash and Cash on Hand	\$	190
Deposits with Financial Institutions		3,627,745
Investments:		
Wisconsin Local Government Investment Pool		965,734
Total		<u><u>\$ 4,593,669</u></u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	2,912,915
Restricted Cash and Investments		1,047,000
Total		<u><u>\$ 4,593,669</u></u>

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

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.

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 \$1,000,000 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, 2025, \$2,287,062 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (continued)**

Investments

The Village has investments in the Wisconsin local government investment pool of \$965,734 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, 2025, 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.

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, 2025, the Wisconsin local government investment pool had a weighted average maturity of 13 days.

**B. Restricted Assets**

Restricted assets on December 31, 2025, totaled \$1,047,000 and consisted of cash and investments held for the following purposes:

<u>Funds</u>	<u>Amount</u>	<u>Purpose</u>
Enterprise Funds:		
Sewer Utility:		
DNR Replacement	<u>\$ 1,047,000</u>	To be used for the replacement of certain assets for the sewer utility as required by the Clean Water Fund Loans.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**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 2055 and provide for renewal options for five years. During the year ended December 31, 2025, the Village recognized \$16,522 and \$2,473 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:

<u>Year Ending December 31.</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 19,387	\$ 6,881	\$ 26,268
2027	19,690	6,687	26,377
2028	21,093	6,482	27,575
2029	21,305	6,270	27,575
2030	21,519	6,056	27,575
2031-2035	123,596	26,750	150,346
2036-2040	146,688	20,040	166,728
2041-2045	111,523	13,090	124,613
2046-2050	95,370	8,482	103,852
2051-2055	112,984	3,331	116,315
Total Minimum Lease Receivables	<u>\$ 693,155</u>	<u>\$ 104,069</u>	<u>\$ 797,224</u>

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Nondepreciable:				
Land	\$ 332,788	\$ -	\$ -	\$ 332,788
Construction in Progress	6,950	86,465	6,950	86,465
Total Capital Assets, Nondepreciable	339,738	86,465	6,950	419,253
Capital Assets, Depreciable:				
Land Improvements	97,869	-	-	97,869
Buildings and Improvements	851,695	38,335	-	890,030
Machinery and Equipment	764,171	14,322	-	778,493
Infrastructure	4,227,034	857,117	-	5,084,151
Subtotals	5,940,769	909,774	-	6,850,543
Less: Accumulated Depreciation for:				
Land Improvements	93,478	268	-	93,746
Buildings and Improvements	709,529	24,029	-	733,558
Machinery and Equipment	362,447	69,594	-	432,041
Infrastructure	3,033,680	70,734	-	3,104,414
Subtotals	4,199,134	164,625	-	4,363,759
Total Capital Assets, Depreciable, Net	1,741,635	745,149	-	2,486,784
Governmental Activities Capital Assets, Net	<u>\$ 2,081,373</u>	<u>\$ 831,614</u>	<u>\$ 6,950</u>	2,906,037
Less: Capital Related Accounts Payable				<u>95,276</u>
Net Investment in Capital Assets				<u>\$ 2,810,761</u>

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Capital Assts (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets, Nondepreciable:				
Land	\$ 2,004	\$ -	\$ -	\$ 2,004
Organization Costs	1,037	-	-	1,037
Construction in Progress	65,042	138,164	-	203,206
Total Capital Assets, Nondepreciable	68,083	138,164	-	206,247
Capital Assets, Depreciable:				
Buildings and Improvements	7,920,112	-	-	7,920,112
Machinery and Equipment	2,649,616	14,781	-	2,664,397
Infrastructure	5,982,856	40,083	5,920	6,017,019
Subtotals	16,552,584	54,864	5,920	16,601,528
Less: Accumulated Depreciation for:				
Buildings and Improvements	6,632,532	97,072	-	6,729,604
Machinery and Equipment	2,232,837	145,327	-	2,378,164
Infrastructure	1,832,314	150,612	5,920	1,977,006
Subtotals	10,697,683	393,011	5,920	11,084,774
Total Capital Assets, Depreciable, Net	5,854,901	(338,147)	-	5,516,754
Business-Type Activities Capital Assets, Net	<u>\$ 5,922,984</u>	<u>\$ (199,983)</u>	<u>\$ -</u>	5,723,001
Less: Capital Related Debt				3,045,551
Less: Capital Related Accounts Payable				<u>77,413</u>
Net Investment in Capital Assets				<u>\$ 2,600,037</u>

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Capital Assts (Continued)**

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

Governmental Activities:		
General Government	\$	3,797
Public Safety		2,256
Public Works		134,524
Culture and Recreation		24,048
Total Depreciation Expense - Governmental Activities		164,625
Business-Type Activities:		
Water Utility	\$	90,501
Sewer Utility		302,510
Total Depreciation Expense - Business-Type Activities		393,011

**E. Interfund Receivables and Payables and Transfers**

Interfund transfers for the year ended December 31, 2025, were as follows:

Fund	Transfer In	Transfer Out
General	\$ -	\$ 60,000
Library	60,000	-

The transfer of \$60,000 between the general fund and the library was for the annual subsidy budgeted by the Village Board.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2025:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 28,826	\$ 15,862	\$ 14,778	\$ 29,910	\$ -
<b>Business-Type Activities</b>					
General Obligation Debt:					
Note from Direct Borrowings	\$ 2,398,539	\$ 1,780,619	\$ 2,022,908	\$ 2,156,250	\$ 96,706
Revenue Bonds from Direct Borrowings					
Business-Type Activities	996,940	-	107,639	889,301	110,569
Long-Term Obligations	<u>\$ 3,395,479</u>	<u>\$ 1,780,619</u>	<u>\$ 2,130,547</u>	<u>\$ 3,045,551</u>	<u>\$ 207,275</u>

Total interest paid during the year on long-term debt totaled \$133,355.

On June 20, 2024, the Village issued \$2,000,000 State Trust Fund Loan to fund water and sewer utility capital projects. The State Trust Fund Loan was paid in full, including interest of \$88,110, as of March 12, 2025 with proceeds from the \$1,197,295 Safe Drinking Water Fund Loan and \$583,324 from the Clean Water Fund Loan.

The Village's outstanding note from direct borrowings related to business-type activities of \$2,156,250 is subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the State of Wisconsin.

The Village's outstanding revenue bonds from direct borrowings related to business-type activities of \$889,301 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.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Long-Term Obligations (Continued)**

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/25
Note from Direct Borrowings	6/12/23	3/15/34	5.25%	\$ 250,000	\$ 136,091
Note from Direct Borrowings	3/12/25	5/1/44	2.20%	583,324	583,324
Note from Direct Borrowings	3/12/25	5/1/44	2.20%	1,197,295	1,197,295
Note from Direct Borrowings	6/20/24	3/15/44	6.00%	250,000	239,540
Total Outstanding General Obligation Debt					<u>\$ 2,156,250</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$2,758,656 on December 31, 2025, are detailed below:

Year Ended December 31,	Business-Type Activities		
	Principal	Interest	Total
2026	\$ 96,706	\$ 59,849	\$ 156,555
2027	99,503	57,034	156,537
2028	102,346	54,172	156,518
2029	105,394	51,104	156,498
2030	108,500	47,979	156,479
2031 - 2035	562,543	189,455	751,998
2036 - 2040	568,513	111,775	680,288
2041 - 2044	512,745	31,038	543,783
Total	<u>\$ 2,156,250</u>	<u>\$ 602,406</u>	<u>\$ 2,758,656</u>

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2025, was \$4,004,685 as follows:

Equalized Valuation of the Village	\$ 123,218,700
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	6,160,935
Net Outstanding General Obligation Debt Applicable to Debt limitation	<u>2,156,250</u>
Legal Margin for New Debt	<u>\$ 4,004,685</u>

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Long-Term Obligations (Continued)**

Revenue Bonds

Revenue bonds from direct borrowings outstanding on December 31, 2025, totaled \$889,301 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/25
Clean Water Fund Loan	6/23/10	5/1/30	2.40%	\$ 840,613	\$ 248,872
Clean Water Fund Loan	7/23/14	5/1/34	2.97%	1,225,240	640,429
Total Outstanding Revenue Bonds					<u>\$ 889,301</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$993,693 on December 31, 2025, are detailed below:

<u>Year Ending December 31,</u>	Business-Type Activities		
	Direct Borrowings - Revenue Bonds		
	Principal	Interest	Total
2026	\$ 110,569	\$ 23,463	\$ 134,032
2027	113,580	20,410	133,990
2028	116,674	17,274	133,948
2029	119,853	14,051	133,904
2030	123,120	10,740	133,860
2031 - 2034	305,505	18,454	323,959
Total	<u>\$ 889,301</u>	<u>\$ 104,392</u>	<u>\$ 993,693</u>

Utility Revenues Pledged

The Village has pledged future water and 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 \$993,693. Principal and interest paid for the current year and total customer net revenues were \$134,072 and \$444,813, respectively.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**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.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

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

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

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

**1. Plan Description (Continued)**

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>
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
2022	7.4	15
2023	1.6	(21)
2024	3.6	15

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**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, 2025, the WRS recognized \$31,406 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)	6.95 %	6.95 %
Protective With Social Security	6.95 %	14.95 %
Protective Without Social Security	6.95 %	18.95 %

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

At December 31, 2025, the Village reported a liability of \$39,614 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. 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 liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the Village's proportion was 0.00241086%, which was an increase of 0.00005431% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Village recognized pension expense of \$53,463.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**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, 2025, 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	\$ 123,025	\$ 115,605
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	60,196	-
Changes in Assumptions	11,754	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	1,548	1,564
Employer Contributions Subsequent to the Measurement Date	32,348	-
Total	\$ 228,871	\$ 117,169

\$32,348 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	Expenses
2026	\$ 24,232
2027	82,278
2028	(20,635)
2029	(6,521)
Total	\$ 79,354

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**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 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability :	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
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% - 5.7%
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. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total pension liability change from the prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**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:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation Percent</u>	<u>Long-Term Expected Nominal Rate of Return Percent</u>	<u>Long-Term Expected Real Rate of Return Percent</u>
Public Equities	38.0 %	7.0 %	4.3 %
Public Fixed Income	27.0	6.1	3.4
Private Equity/Debt	20.0	9.5	6.7
Inflation Sensitive	19.0	4.8	2.1
Real Estate	8.0	6.5	3.8
Leverage	(12.0)	3.7	1.1
Total Core Fund	100.0	7.5	4.8
<u>Variable Fund Asset</u>			
U.S. Equities	70.0 %	6.5 %	3.8 %
International Equities	30.0	7.4	4.7
Total Variable Fund	100.0	6.9	4.2

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6%

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. Currently, an asset allocation target of 12% 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, 2025**

**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 for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08%. (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). 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)	\$ 371,635	\$ 39,614	\$ (196,277)

**6. Payables to the Pension Plan**

The Village reported a payable of \$512 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2025.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits**

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

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

**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, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**4. Contributions (Continued)**

Contribution rates as of December 31, 2025, 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, 2024, are listed below:

Life Insurance Member Contribution Rates Year Ended December 31, 2024		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

During the reporting period, the LRLIF recognized \$187 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, 2025, the Village reported a liability of \$38,199 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to December 31, 2024. 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, 2024, the Village's proportion was 0.00976400%, which was an increase of 0.00107700% from its proportion measured as of December 31, 2023.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**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, 2025, the Village recognized OPEB expense of \$2,793.

At December 31, 2025, 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	\$ -	\$ 3,975
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	524	-
Changes in Assumptions	9,374	21,425
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	11,485	6,340
Total	\$ 21,383	\$ 31,740

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

Year Ending December 31,	Expense
2026	\$ (938)
2027	(2,907)
2028	(4,144)
2029	(2,696)
2030	929
Thereafter	(601)
Total	\$ (10,357)

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**6. Actuarial Assumptions**

The total OPEB liability in the 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, 2024
Measurement Date of Net OPEB Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20-Year Tax-Exempt Municipal Bond Yield*:	4.08%
Long-term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table

\* Based on the Bond Buyers GO 20-Bond Municipal index

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The total OPEB liability for December 31, 2024, is based upon a roll-forward of the liability calculated from the January 1, 2024 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, 2025**

**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	40	2.41
U.S. Mortgages	Bloomberg US MBS	60	2.71
Inflation			2.30
Long-Term Expected Rate of Return			4.25

**Single Discount Rate.** A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023, to 4.08% as of December 31, 2024. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit 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, 2037.

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, 2025**

**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 4.09%, 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 (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
Village's Proportionate Share of the Net OPEB Liability	\$ 51,059	\$ 38,199	\$ 28,290

**7. Payables to the OPEB Plan**

The Village had a \$1,828 outstanding contribution to the Plan required for the year ended December 31, 2025.

**I. Fund Balance**

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, 2025, nonspendable fund balance was as follows:

General Fund:	
Prepaid Items	\$ 455
Affordable Housing:	
Land Held for Resale	72,692
Total	\$ 73,147

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, 2025, restricted fund balance was as follows:

Special Revenue Funds:	
Restricted for:	
Affordable Housing	\$ 330,595

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Fund Balance (Continued)**

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by Village Board action. At December 31, 2025, governmental fund balances were committed as follows:

Special Revenue Funds:

Committed for:

Library	\$ <u>35,652</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, 2025, fund balance was assigned as follows:

General Fund:

Cap. Outlay - Equipment	\$ 31,343
Cap. Outlay - Vehicle	31,343
Sidewalks	30
New Village Hall	66,412
Miscellaneous	15,943
2027 Revaluation	9,600
Parks	<u>24,675</u>
Total	<u>\$ 179,346</u>

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**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. Therefore, the District can continue to incur eligible project costs until August 9, 2037.

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, 2025, the Village can recover \$6,539 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 27% of operating revenues in 2025. The sewer utility has one significant customer who was responsible for 65% of operating revenues in 2025.

**VILLAGE OF BLACK CREEK, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**E. Changes to or Within Financial Reporting Entity**

The Library Fund previously met the criteria to be reported as a major governmental fund. However, effective January 1, 2025, the fund now meets the criteria to be reported as a nonmajor fund and is reported as such for the fiscal year ended December 31, 2025. The effect of that change to or within the financial reporting entity is shown in the table below.

	December 31, 2024 as Previously Reported	Change to or Within the Financial Reporting Entity	December 31, 2024 as Adjusted
Governmental Funds			
Major Funds:			
General Fund	\$ 979,023	\$ -	\$ 979,023
Library Fund	41,073	(41,073)	-
Nonmajor Funds	435,055	41,073	476,128
Total Governmental Funds	<u>\$ 1,455,151</u>	<u>\$ -</u>	<u>\$ 1,455,151</u>

**F. Subsequent Issuance of Long-Term Note**

On February 24, 2026 the Village issued a State Trust Fund Loan long-term general obligation note for \$396,214 to finance the DOT storm sewer project that was completed in 2025. The note bears interest at 6.25% and matures March 15, 2025.

**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)
12/31/15	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
12/31/22	0.00229532	121,599	366,165	(33.21)	95.72
12/31/23	0.00235655	35,037	427,959	(8.19)	98.85
12/31/24	0.00241086	39,614	426,270	(9.29)	98.79

**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
12/31/16	\$ 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
12/31/23	33,529	33,529	-	427,959	7.83
12/31/24	34,608	34,608	-	426,270	8.12
12/31/25	31,406	31,406	-	418,351	7.51

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
12/31/22	0.00688100	26,215	299,000	8.77	38.81
12/31/23	0.00868700	39,966	374,000	10.69	33.90
12/31/24	0.00976400	38,199	416,000	9.18	37.20

**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
12/31/23	182	182	-	427,959	0.04
12/31/24	208	208	-	428,358	0.05
12/31/25	187	187	-	418,351	0.04

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF BLACK CREEK, WISCONSIN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2025**

**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, 2025**

**NOTE 2 OTHER POSTEMPLOYMENT BENEFIT PLAN**

**Local Retiree Life Insurance Fund (LRLIF)**

*Changes of Benefit Terms:*

There were no changes of benefit terms.

*Changes of Assumptions:*

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, 2025**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>Taxes:</b>				
General Property	\$ 582,504	\$ 582,504	\$ 582,504	\$ -
Mobile Home	1,200	1,200	1,463	263
Total Taxes	<u>583,704</u>	<u>583,704</u>	<u>583,967</u>	<u>263</u>
<b>Intergovernmental:</b>				
State Aids:				
State Shared Taxes	412,647	412,647	427,004	14,357
Fire Insurance	3,300	3,300	5,149	1,849
Exempt Computer Aid	1,271	1,271	1,272	1
Law Enforcement	960	960	1,280	320
Local Streets	74,129	74,129	74,064	(65)
Payments in Lieu of Taxes	200	200	194	(6)
Federal Cares Act Funding	2,725	2,725	2,725	-
County Shared Sales Tax	16,000	16,000	17,310	1,310
Total Intergovernmental	<u>511,232</u>	<u>511,232</u>	<u>528,998</u>	<u>17,766</u>
<b>Licenses and Permits:</b>				
Liquor and Malt Beverage	1,700	1,700	1,565	(135)
Operators	1,500	1,500	1,720	220
Cigarettes	200	200	200	-
Dog	170	170	456	286
Building Permits	1,200	1,200	7,315	6,115
Other Licenses and Permits	225	225	581	356
Total Licenses and Permits	<u>4,995</u>	<u>4,995</u>	<u>11,837</u>	<u>6,842</u>
<b>Fines and Forfeits:</b>				
Court Penalties and Costs	23,000	23,000	12,384	(10,616)
Parking Violations	500	500	10	(490)
Total Fines and Forfeits	<u>23,500</u>	<u>23,500</u>	<u>12,394</u>	<u>(11,106)</u>
<b>Public Charges for Services:</b>				
Parks	950	950	1,935	985
Clerk	750	750	559	(191)
Recycling	400	400	-	(400)
Total Public Charges for Services	<u>2,100</u>	<u>2,100</u>	<u>2,494</u>	<u>394</u>
<b>Intergovernmental Charges for Services:</b>				
Municipal Court Charges	1,200	1,200	1,120	(80)
<b>Miscellaneous:</b>				
Interest on Investments	25,000	25,000	81,709	56,709
Donations	-	-	8,441	8,441
Rent of Village Property	500	500	550	50
Rental Property	18,712	18,712	16,832	(1,880)
Total Miscellaneous	<u>44,212</u>	<u>44,212</u>	<u>107,532</u>	<u>63,320</u>
Total Revenues	<u>\$ 1,170,943</u>	<u>\$ 1,170,943</u>	<u>\$ 1,248,342</u>	<u>\$ 77,399</u>

**VILLAGE OF BLACK CREEK, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES  
YEAR ENDED DECEMBER 31, 2025**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>General Government:</b>				
Board and Publications	\$ 26,120	\$ 26,120	\$ 19,647	\$ 6,473
Elections	5,134	5,134	3,147	1,987
Assessment of Property	11,000	11,000	6,200	4,800
Treasurer	120,442	120,442	113,642	6,800
Special Accounting and Auditing	18,000	18,000	15,116	2,884
Village Hall	12,150	12,150	12,803	(653)
Community Center	9,100	9,100	7,964	1,136
Property and Liability Insurance	20,000	20,000	18,521	1,479
Worker's Compensation	20,000	20,000	17,904	2,096
Village Attorney	14,000	14,000	11,553	2,447
Municipal Court	15,812	15,812	14,204	1,608
Custodian	6,035	6,035	6,067	(32)
Total General Government	<u>277,793</u>	<u>277,793</u>	<u>246,768</u>	<u>31,025</u>
<b>Public Safety:</b>				
Police Department	192,012	192,012	117,914	74,098
Fire Department	65,063	65,063	58,379	6,684
Fire Hydrant Rental	52,725	52,725	54,887	(2,162)
Ambulance	16,280	16,280	30,707	(14,427)
Building Inspector	5,000	5,000	7,910	(2,910)
Total Public Safety	<u>331,080</u>	<u>331,080</u>	<u>269,797</u>	<u>61,283</u>
<b>Public Works:</b>				
Director	44,045	44,045	59,179	(15,134)
Street Maintenance and Construction	41,104	72,074	143,363	(71,289)
Snow and Ice Removal	18,315	18,315	23,250	(4,935)
Street Machinery	49,227	49,227	47,034	2,193
Street Lighting	32,000	32,000	28,516	3,484
<b>Public Works Employee Benefits:</b>				
Pension	2,500	2,500	3,478	(978)
Health Insurance	39,468	39,468	20,302	19,166
Disability Insurance	676	676	987	(311)
Garbage and Refuse Collection	77,012	77,012	46,114	30,898
Recycling	500	500	-	500
Weed Control	19,607	19,607	18,296	1,311
Street Sweeping	7,459	7,459	5,280	2,179
Building and Grounds	25,622	25,622	24,292	1,330
Locate Utilities	7,377	7,377	5,096	2,281
Total Public Works	<u>364,912</u>	<u>395,882</u>	<u>425,187</u>	<u>(29,305)</u>
<b>Culture and Recreation:</b>				
Parks	70,859	70,859	61,337	9,522
Lake Park	9,334	9,334	8,133	1,201
Total Culture and Recreation	<u>80,193</u>	<u>80,193</u>	<u>70,483</u>	<u>9,710</u>

**VILLAGE OF BLACK CREEK, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2025**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Debt Service:				
Principal Retirement	13,300	13,300	-	13,300
Interest and Fiscal Charges	1,125	1,125	-	1,125
Total Debt Service	<u>14,425</u>	<u>14,425</u>	-	14,425
Capital Outlay:				
General Government	-	-	185,415	(185,415)
Street Department	12,500	12,500	778,167	(765,667)
Parks	-	-	1,325	(1,325)
Sidewalk	2,500	2,500	3,600	(1,100)
Public Works	-	-	7,372	(7,372)
Total Capital Outlay	<u>15,000</u>	<u>15,000</u>	<u>975,879</u>	<u>(960,879)</u>
Total Expenditures	<u>\$ 1,083,403</u>	<u>\$ 1,114,373</u>	<u>\$ 1,988,114</u>	<u>\$ (873,741)</u>

**VILLAGE OF BLACK CREEK, WISCONSIN  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2025**

	Tax Incremental District No. 3	Affordable Housing	Library	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 17,788	\$ 330,617	\$ 42,225	\$ 390,630
Receivables:				
Taxes and Special Charges	27,482	-	-	27,482
Land Held for Resale	-	72,692	-	72,692
Total Assets	\$ 45,270	\$ 403,309	\$ 42,225	\$ 490,804
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 22	\$ 1,781	\$ 1,803
Accrued and Other Current Liabilities	-	-	4,792	4,792
Total Liabilities	-	22	6,573	6,595
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Property Taxes Levied for Subsequent Year	51,809	-	-	51,809
<b>FUND BALANCES</b>				
Nonspendable	-	72,692	-	72,692
Restricted	-	330,595	-	330,595
Committed	-	-	35,652	35,652
Unassigned	(6,539)	-	-	(6,539)
Total Fund Balances	(6,539)	403,287	35,652	432,400
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 45,270	\$ 403,309	\$ 42,225	\$ 490,804

**VILLAGE OF BLACK CREEK, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2025**

	Tax Incremental District No. 3	Affordable Housing	Library	Totals
<b>REVENUES</b>				
Taxes	\$ 9,125	\$ -	\$ -	\$ 9,125
Intergovernmental	-	1,447	125,453	126,900
Public Charges for Services	-	-	1,683	1,683
Miscellaneous	-	9,731	5,534	15,265
Total Revenues	<u>9,125</u>	<u>11,178</u>	<u>132,670</u>	<u>152,973</u>
<b>EXPENDITURES</b>				
Current:				
General Government	9,853	2,172	-	12,025
Culture and Recreation	-	-	198,091	198,091
Total Expenditures	<u>9,853</u>	<u>2,172</u>	<u>198,091</u>	<u>210,116</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(728)	9,006	(65,421)	(57,143)
<b>OTHER FINANCING SOURCES (USES)</b>				
Loss on Sale of Land Held for Resale	-	(46,585)	-	(46,585)
Transfers In	-	-	60,000	60,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>(46,585)</u>	<u>60,000</u>	<u>13,415</u>
<b>NET CHANGE IN FUND BALANCES</b>	(728)	(37,579)	(5,421)	(43,728)
Fund Balances - January 1, As Originally Reported	(5,811)	440,866	-	435,055
Change Within Financial Reporting Entity Major to Nonmajor Fund	<u>-</u>	<u>-</u>	<u>41,073</u>	<u>41,073</u>
Fund Balances - January 1, As Adjusted	<u>(5,811)</u>	<u>440,866</u>	<u>41,073</u>	<u>476,128</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ (6,539)</u>	<u>\$ 403,287</u>	<u>\$ 35,652</u>	<u>\$ 432,400</u>

**VILLAGE OF BLACK CREEK, WISCONSIN  
SCHEDULE OF WATER UTILITY  
OPERATING REVENUES AND EXPENSES  
YEAR ENDED DECEMBER 31, 2025**

<b>OPERATING REVENUES</b>	<u>Water Utility</u>
Charges for Services:	
Metered Sales to General Customers	\$ 199,261
Sales to Public Authorities	16,627
Public Fire Protection	<u>125,626</u>
Total Charges for Services	341,514
Other Revenues:	
Forfeited Discounts	494
Other Water Revenues	<u>1,497</u>
Total Other Revenues	<u>1,991</u>
Total Operating Revenues	343,505
<b>OPERATING EXPENSES</b>	
Operation and Maintenance:	
Operating Labor	26,253
Utilities	19,228
Testing	1,885
Operating Supplies	4,382
Repairs and Maintenance	49,958
Transportation Expenses	<u>2,426</u>
Total Operation and Maintenance	104,132
Administrative and General:	
Administrative Wages	12,457
Office Supplies and Expenses	5,664
Insurance Expenses	12,656
Employees Benefits	18,288
Outside Services Employed:	
Accounting and Auditing	16,238
Engineering	<u>242</u>
Total Administrative and General	<u>65,553</u>
Total Plant Operation and Maintenance	169,685
Depreciation	88,594
Taxes	<u>6,017</u>
Total Operating Expenses	<u>264,296</u>
<b>OPERATING INCOME</b>	<u><u>\$ 79,209</u></u>

**VILLAGE OF BLACK CREEK, WISCONSIN  
SCHEDULE OF SEWER UTILITY  
OPERATING REVENUES AND EXPENSES  
YEAR ENDED DECEMBER 31, 2025**

<b>OPERATING REVENUES</b>	<u>Sewer Utility</u>
Charges for Services:	
Metered Sales to General Customers	\$ 889,781
Sales to Public Authorities	<u>9,552</u>
Total Charges for Services	899,333
Other Revenues:	
Forfeited Discounts	<u>34,180</u>
Total Operating Revenues	933,513
<b>OPERATING EXPENSES</b>	
Operation and Maintenance:	
Operating Labor	89,437
Utilities	96,994
Testing	44,572
Operating Supplies	228,290
Repairs and Maintenance	90,309
Transportation Expenses	<u>2,840</u>
Total Operation and Maintenance	552,442
Administrative and General:	
Administrative Wages	12,344
Office Supplies and Expenses	5,526
Insurance Expenses	12,656
Employees Benefits	45,290
Outside Services Employed:	
Accounting and Auditing	7,679
Engineering	44,745
Miscellaneous General Expenses	<u>4,085</u>
Total Administrative and General	<u>132,325</u>
Total Plant Operation and Maintenance	684,767
Depreciation	304,417
Taxes	<u>7,714</u>
Total Operating Expenses	<u>996,898</u>
<b>OPERATING LOSS</b>	<u><u>\$ (63,385)</u></u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**



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

Village Board  
Village of Black Creek, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Black Creek, Wisconsin (the Village), as of and for the year ended December 31, 2025, 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 3, 2026.

**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 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.

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

*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.

We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-001 and 2025-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-002 to be a significant deficiency.

### **Report on Compliance and Other Matters**

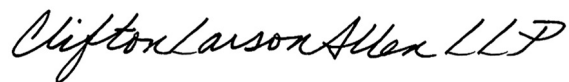
As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.



### **CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
March 3, 2026

**VILLAGE OF BLACK CREEK, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2025**

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**Internal Control Over Financial Reporting**

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**2025-001 Adjustments to the Village's Financial Records**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:** As part of our audit, we proposed material and non-material adjusting journal entries to the Village's financial statements, including a restatement of net position.

**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; 2024-001

**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, 2025**

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**Internal Control Over Financial Reporting (Continued)**

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**2025-002 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. 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 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.

**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; 2024-002

**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.

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

**VILLAGE OF BLACK CREEK, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2025**

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**Internal Control Over Financial Reporting (Continued)**

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**2025-003 Lack of Segregation of Duties**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:** The Village has a combined Clerk/Treasurer position to essentially complete all financial and recordkeeping duties of the Village operations. Accordingly, this does not allow for a proper segregation of duties for internal control purposes.

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

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

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

**Repeat Finding:** Yes; 2024-003

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

**Management Response:** Management is conscious of the Village's staffing limitations. The Village board will continue to monitor the transaction and financial records of the Village. At this time, the Village board believes that the incremental cost of adding additional office personnel to further improve segregating cash receipts, disbursements and general ledger maintenance responsibilities is not a practical alternative due to the current budget constraints.



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