



JOHNSON CREEK
Crossroads With A Future

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT
For the Year Ended December 31, 2019**

**Village of Johnson Creek
Table of Contents
December 31, 2019**

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	i-ii
MANAGEMENT'S DISCUSSION AND ANALYSIS	iii-xii
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet – Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statement of Net Position – Proprietary Funds	7-8
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	9
Statement of Cash Flows – Proprietary Funds	10-11
Statement of Fiduciary Net Position – Fiduciary Funds	12
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	13
Notes to the Financial Statements	14-52
REQUIRED SUPPLEMENTARY INFORMATION	
Major Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (With Variances) - General Fund	53
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (With Variances) - TIF #2 Fund	54
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (With Variances) - TIF #3 Fund	55
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (With Variances) - Fire/EMS Fund	56
Wisconsin Retirement System Schedules	57
Local Retiree Life Insurance Fund Schedules	58
Notes to the Required Supplementary Information	59-60
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Non-Major Governmental Funds	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	62



INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Johnson Creek
Johnson Creek, Wisconsin

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Johnson Creek, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Johnson Creek, Wisconsin, as of December 31, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Emphasis of Matter

As discussed in Note 1 to the financial statements, effective January 1, 2019, the Village of Johnson Creek adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Wisconsin Retirement System schedules, and the Local Retiree Life Insurance Fund schedules as identified in the table of contents be presented to supplement the basic financial statements. Such 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. 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Johnson Creek, Wisconsin's financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The combining non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.

July 29, 2020

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2019

The Management's Discussion and Analysis of the Village of Johnson Creek's financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the Village of Johnson Creek's financial statements.

FINANCIAL HIGHLIGHTS

Total equalized value of real and personal property in the Village for 2019 is \$372,706,900 of which \$241,756,500 is non-TIF (Tax Incremental Financing) property. Total equalized value in 2018 was \$352,511,200, of which \$227,706,900 was non-TIF property and in 2017 total equalized value was \$334,970,500, of which \$215,326,500 was non-TIF property. Overall equalized value (estimate of the market value of all property) was up \$20,195,700 from 2018 to 2019. Net new construction also increased by \$6,259,800 during the same period according to figures released by the State of Wisconsin Department of Revenue.

Village assets exceeded liabilities by \$30,716,038 at the close of FY 2019, up from \$29,547,117 FY 2018 and \$27,553,327 FY 2017. Of this amount, \$5,737,514 is considered unrestricted, \$653,340 is restricted for specific purposes, and \$24,325,184 is invested in capital assets net of related debt.

Net position for business-type activities was \$23,977,146 at the close of FY 2019, down from \$24,327,064 at close of FY 2018 and down from \$24,044,673 at the close of FY 2017. Net position for governmental-type activities was \$6,738,892 at the close of FY 2019, up from \$5,220,053 at the close of FY 2018 and \$3,508,654 at the close of FY 2017.

The Village experienced a net decrease of \$316,309 in fixed assets during 2019 due to total depreciation expense exceeding the new infrastructure and equipment added in the governmental and proprietary funds. Governmental funds fixed assets decreased by \$1,334,160, while proprietary funds fixed assets increased by \$1,017,851.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Village of Johnson Creek basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

Other supplementary information in addition to the basic financial statements is provided as required.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Village finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all Village assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Johnson Creek is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Village of Johnson Creek that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities of the Village include general administration; public safety; public works; health, welfare and sanitation; culture and recreation, conservation and development and debt service. Business-type activities of the Village include a Water Utility and a Sewer Utility.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Johnson Creek, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Additionally, other non-financial factors may need to be considered, such as changes in the Village's property tax base and condition of infrastructure.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

The Village of Johnson Creek maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in the fund balances for the General Fund, TIF #2 Fund, TIF #3 Fund and Fire/EMS Fund, all of which are considered to be major funds. The Library Fund, Room Tax Fund, and Capitals Fund are considered non-major funds for which data is shown in a single, aggregated presentation.

The basic governmental fund financial statements are found on pages 3-6 of this report.

The Village of Johnson Creek adopts an annual appropriated budget for the General Fund and various other funds as required by state statute. Budgetary comparison statements, found on pages 53-56, have been provided as required supplementary information for the General Fund, the two separate TIF Funds and Fire/EMS Fund.

Proprietary Funds – The Village of Johnson Creek maintains two proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its Water Utility and its Sewer Utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Utility and Sewer Utility as both are considered to be major funds of the Village of Johnson Creek.

The basic proprietary fund financial statements are found on pages 7-11 of this report.

Fiduciary Funds – Used to account for resources held for the benefit of parties outside the government or for other funds. Fiduciary funds are not reflected in the government-wide financial statements. The only fiduciary fund maintained by the Village is the tax collection fund which records the tax roll and tax collections for other taxing jurisdictions within the Village of Johnson Creek. The accounting used for fiduciary funds is much like that used for governmental funds.

The basic fiduciary fund financial statement can be found on page 12-13 of this report.

Notes to the Financial Statements

The notes provide additional information essential to full understanding of data provided in the government-wide and fund financial statements such as a description of the Village's accounting policies and detail of inter-fund balances, restricted cash balances, fixed asset changes and debt service. The notes to the financial statements can be found on pages 14-52 of this report.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Johnson Creek, assets exceeded liabilities by \$30,716,038 at the close of the most recent fiscal year and \$29,547,117 at the close of the prior fiscal year, as presented in the following tables.

Village of Johnson Creek's Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 9,342,198	\$ 9,885,761	\$ 3,458,961	\$ 5,055,048	\$ 12,801,159	\$ 14,940,809
Capital Assets	12,252,552	13,586,712	23,848,715	22,830,864	36,101,267	36,417,576
Total Assets	21,594,750	23,472,473	27,307,676	27,885,912	48,902,426	51,358,385
Deferred Outflows	436,882	258,813	301,557	234,120	738,439	492,933
Long-Term Liabilities	10,358,265	13,708,339	3,229,222	3,265,648	13,587,487	16,973,987
Other Liabilities	406,980	224,831	300,029	415,055	707,009	639,886
Total Liabilities	10,765,245	13,933,170	3,529,251	3,680,703	14,294,496	17,613,873
Deferred Inflows	4,527,495	4,578,063	102,836	112,265	4,630,331	4,690,328
Net Position:						
Net Investment in Capital Assets	3,644,650	2,983,551	20,680,534	19,662,683	24,325,184	22,646,234
Restricted	173,598	197,561	479,742	4,884	653,340	202,445
Unrestricted	2,920,644	2,038,941	2,816,870	4,659,497	5,737,514	6,698,438
Total Net Positions	\$ 6,738,892	\$ 5,220,053	\$ 23,977,146	\$ 24,327,064	\$ 30,716,038	\$ 29,547,117

The Village of Johnson Creek's net position reflects its investment in capital assets (e.g., land, building, machinery, equipment, and infrastructure), less any related debt used to acquire those assets, as a positive \$24,325,184 compared to \$22,646,234 for the year ended 2018 and \$21,181,691 for the year ended 2017. The Village uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position, \$653,340 represents resources subject to external restrictions on how they may be used. These restricted assets include reserves as required by long-term debt requirements, impact fee collections, funds restricted by State law, library trust fund, and other restrictions. The remaining balance of unrestricted net position is \$5,737,514 down from \$6,698,438 in the prior year.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE VILLAGE (Continued)

Village of Johnson Creek's Change in Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services and fees, fines and costs	\$ 579,031	\$ 421,353	\$ 1,390,783	\$ 1,368,075	\$ 1,969,814	\$ 1,789,428
Operating grants and contributions	224,653	244,928	-	-	224,653	244,928
Capital grants and contributions	-	-	-	639,394	-	639,394
General revenues:						
Taxes	4,487,626	4,630,404	-	-	4,487,626	4,630,404
Special Assessments	20,437	21,526	-	-	20,437	21,526
Intergovernmental revenues not restricted to specific programs	343,237	296,183	-	-	343,237	296,183
Unrestricted Interest and Investment Earnings	100,154	63,962	22,453	21,753	122,607	85,715
Miscellaneous	102,515	106,941	16,196	18,292	118,711	125,233
Special Items	(8,777)	-	-	-	(8,777)	-
Total Revenues	5,848,876	5,785,297	1,429,432	2,047,514	7,278,308	7,832,811
Expenses:						
General Government	516,019	489,378	-	-	516,019	489,378
Public Safety	1,467,468	1,399,259	-	-	1,467,468	1,399,259
Public Works	1,348,081	1,392,334	-	-	1,348,081	1,392,334
Health, Welfare & Sanitation	7,822	7,638	-	-	7,822	7,638
Culture and Recreation	397,407	414,864	-	-	397,407	414,864
Conservation & Development	423,967	169,364	-	-	423,967	169,364
Interest on long-term debt	350,370	396,453	-	-	350,370	396,453
Water & Sewer	-	-	1,598,253	1,569,731	1,598,253	1,569,731
Total Expenses	4,511,134	4,269,290	1,598,253	1,569,731	6,109,387	5,839,021
Increase (Decrease) in Net Position before transfers	1,337,742	1,516,007	(168,821)	477,783	1,168,921	1,993,790
Transfers	181,097	195,392	(181,097)	(195,392)	-	-
Increase (Decrease) in Net Position	1,518,839	1,711,399	(349,918)	282,391	1,168,921	1,993,790
Net Position – January 1	5,220,053	3,508,654	24,327,064	24,044,673	29,547,117	27,553,327
Net Position – December 31	6,738,892	5,220,053	23,977,146	24,327,064	30,716,038	29,547,117

Governmental activities increased the Village of Johnson Creek's net position by \$1,518,839 and business-type activities decreased the Village's net position by \$349,918 for an overall increase of net position of \$1,168,921.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village of Johnson Creek uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus on the Village of Johnson Creek's governmental funds reporting is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

Nonspendable fund balance includes funds either not in spendable form or required to be maintained intact. The majority of Village of Johnson Creek funds reported as nonspendable are amounts due from other funds. Restricted fund balance reports funds with restricted uses determined by outside sources such as creditors, grantors or by state law. Johnson Creek funds reported as restricted include those subject to long-term debt obligations as well as impact fee and room tax collections. Committed fund balance reports resources subject to limitations the government imposes upon itself at its highest level of decision making and that remain binding unless removed in the same manner. The Village currently does not report funds in this category. Assigned fund balance reports resources for which the local government has established an intended use. Johnson Creek's assigned fund balance includes funds designated for future capital expenditures examples of which include computer upgrades, building repairs, park improvements or squad car replacements.

The Village's General Fund (the chief operating fund of the Village of Johnson Creek) showed an unassigned fund balance of \$601,419 or 29.3% of the total General Fund balance. This can be compared to the Village's unassigned fund balance of \$529,236 at YE 2018. The reason for the increase in the unassigned fund balance in 2019 is due to a new ambulance purchase. The Village purchased the ambulance in 2018 and completed the financing during the 2019 fiscal year. Total fund balance of the General Fund amounted to \$2,055,874 down from \$2,349,042 YE 2018 and \$2,561,481 YE 2017. The Village Board adopted a Fund Balance Policy in 2016 to assign unassigned fund balance in excess of 25-30% of total fund balance.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.6% of total General Fund expenditures, which total fund balance represents 91.1% of that same amount.

Proprietary Funds

The Village of Johnson Creek's reporting on proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

Proprietary Funds (Continued)

Unrestricted net position of the Water Utility at the end of the year amounted to \$1,689,170 up from \$1,564,246 in 2018 and \$1,519,374 for the year ended 2017. Unrestricted net position of the Sewer Utility at the end of the year amounted to \$1,127,700 down from \$3,095,251 in 2018 and \$3,512,704 for the year ended 2017.

Fiduciary Funds

The Village of Johnson Creek's reporting on fiduciary funds provides information not reflected in the government-wide financial statements. The only fiduciary fund maintained by the Village is the Tax Collection Fund and is used to account for resources held for other funds or taxing jurisdictions.

GENERAL FUND BUDGETARY HIGHLIGHTS

In the 2019 budget, total expenditures were over budget by \$134,750, while total revenues collected were \$147,698 more than budgeted. Interest income was greater than budgeted due to a scheduled TIF #3 advance payment to the General Fund. Also permit revenue was greater than budgeted due to new construction. Additionally, conservation and development expenses were greater than budget due to loaning \$250,000 to a developer, which was not originally budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Village of Johnson Creek's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$36.1 million (net of accumulated depreciation) down from \$36.4 million at the end of fiscal year 2018 and \$33.6 million for 2017. The reason for the steady decline is normal depreciation during years in which there were few major capital purchases or projects. Investment in capital assets includes land, buildings, vehicles and equipment, and utility infrastructure.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

Village of Johnson Creek's Capital Assets						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,756,638	\$ 2,011,921	\$ 38,982	\$ 38,982	\$ 1,795,620	\$ 2,050,903
Construction Work in Progress	-	-	785,370	5,617,342	785,370	5,617,342
Land and Construction Work in Progress	1,756,638	2,011,921	824,352	5,656,324	2,580,990	7,668,245
Buildings	4,213,783	4,213,783	1,552,967	1,552,967	5,766,750	5,766,750
Vehicles & Equipment	4,757,846	4,821,076	1,735,432	1,711,229	6,493,278	6,532,305
Infrastructure	22,128,492	22,128,492	30,143,212	23,633,404	52,271,704	45,761,896
Other Capital Assets	31,100,121	31,163,351	33,431,611	26,897,600	64,531,732	58,060,951
Accumulated Depreciation	(20,604,207)	(19,588,560)	(10,407,248)	(9,723,060)	(31,011,455)	(29,311,620)
Other Capital Assets, net of depreciation	10,495,914	11,574,791	23,024,363	17,174,540	33,520,277	28,749,331
Total Capital Assets	\$ 12,252,552	\$ 13,586,712	\$ 23,848,715	\$ 22,830,864	\$ 36,101,267	\$ 36,417,576

Capital asset events during the current fiscal year included the following:

- Purchase of new police squad car
- Purchase of a new public works mower
- Purchase and replacement of water and sewer utility equipment
- Upgrade of Wastewater Treatment Plant

Additional information on the Village of Johnson Creek's capital assets can be found in Note 8 of this report.

Long-Term Debt

At the end of the current fiscal year, the Village of Johnson Creek had total debt outstanding of \$13.3 million, down from \$16.7 million FY 2018 and down from \$15.8 million FY 2017. Of this amount, \$4,576,081 comprises debt backed by the full faith and credit of the government. This amount is down from \$6,670,000 in 2018 and \$8,125,000 in 2017. The remainder of the Village of Johnson Creek's debt represents bonds secured solely by specified revenue sources.

VILLAGE OF JOHNSON CREEK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-Term Debt (Continued)

Village of Johnson Creek's Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
General Obligation Debt	\$ 4,576,081	\$ 6,670,000	\$ -	\$ -	\$ 4,576,081	\$ 6,670,000
Bond Anticipation Notes	-	-	1,250,000	1,250,000	1,250,000	1,250,000
Revenue Bonds	-	-	1,918,181	1,918,181	1,918,181	1,918,181
CDA Lease Revenue Bonds	5,565,000	6,885,000	-	-	5,565,000	6,885,000
Total Debt Outstanding	\$ 10,141,081	\$ 13,555,000	\$ 3,168,181	\$ 3,168,181	\$ 13,309,262	\$ 16,723,181

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation. The Village's current outstanding general obligation debt of \$4,576,081 is 24.6% of its \$18.6 million debt limitation, down from 39.8% FY 2018. This is attributed to increase in equalized value and the ongoing debt payments each year.

Additional information on the Village of Johnson Creek's long term debt can be found in Note 10 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

2019 State of Wisconsin estimates indicate the current Johnson Creek population is 3,021. The most recent US Census (2010) results showed a .70% increase in population from 2000 to 2010.

Residential construction contributed to fourteen new single-family residential building permits being issued with a total estimated value of \$2,953,860.

Assessed valuation of properties in the Village in 2019 was \$372,798,500 including properties in the TIF districts, an increase of \$45,452,300 from the prior year. Equalized valuation (the State of Wisconsin's estimate of the market value of property) increased by \$20,195,700 to \$372,706,900. The ratio of equalized to assessed values as determined by the State of Wisconsin was 100.02%.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (Continued)

Village water rates have been in effect since 1997 and a simplified rate case was completed in 2017, increasing rates by three percent. The Village Board voted in 2009 to temporarily reduce the sewer rates from \$5.63 to \$4.21 that were in effect since 2001 and spend down approximately \$100,000 of sewer reserves. In July 2017 the Village Board voted to increase the sewer volume rate back to the 2010 rate of \$5.63. To alleviate the impact on customers, they spread the increase out over a two year period with a \$0.71 increase in November 2017 and another \$0.71 increase in June of 2019. This adjustment will help fund the upgrade of the Wastewater Treatment Facility.

REQUEST FOR INFORMATION

Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to:

Sam Bell, Clerk/Treasurer
Village of Johnson Creek
125 Depot St.
P.O. Box 238
Johnson Creek, Wisconsin 53038
(920) 699-2296
info@johnsoncreekwi.org

BASIC FINANCIAL STATEMENTS

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Statement of Net Position
December 31, 2019**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,706,206	\$ 2,807,756	\$ 7,513,962
Receivables			
Taxes	2,464,326	-	2,464,326
Accounts, net	81,092	122,691	203,783
Special Assessments	79,599	-	79,599
Developer Loan	250,000	-	250,000
Inventories	-	39,613	39,613
Prepaid Expenses	4,000	9,159	13,159
Other Assets	86,638	-	86,638
Restricted Assets			
Restricted Cash and Investments	1,670,337	479,742	2,150,079
Capital Assets			
Land, Improvements, and Construction in Progress	1,756,638	824,352	2,580,990
Other Capital Assets, Net of Depreciation	10,495,914	23,024,363	33,520,277
Total Capital Assets	12,252,552	23,848,715	36,101,267
Total Assets	21,594,750	27,307,676	48,902,426
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	433,088	188,680	621,768
Deferred OPEB Outflows	3,794	1,274	5,068
Unamortized Loss on Debt Defeasance	-	111,603	111,603
Total Deferred Outflows of Resources	436,882	301,557	738,439
Total Assets and Deferred Outflows of Resources	\$ 22,031,632	\$ 27,609,233	\$ 49,640,865
LIABILITIES			
Accounts Payable	\$ 71,814	\$ 211,011	\$ 282,825
Accrued Expenses	130,708	8,254	138,962
Accrued Interest Payable	43,974	10,848	54,822
Long-Term Liabilities			
Due Within One Year	2,151,633	87,255	2,238,888
Due in More Than One Year	8,176,586	3,127,864	11,304,450
Deferred Regulatory Liability	-	4,009	4,009
Net Pension Liability	160,484	69,916	230,400
Net OPEB Liability	30,046	10,094	40,140
Total Liabilities	10,765,245	3,529,251	14,294,496
DEFERRED INFLOWS OF RESOURCES			
2019 Tax Levy	4,287,277	-	4,287,277
Deferred Pension Inflows	222,000	96,716	318,716
Deferred OPEB Inflows	18,218	6,120	24,338
Total Deferred Inflows of Resources	4,527,495	102,836	4,630,331
NET POSITION			
Net Investment in Capital Assets	3,644,650	20,680,534	24,325,184
Restricted:			
Developer Fees	73,577	-	73,577
Tree Planting	16,827	-	16,827
Library	6,735	-	6,735
Impact Fees	76,459	10,780	87,239
Debt Service Redemption	-	10,074	10,074
Equipment Replacement	-	458,888	458,888
Unrestricted	2,920,644	2,816,870	5,737,514
Total Net Position	6,738,892	23,977,146	30,716,038
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 22,031,632	\$ 27,609,233	\$ 49,640,865

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Statement of Activities
For the Year Ended December 31, 2019**

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
Primary Government						
Governmental Activities						
General Government	\$ 516,019	\$ 87,927	\$ -	\$ (428,092)		\$ (428,092)
Public Safety	1,467,468	464,907	33,610	(968,951)		(968,951)
Public Works	1,348,081	19,110	144,209	(1,184,762)		(1,184,762)
Health, Welfare and Sanitation	7,822	-	-	(7,822)		(7,822)
Culture and Recreation	397,407	7,087	46,834	(343,486)		(343,486)
Conservation and Development	423,967	-	-	(423,967)		(423,967)
Interest on Long-term Debt	350,370	-	-	(350,370)		(350,370)
Total Governmental Activities	<u>4,511,134</u>	<u>579,031</u>	<u>224,653</u>	<u>(3,707,450)</u>		<u>(3,707,450)</u>
Business-type Activities						
Water	507,003	638,285	-	-	\$ 131,282	131,282
Sewer	1,091,250	752,498	-	-	(338,752)	(338,752)
Total Business-type Activities	<u>1,598,253</u>	<u>1,390,783</u>	<u>-</u>	<u>-</u>	<u>(207,470)</u>	<u>(207,470)</u>
Total Primary Government	<u>\$ 6,109,387</u>	<u>\$ 1,969,814</u>	<u>\$ 224,653</u>	<u>(3,707,450)</u>	<u>(207,470)</u>	<u>(3,914,920)</u>
General Revenues:						
Taxes:						
Property taxes				4,303,181	-	4,303,181
Other taxes				184,445	-	184,445
Special assessments				20,437	-	20,437
Shared taxes from state				343,237	-	343,237
Impact fees				10,069	-	10,069
Interest income				100,154	22,453	122,607
Miscellaneous				92,446	16,196	108,642
Special item - loss on sale of land				(8,777)	-	(8,777)
Transfers				181,097	(181,097)	-
Total general revenues, special items and transfers				<u>5,226,289</u>	<u>(142,448)</u>	<u>5,083,841</u>
Change in net position				1,518,839	(349,918)	1,168,921
Net position - Beginning				5,220,053	24,327,064	29,547,117
Net position - Ending				<u>\$ 6,738,892</u>	<u>\$ 23,977,146</u>	<u>\$ 30,716,038</u>

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Balance Sheet
Governmental Funds
December 31, 2019**

	<u>General Fund</u>	<u>TIF #2</u>	<u>TIF #3</u>	<u>Fire/EMS Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 1,814,045	\$ 1,679,455	\$ 607,457	\$ 395,412	\$ 209,837	\$ 4,706,206
Receivables:						
Taxes	797,198	858,265	794,217	-	-	2,449,680
Delinquent Personal Property Taxes	1,281	-	-	-	-	1,281
Special Assessments	-	79,599	-	-	-	79,599
Accounts	19,871	-	-	-	26,235	46,106
Developer Loan	250,000	-	-	-	-	250,000
Other	13,365	-	-	34,986	-	48,351
Due from Other Funds	164,207	-	-	-	-	164,207
Other Assets	86,638	-	-	-	-	86,638
Prepaid Expenses	4,000	-	-	-	-	4,000
Restricted Cash	166,863	701,842	697,269	-	104,363	1,670,337
Advances Receivable	719,672	-	-	-	-	719,672
Total Assets	<u>\$ 4,037,140</u>	<u>\$ 3,319,161</u>	<u>\$ 2,098,943</u>	<u>\$ 430,398</u>	<u>\$ 340,435</u>	<u>\$ 10,226,077</u>
LIABILITIES						
Accounts Payable	\$ 58,501	\$ -	\$ 612	\$ 1,771	\$ 10,930	\$ 71,814
Accrued Liabilities	82,444	-	-	45,183	3,081	130,708
Due to Other Funds	-	-	164,207	-	-	164,207
Advances Payable	-	-	719,672	-	-	719,672
Total Liabilities	<u>140,945</u>	<u>-</u>	<u>884,491</u>	<u>46,954</u>	<u>14,011</u>	<u>1,086,401</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows	<u>1,840,321</u>	<u>1,579,468</u>	<u>1,401,674</u>	<u>6,395</u>	<u>-</u>	<u>4,827,858</u>
Total Deferred Inflows of Resources	<u>1,840,321</u>	<u>1,579,468</u>	<u>1,401,674</u>	<u>6,395</u>	<u>-</u>	<u>4,827,858</u>
FUND BALANCES (DEFICITS)						
Nonspendable	751,695	-	-	-	-	751,695
Restricted	166,863	1,739,693	697,269	-	326,424	2,930,249
Assigned	535,897	-	-	377,049	-	912,946
Unassigned (Deficit)	601,419	-	(884,491)	-	-	(283,072)
Total Fund Balances	<u>2,055,874</u>	<u>1,739,693</u>	<u>(187,222)</u>	<u>377,049</u>	<u>326,424</u>	<u>4,311,818</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,037,140</u>	<u>\$ 3,319,161</u>	<u>\$ 2,098,943</u>	<u>\$ 430,398</u>	<u>\$ 340,435</u>	<u>\$ 10,226,077</u>

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2019**

Total fund balance, governmental funds		\$ 4,311,818
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 this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		12,252,552
Special assessments set up for installment are reported as revenue in the Statement of Net Position when earned, but they are recorded as deferred inflows of resources in the fund financial statements.		106,413
Developer loan receivables set up for installment are reported as revenue in the Statement of Net Position when earned, but they are recorded as deferred inflows of resources in the fund financial statements.		250,000
Unamortized debt discounts are not recognized in the fund financial statements since they are not due and payable in the current period. However, they are included in the Statement of Net Position.		36,440
The net pension liability is not a current financial obligation and is, therefore, not reported in the fund financial statements.		(160,484)
The net OPEB liability is not a current financial obligation and is, therefore, not reported in the fund financial statements.		(30,046)
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources		436,882
Deferred inflows of resources		(240,218)
Interest accrued on advances between funds are recorded as income on the Statement of Activities but are recorded as deferred inflows on the fund financial statements.		184,168
Some liabilities, (such as General Obligation Debt and Accrued Interest), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Accrued Interest	(43,974)	
Long-term Debt - Current portion	(2,124,808)	
Long-term Debt	(8,016,273)	
Compensated Absences	(181,243)	
Termination Benefits	(42,335)	
Total	(10,408,633)	(10,408,633)
Net Position of Governmental Activities in the Statement of Net Position		\$ 6,738,892

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019**

	<u>General Fund</u>	<u>TIF #2</u>	<u>TIF #3</u>	<u>Fire/EMS Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Property Taxes	\$ 1,385,663	\$ 1,479,668	\$ 1,437,850	\$ -	\$ -	\$ 4,303,181
Other Taxes	47,873	16,502	-	-	136,572	200,947
Special Assessment Revenue	17,904	19,780	166,907	-	-	204,591
Intergovernmental	423,232	39,515	25,660	228,857	46,834	764,098
License and Permits	130,819	-	-	-	-	130,819
Fines, Forfeits and Penalties	28,148	-	-	-	2,977	31,125
Public Charges for Services	44,376	-	-	236,300	30	280,706
Interest Income	82,209	32,207	22,210	4,040	2,764	143,430
Miscellaneous Income	26,585	-	-	47,267	5,641	79,493
Total Revenues	<u>2,186,809</u>	<u>1,587,672</u>	<u>1,652,627</u>	<u>516,464</u>	<u>194,818</u>	<u>6,138,390</u>
EXPENDITURES						
Current:						
General Government	379,625	1,614	694	63,870	2,716	448,519
Public Safety	689,735	-	-	547,900	-	1,237,635
Public Works	490,751	-	-	-	-	490,751
Health and Human Services	7,822	-	-	-	-	7,822
Culture, Recreation and Education	87,558	-	-	-	191,808	279,366
Conservation and Development	315,655	-	534	-	74,563	390,752
Capital Outlay	-	-	-	1,149	61,551	62,700
Debt Service:						
Principal Repayment	253,867	1,278,650	1,921,350	130,052	-	3,583,919
Interest Expense	32,461	134,513	166,894	19,304	-	353,172
Total Expenditures	<u>2,257,474</u>	<u>1,414,777</u>	<u>2,089,472</u>	<u>762,275</u>	<u>330,638</u>	<u>6,854,636</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(70,665)</u>	<u>172,895</u>	<u>(436,845)</u>	<u>(245,811)</u>	<u>(135,820)</u>	<u>(716,246)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Long-Term Debt	-	-	-	170,000	-	170,000
Transfers In	297,458	-	-	299,410	220,551	817,419
Transfers Out	(519,961)	-	-	(1,651)	(114,710)	(636,322)
Total Other Financing Sources and Uses	<u>(222,503)</u>	<u>-</u>	<u>-</u>	<u>467,759</u>	<u>105,841</u>	<u>351,097</u>
Net Change in Fund Balances	(293,168)	172,895	(436,845)	221,948	(29,979)	(365,149)
Fund Balances - Beginning	2,349,042	1,566,798	249,623	155,101	356,403	4,676,967
Fund Balances (Deficit) - Ending	<u>\$ 2,055,874</u>	<u>\$ 1,739,693</u>	<u>\$ (187,222)</u>	<u>\$ 377,049</u>	<u>\$ 326,424</u>	<u>\$ 4,311,818</u>

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended December 31, 2019**

Net change in fund balances - total governmental funds: \$ (365,149)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount of capital outlays (\$61,877) net of depreciation (\$1,131,977) in the current period. (1,070,100)

Loss on disposal of capital assets (8,777)

Disposal of land contributed to developer (255,283)

Governmental funds record developer loan revenue when available and collectible. In contrast, such revenues are reported in the Statement of Activities when earned. This represents revenue accrued on the government-wide statements, but not on the fund statements. 250,000

Governmental funds record special assessment revenues when available and collectible. In contrast, such revenues are reported in the Statement of Activities when earned. This represents special assessments and other revenue accrued on the government-wide statements, but not on the fund statements. (237,991)

Interest charged on advances to other funds is recorded as an expenditure in the governmental funds but interest income is deferred until the revenue is available and collectible. In contrast, the interest income deferred is reported in the Statement of Activities when earned. This is the elimination entry between governmental funds. (42,742)

Economic development expenses charged for special assessments recovered through tax increments. (27,932)

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount of \$170,000 in debt proceeds during the year, net of principal payments of \$3,583,919. 3,413,919

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in accrued interest not reflected on governmental funds	13,168
Amortization of debt discounts	(10,367)
Change in compensated absences not reflected on governmental funds	(41,005)
Change in termination benefits not reflected on governmental funds	1,235

Pension and OPEB expenses reported in the governmental funds represents current year required contributions into the defined benefit pension and OPEB plans. Pension and OPEB expenses in the Statement of Activities are actuarially determined by the defined benefit pension and OPEB plans as the differences between the net pension liability and net OPEB liability from the prior year to the current year, with some adjustments. (100,137)

Change in net position of governmental activities \$ 1,518,839

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Statement of Net Position
Proprietary Funds
December 31, 2019**

	Enterprise Funds		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,530,845	\$ 1,276,911	\$ 2,807,756
Receivables			
Accounts	35,777	86,914	122,691
Inventories	39,613	-	39,613
Prepaid Expenses	3,329	5,830	9,159
Total Current Assets	1,609,564	1,369,655	2,979,219
Restricted Assets:			
Restricted Cash and Cash Equivalents	9,031	470,711	479,742
Total Restricted Assets	9,031	470,711	479,742
Capital Assets:			
Land and Improvements	21,004	17,978	38,982
Construction Work in Progress	785,370	-	785,370
Other Capital Assets	9,567,128	23,864,483	33,431,611
Less Accumulated Depreciation	(2,799,487)	(7,607,761)	(10,407,248)
Net Capital Assets	7,574,015	16,274,700	23,848,715
Total Assets	9,192,610	18,115,066	27,307,676
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Debt Defeasance	111,603	-	111,603
Deferred Pension Outflows	94,340	94,340	188,680
Deferred OPEB Outflows	637	637	1,274
Total Deferred Outflows of Resources	206,580	94,977	301,557
Total Assets and Deferred Outflows of Resources	\$ 9,399,190	\$ 18,210,043	\$ 27,609,233

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Statement of Net Position
Proprietary Funds
December 31, 2019**

	Enterprise Funds		
	Water	Sewer	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 3,946	\$ 207,065	\$ 211,011
Accrued Liabilities	4,127	4,127	8,254
Accrued Interest Payable	-	10,848	10,848
Current Portion of Long-Term Liabilities:			
Revenue Bonds Payable	-	85,013	85,013
Termination Benefits	1,221	1,221	2,442
Total Current Liabilities	9,294	308,274	317,568
Non-Current Liabilities:			
Long-Term Debt			
Notes Payable	-	1,250,000	1,250,000
Revenue Bonds Payable	-	1,833,168	1,833,168
Total Long-Term Debt	-	3,083,168	3,083,168
Total Non-Current Liabilities	-	3,083,168	3,083,168
Other Liabilities:			
Termination Benefits	387	387	774
Compensated Absences	21,861	21,861	43,722
Deferred Regulatory Credit	4,009	-	4,009
Net Pension Liability	34,958	34,958	69,916
Net OPEB Liability	5,047	5,047	10,094
Total Other Liabilities	66,262	62,253	128,515
Total Liabilities	75,556	3,453,695	3,529,251
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	48,358	48,358	96,716
Deferred OPEB Inflows	3,060	3,060	6,120
Total Deferred Inflows of Resources	51,418	51,418	102,836
NET POSITION			
Net Investment in Capital Assets	7,574,015	13,106,519	20,680,534
Restricted:			
Impact Fees	9,031	1,749	10,780
Debt Service Redemption	-	10,074	10,074
Equipment Replacement	-	458,888	458,888
Unrestricted	1,689,170	1,127,700	2,816,870
Total Net Position	9,272,216	14,704,930	23,977,146
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 9,399,190	\$ 18,210,043	\$ 27,609,233

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019**

	Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 624,472	\$ 749,408	\$ 1,373,880
Other Operating Revenues	13,813	3,090	16,903
Total Operating Revenues	638,285	752,498	1,390,783
OPERATING EXPENSES			
Operation and Maintenance	316,377	502,377	818,754
Depreciation	176,676	521,911	698,587
Total Operating Expenses	493,053	1,024,288	1,517,341
Operating Income (Loss)	145,232	(271,790)	(126,558)
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	8,380	14,073	22,453
Miscellaneous Non-Operating Revenue	16,027	169	16,196
Interest Expense	-	(66,283)	(66,283)
Miscellaneous Expense	-	(679)	(679)
Amortization Expense	(13,950)	-	(13,950)
Total Non-Operating Revenues (Expenses)	10,457	(52,720)	(42,263)
Income (Loss) Before Transfers	155,689	(324,510)	(168,821)
Transfers In	1,278	1,278	2,556
Transfers Out	(179,855)	(3,798)	(183,653)
Change in Net Position	(22,888)	(327,030)	(349,918)
Total Net Position - Beginning	9,295,104	15,031,960	24,327,064
Total Net Position - Ending	\$ 9,272,216	\$ 14,704,930	\$ 23,977,146

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Cash Flows from Operating Activities:</u>			
Receipts from customers	\$ 639,951	\$ 746,029	\$ 1,385,980
Payments to suppliers	(88,411)	(267,618)	(356,029)
Payments to employees	(212,601)	(217,210)	(429,811)
Taxes paid	(176,057)	-	(176,057)
Net cash provided (used) by operating activities	<u>162,882</u>	<u>261,201</u>	<u>424,083</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and construction of plant assets	(30,696)	(1,899,458)	(1,930,154)
Interest paid	-	(66,283)	(66,283)
Net cash provided (used) by capital and related financing activities	<u>(30,696)</u>	<u>(1,965,741)</u>	<u>(1,996,437)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest income	<u>8,380</u>	<u>14,073</u>	<u>22,453</u>
Net cash provided (used) by investing activities	<u>8,380</u>	<u>14,073</u>	<u>22,453</u>
Net increase (decrease) in cash and equivalents	140,566	(1,690,467)	(1,549,901)
<u>Cash and Equivalents, Beginning of year</u>	<u>1,399,310</u>	<u>3,438,089</u>	<u>4,837,399</u>
<u>Cash and Equivalents, End of year</u>	<u>\$ 1,539,876</u>	<u>\$ 1,747,622</u>	<u>\$ 3,287,498</u>
<u>Reconciliation to Statement of Net Position:</u>			
Current cash and cash equivalents	\$ 1,530,845	\$ 1,276,911	\$ 2,807,756
Restricted cash and cash equivalents	<u>9,031</u>	<u>470,711</u>	<u>479,742</u>
Cash and Equivalents, End of Year	<u>\$ 1,539,876</u>	<u>\$ 1,747,622</u>	<u>\$ 3,287,498</u>

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019**

	Water	Sewer	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating Income (Loss)	\$ 145,232	\$ (271,790)	\$ (126,558)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Miscellaneous	13,507	(3,030)	10,477
Tax equivalent transfer	(176,057)	-	(176,057)
Joint meter allocation	6,771	(6,771)	-
Depreciation	176,676	521,911	698,587
Pension expense	13,351	13,350	26,701
OPEB expense	(15,648)	(11,718)	(27,366)
Changes in Assets and Liabilities:			
Customer accounts receivable	1,666	(6,469)	(4,803)
Inventories	(4,669)	-	(4,669)
Accounts payable	1,139	23,801	24,940
Accrued liabilities	914	1,917	2,831
Net cash provided (used) by operating activities	\$ 162,882	\$ 261,201	\$ 424,083
 Noncash Capital and Related Financing			
Plant financed by accounts payable	\$ -	\$ 172,674	\$ 172,674

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2019**

	Tax Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 1,697,023
Receivables:	
Taxes Receivable	2,218,766
Total Assets	<u>\$ 3,915,789</u>
LIABILITIES	
Due to Other Governments	\$ 3,915,789
Total Liabilities	<u>\$ 3,915,789</u>

See accompanying notes to the basic financial statements.

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2019**

	Tax Custodial Fund
ADDITIONS	
Property tax collections for other governments	\$ 3,329,916
Total additions	3,329,916
DEDUCTIONS	
Payments of taxes to other governments	3,329,916
Total deductions	3,329,916
Net increase (decrease) in fiduciary net position	-
Net position - Beginning	-
Net position - Ending	\$ -

See accompanying notes to the basic financial statements

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

1. Nature of Operations

The Village of Johnson Creek (“Village”) is a local government municipality incorporated under the Wisconsin State Statutes as a village. The Village provides the following services to its residents: water service, sewer service, police, fire and EMS, public works, parks, library, administration and others.

2. Summary of Significant Accounting Policies

The accounting policies of the Village conform to accounting principles generally accepted in the United States as established by the Governmental Accounting Standards Board (“GASB”). The Village grants credit to its customers, substantially all of whom are its utility customers, its residents or other municipalities.

The following is a summary of the more significant policies:

A. Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization’s governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report contains the following blended component unit.

Community Development Authority

This report includes the Community Development Authority (“CDA”) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the board of the Village of Johnson Creek. The CDA meets the criteria of a component unit of the Village. The CDA was included as a blended component unit because it provides services exclusively, or almost exclusively, to the Village. The CDA itself did not have any financial transactions other than the issuance of CDA debt. The CDA activity was blended with the TIF districts.

B. Government-Wide and Fund Financial Statements

Government-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the Village’s governmental and business type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. These statements distinguish between the governmental and business-type activities of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by the fees charged to external parties.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

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

Government-Wide Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for good or services offered by the programs and (b) grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

Funds are identified as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the government or meets the following criteria:

1. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

In addition, any other governmental or proprietary fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

The Village reports the following major funds:

- | | | |
|-----------------|---------------|---------------|
| - General Fund | - TIF #2 Fund | - TIF #3 Fund |
| - Fire/EMS Fund | - Sewer Fund | - Water Fund |

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

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

The following fund types are used by the Village:

Governmental Fund Types

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains five such funds:

- TIF Funds - These funds are specifically funded for community improvements within a specific Tax Incremental Financing District. The Village maintains two Tax Incremental Financing (TIF) Districts and each District is accounted for as a separate TIF Fund. These are reported as TIF #2 & TIF #3 Funds.
- Fire/EMS Fund - This fund is specifically funded for operating and maintaining the Fire and EMS Department.
- Room Tax Fund - This fund is specifically funded by hotel tax revenues and the related expenditures.
- Library Fund - This fund is specifically funded for operating and maintaining the Village library.

Capital Projects Fund

The Capital Projects Fund is specifically funded to account for the capital expenditures made by the Village.

Proprietary Fund Types

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Village maintains two enterprises funds as listed below:

- Water Fund - This fund represents the self-sustaining activity of water service provided to the Village residences and businesses. The Water Fund is a regulated municipal utility and operates under service rules which are established by the Public Service Commission of Wisconsin (PSC). The accounting records are maintained in accordance with the uniform system of accounts prescribed by the PSC.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

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

Proprietary Fund Types (Continued)

Enterprise Funds (Continued)

- Sewer Fund - This fund represents the self-sustaining activity of sewer service provided to the Village residences and businesses. The Sewer Fund is a non-regulated municipal utility which operates under service rules established by the Village Board.

Fiduciary Fund Type

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government *controls* the assets that finance the activity, b) Assets are *not* generated from the *government's own-source revenues* or from government-mandated or voluntary nonexchange transactions, and c) Assets are administered through a *qualifying trust* or the government does *not* have *administrative involvement* and the assets are *not* generated from the *government's delivery of goods or services* to the beneficiaries, *or* the assets are for the benefit of *entities that are not part of the government's reporting entity*.

The Village reports the following fiduciary funds:

Custodial Funds - Used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Village accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's Water and Sewer Utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the General Fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

The Village reports deferred inflows of resources on its balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as described previously in this note.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Assets, Liabilities, and Net Position or Equity

Deposits and Investments

The Village is required to invest its funds in accordance with Section 66.04(2) of the Wisconsin Statutes. Such statute authorizes the Village to invest any of its funds not immediately needed in:

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State.
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
- (3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, district, or school district of this State.
- (4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investor Service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- (5) Bonds or securities issued under the authority of the municipality.
- (6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes.
- (7) Agreements in which a public depository agrees to repay funds advanced to it by the Village plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Deposits and Investments (Continued)

- (8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- (9) Repurchase agreements with public depositories, with certain conditions.
- (10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority, or by the Wisconsin Aerospace Authority.

The Village has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the Village's individual major funds, and in the aggregate for non-major and custodial funds.

All deposits of the Village are made in board designated official depositories. The Village may designate, as an official depository, any bank or savings association. Also, the Village may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

See Note 3 for additional information.

Temporary Cash Investments

Temporary cash investments consist of certificates of deposit with local banks. These are stated at cost, which approximates market value.

Enterprise Funds Statement of Cash Flows

For purposes of the statement of cash flows, for the enterprise funds, all money market deposits and time deposits with original maturities of three months or less are considered cash equivalents. Any cash investment with an original maturity of over three months and less than one year is reported as temporary cash investments. Restricted assets have been considered cash equivalents.

Property Taxes

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school districts and the technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred inflows of resources and due to other taxing units on the accompanying balance sheet. Taxes are levied in December on the assessed value as of the prior January 1.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Property Taxes (Continued)

Property tax calendar – 2019 tax roll:

Lien date and levy date	January 1, 2020
Tax bills mailed	December, 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes due in full	January 31, 2020
Tax sale – 2019 delinquent real estate taxes	October, 2022

Accounts Receivable

The Village’s management charges off all general accounts considered to be uncollectable prior to year end. The Village, in 2019, established an allowance for uncollectible accounts as follows:

Fire/EMS Fund	\$21,685
---------------	----------

Inventory

Inventory is valued at the lower of cost or market.

Capital Outlay Items

Capital outlay items (capital assets) are recorded as expenditures in the governmental fund types. Accounting principles generally accepted in the United States of America require that these fixed assets be capitalized at cost in the government-wide financial statements.

Capital outlay items in the enterprise funds are recorded as fixed assets on the appropriate balance sheet.

Capital Assets

Fund Financial Statements

General fixed assets acquired for governmental purposes are recorded as current year expenditures in the governmental funds. Purchased fixed assets are capitalized at cost or estimated cost in the government-wide financial statements. Contributed fixed assets are recorded at fair market value at the time received.

Account principles generally accepted in the United States of America do not require depreciation to be recorded on capital assets for fund financial reporting.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Capital Assets (Continued)

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and for infrastructure assets, and an estimated useful life in excess of 2 years for general capital assets and for infrastructure assets. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated acquisition value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Under current accounting standards governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. The Village has retroactively reported all infrastructure acquired by its governmental fund types prior to January 1, 1980.

Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, and overhead.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, while accumulated depreciation is reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Buildings	40 Years
Improvements	10-35 Years
Machinery & Equipment	3-10 Years
Infrastructure	25-50 Years

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. The amount of accumulated sick leave that will not be repaid with expendable available resources is not material to these financial statements.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated sick leave liabilities at December 31, 2019, are determined on a basis of current salary rates and include salary related payments.

In accordance with Village policies, employees may not carry over vacation or personal time if unused at year end. Employees may accumulate sick leave, to specified maximum amounts, and then convert the accumulated sick leave to paid health care benefits upon retirement.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Long-Term Obligations/Conduit Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds and notes payable. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as “Other Financing Sources” and payment of principal and interest reported as “Expenditures.” The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

The Village may approve the issuance of industrial revenue bonds (“IRB”) for the benefit of private business enterprises. IRB’s are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds would not be reported as liabilities in the accompanying financial statements. There are no IRB’s outstanding at year-end.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The Village has three items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The Village has three items that qualify for reporting in this category.

Equity Classifications

Government-Wide Statements

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

1. Net Investment of Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (b) law through constitutional provisions or enabling legislation.
3. Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment of capital assets.”

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Equity Classifications (Continued)

Government-Wide Statements (Continued)

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

Fund Financial Statements

Government fund equity is classified as fund balance.

In the fund financial statements, governmental fund balance is presented in five possible categories:

1. Nonspendable – Resources which cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.
2. Restricted – Resources with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed – Resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.
4. Assigned – Resources neither restricted nor committed for which a government has a stated intended use as established by the Village Board or a body or official to which the Village Board has delegated the authority to assign amounts for specific purposes.
5. Unassigned – Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

When restricted and other fund balance resources are available for use, it is the Village's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

Any excess of revenues and other financing sources over expenditures and other financing uses at the end of the fiscal year will be added to the fund balance. The Village will work to achieve and then maintain an unreserved balance in the General Fund to provide for unanticipated expense of a non-recurring nature. It is the goal of the Village to achieve and maintain a General Fund unassigned fund balance at a minimum of 25% of the ensuing year's budgeted General Fund expenditures. It shall be used for either working capital, to help cover revenue shortfalls, unanticipated emergency expenditures, stabilize the tax rate, and provide liquidity. An amount in excess of 30% is to be considered for assignment.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Equity Classifications (Continued)

Fund Financial Statements (Continued)

The Village's long-term goal for fund balance is to achieve and then maintain a General Fund balance that would alleviate the need to borrow short-term for operational cash flow needs. The General Fund balance shall not be used for recurring costs in the operating budget.

Utility Rates

Current water rates were approved by the Village effective January 25, 2018. Current sewer rates were approved by the Village on July 24, 2017.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of GASB pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, a liability is recorded in the government-wide financial statements. The related expenditure is recognized with the liability and is liquidated.

There were no significant claims or judgments at year end that were not covered by insurance.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Wisconsin Retirement System ("WRS"), and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported for 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.

Other Postemployment Benefits

The fiduciary net position of the Local Retiree Life Insurance Fund ("LRLIF") has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net other postemployment benefits ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)

E. Limitations on the Village's Tax Levy

The State has passed current legislation that limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the Village's equalized value due to new construction, or 0% for the 2018-2019 tax year. Changes in debt service from one year to the next are generally exempt from this limit.

F. Change in Accounting Principle

Effective January 1, 2019, the Village adopted the provisions of GASB Statement No. 84, *Fiduciary Activities* (GASB No. 84). GASB No. 84 establishes general criteria for determining what activities should be reported in the fiduciary funds and requires the recognition of a liability when an event has occurred that requires the disbursement of fiduciary resources. Implementation of GASB No. 84 replaces Agency Fund types with Custodial Funds for the accumulation of assets for entities outside the government's reporting entity. Unlike Agency Funds, Custodial Funds present a statement of net position and a statement of changes in net position. The statement of changes in fiduciary net position reports additions and deductions for taxes collected and distributed on behalf of or to other governments, respectively.

3. Cash and Temporary Cash Investments

Cash for all Village funds are pooled for investment purposes. At December 31, 2019, the cash and investments consist of the following:

Petty Cash	\$	400
Deposits with Financial Institutions		9,961,553
U.S. Government Securities Fund		1,399,111
Total Cash and Investments		11,361,064

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position		
Cash and Investments	\$	7,513,962
Restricted Cash		2,150,079
Statement of Fiduciary Net Position		
Tax Collections Cash		1,697,023
Total Cash and Investments	\$	11,361,064

A. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village has no investment policy that would further limit its investments choices.

- The US Treasury Investment funds have an AAA rating from Moody's Investor Services.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

3. Cash and Temporary Cash Investments (Continued)

B. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village would 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 risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Village would not be able to recover the value of its investment of collateral securities that are in the possession of another party. The Village does not have an investment policy for custodial credit risk.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings deposit accounts. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

As of December 31, 2019, the Village had \$10,148,065 on deposit with financial institutions. Of this amount the Village had deposits in excess of federal depository insurance limits that were exposed to custodial credit risk as follows:

Insured by Federal and State Deposit Insurance	\$	2,266,856
Collateralized in the Financial Institutions Name		4,210,769
Uninsured/Uncollateralized		3,670,440
Total Deposits with Financial Institutions		\$ 10,148,065

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates that 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 of fair value losses arising from increasing interest rates.

As of December 31, 2019, the Village has the following investments and maturities:

	Fair Value	Weighted Average Maturity (Days)
US Treasury Investments	\$ 1,399,111	53
Total	\$ 1,399,111	

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

4. Fair Value Measurement

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurement date.

The Village uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the Village’s assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The Village uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the Village measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

Assets at Fair Value as of December 31, 2019				
	Fair Value	Level 1	Level 2	Level 3
US Treasury Investments	\$ 1,399,111	\$ 1,399,111	\$ -	\$ -
	\$ 1,399,111	\$ 1,399,111	\$ -	\$ -

5. Receivables and Deferred Inflows of Resources

All of the Village’s receivables are expected to be collected within one year except \$214,286 in the General Fund and \$79,599 in TIF #2.

As of December 31, 2019, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Property taxes receivable	\$ -	\$ 4,287,277	\$ 4,287,277
Special assessments and charges not yet due	100,018	-	100,018
Interest on advances	184,168	-	184,168
EMS charges	6,395	-	6,395
Developer loan	250,000	-	250,000
Total Deferred Inflows of Resources	\$ 540,581	\$ 4,287,277	\$ 4,827,858
for Governmental Funds			

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

6. Interfund Receivables/Payables, Advances, and Transfers

A. Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	TIF #3	\$ 164,207	Cash Deficit
Sub-Total - Fund Financial Statements		164,207	
Less: Fund Eliminations		(164,207)	
Total - Government-Wide Statement of Activities		<u>\$ -</u>	

B. Advances

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Accrued Interest</u>	<u>Balance 12/31/19</u>	<u>Amount Due Within One Year</u>
General Fund	TIF #3	3%	\$ 534,992	\$ 184,680	<u>\$ 719,672</u>	<u>\$ 193,611</u>
Total All Funds					<u>\$ 719,672</u>	<u>\$ 193,611</u>

All interest rates charged on advances were approved through Board resolution. The Board has also approved the following repayment schedule:

Repayment Year	
2020	\$ 193,611
2021	193,611
2022	193,611
2023	193,611
Total	<u>774,444</u>
Less: anticipated future interest accrued	<u>(54,772)</u>
Current Advance Payable	<u>\$ 719,672</u>

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

6. Interfund Receivables/Payables, Advances, and Transfers (Continued)

C. Transfers

The following is a schedule of interfund transfers:

Transferred To	Transferred From	Per Government- Wide Statements	Per Fund Statements	Purpose
General Fund	Room Tax Fund	Eliminated	\$ 92,613	Operations
General Fund	Fire/EMS Fund	Eliminated	1,651	Operations
General Fund	Library Fund	Eliminated	22,097	Operations
Library Fund	General Fund	Eliminated	159,000	Levy
Fire/EMS Fund	General Fund	Eliminated	299,410	Levy
Capital Projects Fund	General Fund	Eliminated	61,551	Operations
General Fund	Sewer Fund		2,520	Operations
General Fund	Water Fund		2,520	Operations
General Fund	Water Fund		176,057	Tax Equivalent
Total Transfers - Fund Financials			\$ 817,419	
General Fund	Water Fund	\$ 176,057	\$ -	Tax Equivalent
General Fund	Water Fund	2,520	-	Operations
General Fund	Sewer Fund	2,520	-	Operations
Total Transfers - Government-Wide Statement of Activities		\$ 181,097	\$ -	
Less: Fund eliminations		-		
Total Transfers - Government-Wide Statement of Activities		\$ 181,097		

Generally, transfers are used to move revenues from the fund that collects them to the fund that the budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

7. Restricted Cash

The Village reports various restricted cash accounts on the Statement of Net Position and the governmental fund financial statements. Restricted cash as of December 31, 2019, is as follows:

Fund	Amount	Purpose
------	--------	---------

General Fund

Impact Fees	\$ 76,459	The Village collected impact fees from new developments. These fees are restricted in use by State Statutes. The impact fees can be used for public infrastructure improvements, public safety improvements and for parks.
-------------	-----------	--

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

7. Restricted Cash (Continued)

Fund	Amount	Purpose
Developer Fees	73,577	The Village collected Westside Development fees that are restricted by Village ordinance for public infrastructure improvements to certain areas within the Village. These fees were set by Village ordinances.
Tree Planting Fees	16,827	The Village is also collecting fees to plant trees from homeowners. These fees were set by Village ordinances.
Total General Fund	<u>\$ 166,863</u>	
TIF #2 - Debt Reserves	<u>\$ 701,842</u>	The Community Development Authority (CDA) bonds require money to be accumulated for the purpose of paying principal and interest payments. These amounts have been restricted for the purpose of making principal and interest payments.
TIF #3 - Debt Reserves	<u>\$ 697,269</u>	The Community Development Authority (CDA) bonds require money to be accumulated for the purpose of paying principal and interest payments. These amounts have been restricted for the purpose of making principal and interest payments.
Library Fund		
Restricted Contributions	<u>\$ 6,735</u>	The Village library has received contributions which, according to the contributors, are restricted in use. These funds can only be used for library books and equipment.
Capital Projects Fund		
Unspent Bond Proceeds	<u>\$ 97,628</u>	The 2016 General Obligation Refunding Bonds restrict the proceeds to specific capital projects.
Total Governmental Funds	<u><u>\$ 1,670,337</u></u>	

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

7. Restricted Cash (Continued)

Fund	Amount	Purpose
Water		
Impact Fees	\$ 9,031	Collection of impact fees noted above.
Sewer		
Impact Fees	1,749	Collection of impact fees noted above.
Debt Service Redemption	10,074	The 2018 CWFL restricts an amount equal to one-sixth of the next installment of interest coming due and an amount equal to one-twelfth of the installment of principal coming due in the next fiscal year.
Equipment Replacement	458,888	The 2018 CWFL restricts amounts sufficient to meet equipment replacement.
Total Sewer	<u>\$ 470,711</u>	
Total Proprietary Funds	<u>\$ 479,742</u>	

8. Capital Assets

Capital asset activity in the governmental activities for the year ended December 31, 2019, was as follows:

	<u>Balance 1/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2019</u>
Governmental Activities				
Non-depreciable Capital Assets:				
Land	\$ 2,011,921	\$ -	\$ 255,283	\$ 1,756,638
Total Non-depreciable Capital Assets	<u>2,011,921</u>	<u>-</u>	<u>255,283</u>	<u>1,756,638</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	4,213,783	-	-	4,213,783
Equipment	4,821,076	61,877	125,107	4,757,846
Infrastructure	22,128,492	-	-	22,128,492
Total Capital Assets Being Depreciated	<u>31,163,351</u>	<u>61,877</u>	<u>125,107</u>	<u>31,100,121</u>
Total Capital Assets	<u>33,175,272</u>	<u>61,877</u>	<u>380,390</u>	<u>32,856,759</u>
Less: Accumulated Depreciation	<u>19,588,560</u>	<u>1,131,977</u>	<u>116,330</u>	<u>20,604,207</u>
Capital Assets Net of Depreciation	<u>\$ 13,586,712</u>	<u>\$ (1,070,100)</u>	<u>\$ 264,060</u>	<u>\$ 12,252,552</u>

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

8. Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Governmental Activities		
General Government	\$	12,590
Public Safety		161,368
Public Works		854,473
Culture and Recreation		<u>103,546</u>
Total Governmental Activities Depreciation Expense	\$	<u><u>1,131,977</u></u>

Capital asset activity in the business-type activities for the year ended December 31, 2019, was as follows:

<u>Water</u>	<u>Balance</u> <u>1/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2019</u>
Non-Depreciable Capital Assets:				
Land	\$ 21,004	\$ -	\$ -	\$ 21,004
Construction in Process	785,370	-	-	785,370
Total Non-Depreciable Capital Assets	<u>806,374</u>	<u>-</u>	<u>-</u>	<u>806,374</u>
Capital Assets Being Depreciated:				
Buildings	757,987	-	-	757,987
Equipment	1,472,020	-	-	1,472,020
Infrastructure	7,320,825	30,696	14,400	7,337,121
Total Capital Assets Being Depreciated	<u>9,550,832</u>	<u>30,696</u>	<u>14,400</u>	<u>9,567,128</u>
Total Capital Assets	<u>10,357,206</u>	<u>30,696</u>	<u>14,400</u>	<u>10,373,502</u>
Less: Accumulated Depreciation	<u>(2,630,440)</u>	<u>(183,447)</u>	<u>(14,400)</u>	<u>(2,799,487)</u>
Capital Assets Net of Depreciation	<u><u>\$ 7,726,766</u></u>	<u><u>\$ (152,751)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,574,015</u></u>

Construction work in progress for the Water Utility reported above includes \$769,768 related to the costs of starting construction of a potential new well. Current regulatory and environmental standards may make this site not suitable for a future well. The Village intends to pursue using this location and will assess if the regulatory, environmental, and costs factors may result in this asset being impaired. As of December 31, 2019, no adjustment has been made in the financial statements related to potential impairment.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

8. Capital Assets (Continued)

<u>Sewer</u>	<u>Balance</u> <u>1/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2019</u>
Non-Depreciable Capital Assets:				
Land	\$ 17,978	\$ -	\$ -	\$ 17,978
Construction in Process	4,831,972	-	4,831,972	-
Total Non-Depreciable Capital Assets	<u>4,849,950</u>	<u>-</u>	<u>4,831,972</u>	<u>17,978</u>
Capital Assets Being Depreciated:				
Buildings	794,980	-	-	794,980
Equipment	239,209	24,203	-	263,412
Infrastructure	16,312,579	6,493,512	-	22,806,091
Total Capital Assets Being Depreciated	<u>17,346,768</u>	<u>6,517,715</u>	<u>-</u>	<u>23,864,483</u>
Total Capital Assets	<u>22,196,718</u>	<u>6,517,715</u>	<u>4,831,972</u>	<u>23,882,461</u>
Less: Accumulated Depreciation	<u>(7,092,620)</u>	<u>(515,141)</u>	<u>-</u>	<u>(7,607,761)</u>
Capital Assets Net of Depreciation	<u>\$ 15,104,098</u>	<u>\$ 6,002,574</u>	<u>\$ 4,831,972</u>	<u>\$ 16,274,700</u>
Total Business-Type Capital Assets	<u>\$ 22,830,864</u>	<u>\$ 5,849,823</u>	<u>\$ 4,831,972</u>	<u>\$ 23,848,715</u>

Depreciation expense was charged to business-type activities as follows:

Business-Type Activities	
Water-Depreciation	\$ 176,676
Sewer-Depreciation	<u>521,911</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 698,587</u>

9. Long-Term Receivables

The Village approved a development agreement with a developer for the development of an assisted living facility. In 2019, the developer completed the first of two phases. The Village agreed to provide a loan to the developer in the amount of \$250,000. The developer will repay the Village over seven years based upon an agreed upon amortization schedule for the loan. The receivable balance outstanding as of December 31, 2019 is \$250,000.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

10. Long-Term Obligations

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes and bonds will be retired by future property tax levies. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies. The following is a summary of long-term debt transactions of the Village for the year ended December 31, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General Obligation Notes and Bonds	\$ 6,670,000	\$ -	\$ 2,255,000	\$ 4,415,000	\$ 1,115,000
Direct Borrowings or Direct Placements	-	170,000	8,919	161,081	19,808
CDA Lease Revenue Bonds	6,885,000	-	1,320,000	5,565,000	990,000
Less Unamortized Debt Discount	(46,807)	-	(10,367)	(36,440)	-
Total Bonds and Notes Payable	<u>13,508,193</u>	<u>170,000</u>	<u>3,573,552</u>	<u>10,104,641</u>	<u>2,124,808</u>
Other Liabilities					
Termination Benefits	43,570	-	1,235	42,335	26,825
Compensated Absences	140,238	41,005	-	181,243	-
Total Other Liabilities	<u>183,808</u>	<u>41,005</u>	<u>1,235</u>	<u>223,578</u>	<u>26,825</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 13,692,001</u>	<u>\$ 211,005</u>	<u>\$ 3,574,787</u>	<u>\$ 10,328,219</u>	<u>\$ 2,151,633</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
Direct Borrowings - Revenue Bonds	\$ 1,918,181	\$ -	\$ -	\$ 1,918,181	\$ 85,013
Note Anticipation Notes	1,250,000	-	-	1,250,000	-
Total Bonds and Notes Payable	<u>3,168,181</u>	<u>-</u>	<u>-</u>	<u>3,168,181</u>	<u>85,013</u>
Other Liabilities					
Termination Benefits	5,772	-	2,556	3,216	2,242
Compensated Absences	41,166	2,556	-	43,722	-
Total Other Liabilities	<u>46,938</u>	<u>2,556</u>	<u>2,556</u>	<u>46,938</u>	<u>2,242</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 3,215,119</u>	<u>\$ 2,556</u>	<u>\$ 2,556</u>	<u>\$ 3,215,119</u>	<u>\$ 87,255</u>

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

10. Long-Term Obligations (Continued)

A. Governmental Debt

Long-term debt issues outstanding at December 31, 2019, and total debt outstanding were as follows:

	<u>Date Of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/19</u>	<u>Current Portion</u>
Governmental Activities						
<u>General Obligation</u>						
2010 General Fund						
GO Refunding Bonds	12/17/2010	3/1/2020	1.7-3.5%	\$ 1,165,000	\$ 110,000	\$ 110,000
2011 General Fund						
GO Refunding Bonds	3/1/2011	3/1/2022	1.1-4.0%	\$ 2,820,000	875,000	280,000
2016 A Fire and Capital						
GO Notes	8/15/2016	8/1/2026	1.75-2%	\$ 1,300,000	1,190,000	110,000
2016 B General and Fire						
GO Refunding Notes	12/12/2016	12/1/2024	2.0-2.15%	\$ 1,360,000	860,000	155,000
2017 A TIF 2						
GO Refunding Bonds	11/15/2017	12/1/2021	1.2-1.55%	\$ 960,000	380,000	180,000
2017 B TIF 3						
GO Refunding Bonds	11/15/2017	12/1/2021	2.0-2.4%	\$ 1,000,000	1,000,000	280,000
2019 Fire						
GO Notes	3/29/2019	1/31/2027	2.47%	\$ 170,000	161,081	19,808
Total Governmental Activities -- General Obligation Debt					<u>4,576,081</u>	<u>1,134,808</u>
<u>CDA Lease Revenue Bonds</u>						
2012 TIF 3 CDA Refunding						
Lease Revenue Bonds	12/17/2012	12/1/2026	1.25-2.9%	\$ 2,785,000	1,940,000	-
2013 TIF 2 CDA Refunding						
Lease Revenue Bonds	10/3/2013	12/1/2022	2.5-3.25%	\$ 1,780,000	1,350,000	445,000
2015 TIF 2 CDA Refunding						
Lease Revenue Bonds	9/2/2015	12/1/2023	.85-2.85%	\$ 1,740,000	1,055,000	180,000
2017 TIF 3 CDA						
Refunding Lease Revenue Bonds	11/15/2017	12/1/2022	1.3% -2.0%	\$ 2,235,000	1,220,000	365,000
Total Governmental Activities -- CDA Lease Revenue Bonds					<u>5,565,000</u>	<u>990,000</u>
Total Governmental Activities					<u>\$ 10,141,081</u>	<u>\$ 2,124,808</u>

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

10. Long-Term Obligations (Continued)

A. Governmental Debt (Continued)

Debt service requirements to maturity are as follows:

	Total GO Principal	Total GO Interest	Total Direct Borrowing Principal	Total Direct Borrowing Interest	Total Lease Revenue Bonds Principal	Total Lease Revenue Bonds Interest	Total Governmental Activities Debt Service
2020	\$ 1,115,000	\$ 98,987	\$ 19,808	\$ 3,817	\$ 990,000	\$ 144,167	\$ 2,371,779
2021	1,125,000	73,491	20,083	3,543	1,010,000	121,765	2,353,882
2022	1,100,000	45,592	20,594	3,030	1,125,000	96,478	2,390,694
2023	350,000	21,833	21,109	2,516	965,000	66,960	1,427,418
2024	350,000	14,747	21,638	1,988	480,000	41,085	909,458
2025	195,000	7,500	22,175	1,450	490,000	28,365	744,490
2026	180,000	3,600	22,733	892	505,000	14,645	726,870
2027	-	-	12,941	323	-	-	13,264
	<u>\$ 4,415,000</u>	<u>\$ 265,750</u>	<u>\$ 161,081</u>	<u>\$ 17,559</u>	<u>\$ 5,565,000</u>	<u>\$ 513,465</u>	<u>\$ 10,937,855</u>

The Village's general obligation debt limit is equal to 5% of the Village's total equalized value. The Village's debt limit as of December 31, 2019, is \$18,635,345. Debt subject to the limit is \$4,576,081.

B. Business-Type Debt

Long-term debt issues outstanding at December 31, 2019, and total debt outstanding were as follows:

	Date Of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19	Current Portion
Business-Type Activities						
<u>Sewer Utility</u>						
2018 Note Anticipation Notes	8/20/2018	5/1/2023	2.50%	\$ 1,250,000	\$ 1,250,000	\$ -
2018 Clean Water Fund Loan	5/9/2018	5/1/2038	1.87%	\$ 2,156,245	<u>1,918,181</u>	<u>85,013</u>
Total Business-Type Activities					<u>\$ 3,168,181</u>	<u>\$ 85,013</u>

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

10. Long-Term Obligations (Continued)

B. Business-Type Debt (Continued)

Debt service requirements to maturity are as follows:

	Direct Borrowings - Revenue Bonds			Note Anticipation Note		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 85,013	\$ 35,075	\$ 120,088	\$ -	\$ 31,251	\$ 31,251
2021	86,603	33,471	120,073	-	31,252	31,252
2022	88,222	31,836	120,058	-	31,253	31,253
2023	89,872	30,171	120,043	1,250,000	15,625	1,265,625
2024	91,553	28,474	120,027	-	-	-
2025-2029	484,093	115,796	599,889	-	-	-
2030-2034	531,080	68,369	599,449	-	-	-
2035-2038	461,745	17,469	479,214	-	-	-
	<u>\$ 1,918,181</u>	<u>\$ 360,661</u>	<u>\$ 2,278,841</u>	<u>\$ 1,250,000</u>	<u>\$ 109,381</u>	<u>\$ 1,359,381</u>

C. Bond Covenant Disclosures

Insurance

The Village is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.10 times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2019 as follows:

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

10. Long-Term Obligations (Continued)

C. Bond Covenant Disclosures (Continued)

Debt Coverage (Continued)

	Sewer Utility
<u>Bond Reserves</u>	
Replacement Account	\$ 458,888
Debt Service Redemption Account	10,074
Total	\$ 468,962
<u>Coverage Covenant Calculation</u>	
Gross Revenue	\$ 749,408
Other Revenues	17,332
Operation and Maintenance Expenses - (Excluding Depreciation)	(502,377)
Net Revenues	\$ 264,363
Maximum annual debt service	\$ 120,088
Percent Coverage	220%
Percent Coverage Required	110%

11. Defined Benefit Pension Plan

A. Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (“ETF”). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

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

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

11. Defined Benefit Pension Plan (Continued)

B. 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.

C. 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 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

D. Post-Retirement 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>
2009	(2.1%)	(42%)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

11. Defined Benefit Pension Plan (Continued)

E. 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, and executives and elected officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$65,058 in contributions from the municipality.

Contribution rates as of December 31, 2019, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the Village reported a liability (asset) of \$230,400 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017, rolled forward to December 31, 2018. 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 (asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.00647614%, which was a decrease of 0.00006908% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2018, the Village recognized pension expense of \$159,765.

Pension amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the pension plan made by the proprietary funds and business-type activities relative to the total contributions made by the Village.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

11. Defined Benefit Pension Plan (Continued)

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

At December 31, 2019, 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	\$ 179,446	\$ (317,197)
Changes of assumptions	38,836	-
Net difference between projected and actual earnings on pension plan investments	336,484	-
Changes in proportion and difference between Employer contributions and proportionate share of contributions	4,447	(1,519)
Employer contributions subsequent to the measurement date	62,555	-
Total	\$ 621,768	\$ (318,716)

\$62,555 reported as deferred outflows related to pension resulting from the WRS Employer'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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2020	\$ 88,519
2021	22,554
2022	37,328
2023	92,096
2024	-
Total	\$ 240,497

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

11. Defined Benefit Pension Plan (Continued)

G. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, and mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

H. 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.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

11. Defined Benefit Pension Plan (Continued)

H. Long-Term Expected Return on Plan Assets (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns
As of December 31, 2018

<u>Core Fund Asset Class</u>	<u>Asset Allocation</u> %	<u>Long-Term</u> <u>Expected</u> <u>Nominal Rate of</u> <u>Return %</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u> <u>%</u>
Global Equities	49	8.1	5.5
Fixed Income	24.5	4	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	<u>110</u>	7.3	4.7
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.6	5
International Equities	30	8.5	5.9
Total Variable Fund	<u>100</u>	8	5.4

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

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

I. Single Discount Rate

A single discount rate of 7.00% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

11. Defined Benefit Pension Plan (Continued)

J. Sensitivity of the Village of Johnson Creek’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Village’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Village’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
Village's proportionate share of the net pension liability (asset)	\$ 915,636	\$ 230,400	\$ (279,125)

K. Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>

12. Other Postemployment Benefits

A. Plan Description

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

B. OPEB Plan Fiduciary Net Position

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

C. Benefits Provided

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

D. 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 post-retirement benefit.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

12. Other Postemployment Benefits (Continued)

D. Contributions (Continued)

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

Contribution rates as of December 31, 2019 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Life Insurance		
Employee Contribution Rates*		
For the year ended December 31, 2018		
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
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$299 in contributions from the employer.

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

At December 31, 2019, the Village reported a liability (asset) of \$40,140 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017, rolled forward to December 31, 2018. 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 OPEB liability (asset) was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.01555600%, which was a decrease of 0.005004% from its proportion measured as of December 31, 2017.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

12. Other Postemployment Benefits (Continued)

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

For the year ended December 31, 2019, the Village recognized OPEB expense of \$1,742.

OPEB amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the OPEB plan made by the proprietary funds and business-type activities relative to the total contributions made by the Village.

At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (2,036)
Changes of assumptions	3,830	(8,701)
Net differences between projected and actual earnings on OPEB plan investments	959	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(13,601)
Employer contributions subsequent to the measurement date	279	-
Totals	\$ 5,068	\$ (24,338)

\$279 reported as deferred outflows related to OPEB resulting from the Village employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Net Outflows (Inflows) of Resources
2020	\$ (3,036)
2021	(3,036)
2022	(3,036)
2023	(3,171)
2024	(3,309)
Thereafter	(3,961)
Total	\$ (19,549)

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

12. Other Postemployment Benefits (Continued)

F. Actuarial Assumptions

The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

G. 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.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

12. Other Postemployment Benefits (Continued)

G. Long-Term Expected Return on Plan Assets (Continued)

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2018

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

H. Single Discount Rate

A single discount rate of 4.22% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability 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 payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

I. Sensitivity of the Village's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the Village's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.22 percent, as well as what the Village's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	<u>1% Decrease to Discount Rate (3.22%)</u>	<u>Current Discount Rate (4.22%)</u>	<u>1% Increase to Discount Rate (5.22%)</u>
Village's proportionate share of the net OPEB liability (asset)	\$ 57,101	\$ 40,140	\$ 27,058

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

12. Other Postemployment Benefits (Continued)

J. OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

13. Net Position/Fund Balances

A. Net Position

Net position reported on the government-wide statement of net position at December 31, 2019 includes the following:

	<u>Governmental</u>	<u>Water</u>	<u>Sewer</u>
Capital Assets Net of Depreciation	\$ 12,252,552	\$ 7,574,015	\$ 16,274,700
Less: Related Long-Term Debt Outstanding	(10,141,081)	-	(3,168,181)
Plus: Unamortized Debt Expenses	36,440	-	-
Plus: Debt Reserves - TIF 2 & 3	1,399,111	-	-
Plus: Debt Proceeds in Restricted Cash	97,628	-	-
Total Net Investment in Capital Assets	<u>\$ 3,644,650</u>	<u>\$ 7,574,015</u>	<u>\$ 13,106,519</u>

B. Fund Balances

Fund balances on the fund financial statements as of December 31, 2019 include the following:

Nonspendable Fund Balance

General Fund

Delinquent Personal Property Taxes	\$ 1,281
Advances to Other Funds (net of unavailability interest)	659,776
Other Assets	86,638
Prepaid Expenses	4,000
Total General Fund	<u>751,695</u>
Total Nonspendable Fund Balance	<u>\$ 751,695</u>

Restricted Fund Balance

General Fund

Impact / Developer Fees	\$ 150,036
Other	16,827
Total General Fund	<u>166,863</u>

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

13. Net Position/Fund Balances (Continued)

B. Fund Balances (Continued)

Restricted Fund Balance	
<u>TIF District #2</u>	
Debt Service	1,739,693
<u>TIF District #3</u>	
Debt Service	697,269
<u>Library Fund</u>	
Library Expenditures	40,736
<u>Room Tax Fund</u>	
Operations	193,035
<u>Capital Projects Fund</u>	
Unspent Bond Proceeds	92,653
Total Restricted Fund Balance	\$ 2,930,249
Assigned Fund Balance	
<u>General Fund</u>	
Capital Purchases	\$ 535,897
<u>Fire/EMS Fund</u>	
Capital Purchases	377,049
Total Assigned Fund Balance	\$ 912,946
Unassigned Fund Balance (Deficit)	
<u>General Fund</u>	
	\$ 601,419
<u>TIF District #3</u>	
	(884,491)
Total Unassigned Fund Balance (Deficit)	\$ (283,072)

The TIF #3 deficit is anticipated to be replenished with future tax increment revenue.

14. Commitments and Contingencies

The Village has a number of agreements in which the tax increment on developments will be used to reduce special assessments. In 2019, the Village had \$27,932 in special assessments paid by tax increments. This amount was recorded as an economic development expense on the government-wide financial statements. Future payments are contingent upon adequate increments.

A. Developer Commitments

In 2020, the Village has approved the sale of a land parcel to a developer with the condition that the land be developed within two years of purchase. Otherwise, the Village will have the right to purchase the land back from the developer.

VILLAGE OF JOHNSON CREEK
Notes to Financial Statements
December 31, 2019

14. Commitments and Contingencies (Continued)

B. Legal Contingencies

From time to time, the Village may be party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, no provision has been made in the financial statements. The Village has tax refund claims of approximately \$165,000 relating to property assessments. The Village is defending the claims. If unsuccessful, the overlying taxing jurisdictions will be responsible for their portion of taxes. The Village's portion of tax assessments is approximately 25%. As of December 31, 2019, no accrual has been made due to the outcome being unknown and there is a remote possibility that the Village is unsuccessful.

15. 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 Village carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

16. Subsequent Events

A novel strain of coronavirus (COVID-19) spread to the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include disruptions or restrictions on employees' ability to work. Operating functions that may be changed include access to the Village Hall, voting, payment of utility bills, and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of residents to continue making utility bill, tax bill, or special assessment payments as a result of job loss or other pandemic-related issues. The future effects of these issues are unknown.

In January 2020, the Village approved the early redemption of 2011 General Obligation Refunding Bonds in the amount of \$595,000.

In February 2020, the Village approved professional services agreements to provide engineering services for the Southeast Neighborhood-Utility Reconstruction project in an amount of \$54,600 and the Well No. 4-Preliminary Design project in an amount of \$72,510.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Johnson Creek

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Variances)
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,385,663	\$ 1,385,663	\$ 1,385,663	\$ -
Other Taxes	44,100	44,100	47,873	3,773
Special Assessment Revenue	100	100	17,904	17,804
Intergovernmental	425,643	425,643	423,232	(2,411)
License and Permits	91,000	91,000	130,819	39,819
Fines, Forfeits and Penalties	23,000	23,000	28,148	5,148
Public Charges for Services	37,200	37,200	44,376	7,176
Interest Income	4,250	4,250	82,209	77,959
Miscellaneous Income	28,155	28,155	26,585	(1,570)
Total Revenues	<u>2,039,111</u>	<u>2,039,111</u>	<u>2,186,809</u>	<u>147,698</u>
EXPENDITURES				
Current:				
General Government	433,882	433,882	379,625	54,257
Public Safety	701,925	701,925	689,735	12,190
Public Works	533,503	533,503	490,751	42,752
Health and Human Services	7,919	7,919	7,822	97
Culture, Recreation and Education	105,007	105,007	87,558	17,449
Conservation and Development	54,160	54,160	315,655	(261,495)
Debt Service:				
Principal Repayment	253,867	253,867	253,867	-
Interest Expense	32,461	32,461	32,461	-
Total Expenditures	<u>2,122,724</u>	<u>2,122,724</u>	<u>2,257,474</u>	<u>(134,750)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(83,613)</u>	<u>(83,613)</u>	<u>(70,665)</u>	<u>12,948</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	340,254	340,254	297,458	(42,796)
Transfers Out	(292,533)	(292,533)	(519,961)	(227,428)
Total Other Financing Sources and Uses	<u>47,721</u>	<u>47,721</u>	<u>(222,503)</u>	<u>(270,224)</u>
Net Change in Fund Balances	(35,892)	(35,892)	(293,168)	(257,276)
Fund Balance - Beginning	<u>2,349,042</u>	<u>2,349,042</u>	<u>2,349,042</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,313,150</u>	<u>\$ 2,313,150</u>	<u>\$ 2,055,874</u>	<u>\$ (257,276)</u>

See accompanying notes to the required supplementary information

Village of Johnson Creek

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Variances)
TIF #2
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,532,481	\$ 1,532,481	\$ 1,479,668	\$ (52,813)
Other Taxes	-	-	16,502	16,502
Special Assessment Revenue	21,000	21,000	19,780	(1,220)
Intergovernmental	23,718	23,718	39,515	15,797
Interest Income	3,500	3,500	32,207	28,707
Total Revenues	<u>1,580,699</u>	<u>1,580,699</u>	<u>1,587,672</u>	<u>6,973</u>
EXPENDITURES				
Current:				
General Government	850	850	1,614	(764)
Debt Service:				
Principal Repayment	1,098,550	1,098,550	1,278,650	(180,100)
Interest Expense	131,564	131,564	134,513	(2,949)
Total Expenditures	<u>1,230,964</u>	<u>1,230,964</u>	<u>1,414,777</u>	<u>(183,813)</u>
Net Change in Fund Balances	349,735	349,735	172,895	(176,840)
Fund Balance - Beginning	1,566,798	1,566,798	1,566,798	-
Fund Balance - Ending	<u>\$ 1,916,533</u>	<u>\$ 1,916,533</u>	<u>\$ 1,739,693</u>	<u>\$ (176,840)</u>

See accompanying notes to the required supplementary information

Village of Johnson Creek

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Variances)
TIF #3
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,489,169	\$ 1,489,169	\$ 1,437,850	\$ (51,319)
Special Assessment Revenue	150,000	150,000	166,907	16,907
Intergovernmental	10,442	10,442	25,660	15,218
Interest Income	4,000	4,000	22,210	18,210
Total Revenues	<u>1,653,611</u>	<u>1,653,611</u>	<u>1,652,627</u>	<u>(984)</u>
EXPENDITURES				
Current:				
General Government	600	600	694	(94)
Conservation and Development	250	250	534	(284)
Debt Service:				
Principal Repayment	1,238,461	1,238,461	1,921,350	(682,889)
Interest Expense	163,179	163,179	166,894	(3,715)
Total Expenditures	<u>1,402,490</u>	<u>1,402,490</u>	<u>2,089,472</u>	<u>(686,982)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>251,121</u>	<u>251,121</u>	<u>(436,845)</u>	<u>(687,966)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(193,611)	(193,611)	-	193,611
Total Other Financing Sources and Uses	<u>(193,611)</u>	<u>(193,611)</u>	<u>-</u>	<u>193,611</u>
Net Change in Fund Balances	57,510	57,510	(436,845)	(494,355)
Fund Balance - Beginning	249,623	249,623	249,623	-
Fund Balance (Deficit) - Ending	<u>\$ 307,133</u>	<u>\$ 307,133</u>	<u>\$ (187,222)</u>	<u>\$ (494,355)</u>

See accompanying notes to the required supplementary information

Village of Johnson Creek

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Variances)
Fire/EMS Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 221,763	\$ 221,763	\$ 228,857	\$ 7,094
Public Charges for Services	195,500	195,500	236,300	40,800
Interest Income	1,400	1,400	4,040	2,640
Miscellaneous Income	19,342	19,342	47,267	27,925
Total Revenues	<u>438,005</u>	<u>438,005</u>	<u>516,464</u>	<u>78,459</u>
EXPENDITURES				
Current:				
General Government	69,700	69,700	63,870	5,830
Public Safety	510,477	510,477	547,900	(37,423)
Capital Outlay	214,650	214,650	1,149	213,501
Debt Service:				
Principal Repayment	121,133	121,133	130,052	(8,919)
Interest Expense	19,304	19,304	19,304	-
Total Expenditures	<u>935,264</u>	<u>935,264</u>	<u>762,275</u>	<u>172,989</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(497,259)</u>	<u>(497,259)</u>	<u>(245,811)</u>	<u>251,448</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-Term Debt	190,000	190,000	170,000	(20,000)
Transfers In	300,077	300,077	299,410	(667)
Transfers Out	(2,318)	(2,318)	(1,651)	667
Total Other Financing Sources and Uses	<u>487,759</u>	<u>487,759</u>	<u>467,759</u>	<u>(20,000)</u>
Net Change in Fund Balances	(9,500)	(9,500)	221,948	231,448
Fund Balance - Beginning	155,101	155,101	155,101	-
Fund Balance - Ending	<u>\$ 145,601</u>	<u>\$ 145,601</u>	<u>\$ 377,049</u>	<u>\$ 231,448</u>

See accompanying notes to the required supplementary information

**VILLAGE OF JOHNSON CREEK
WISCONSIN RETIREMENT SYSTEM SCHEDULES
December 31, 2019**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE**

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2018	0.00647614%	\$ 230,400	\$ 845,401	27.25%	96.45%
2017	-0.00654522%	(194,335)	863,070	(22.52%)	102.93%
2016	0.00645396%	53,196	862,316	6.17%	99.12%
2015	0.00662708%	107,689	850,888	12.66%	98.20%
2014	-0.00676213%	(166,051)	795,592	(20.87%)	102.74%

**SCHEDULE OF VILLAGE'S CONTRIBUTIONS
FOR THE YEAR ENDED**

Year ended December 31,	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
2019	\$ 62,555	\$ (62,555)	\$ -	\$ 841,569	7.43%
2018	65,058	(65,058)	-	845,401	7.70%
2017	65,710	(65,710)	-	863,070	7.61%
2016	62,734	(62,734)	-	862,316	7.28%
2015	63,185	(63,185)	-	850,888	7.43%

See accompanying notes to the required supplementary information

**VILLAGE OF JOHNSON CREEK
LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
December 31, 2019**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE**

Year ended December 31,	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 its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2018	0.01555600%	\$ 40,140	\$ 737,000	5.45%	48.69%
2017	0.02056000%	61,856	864,607	7.15%	44.81%

**SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED**

Year ended December 31,	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
2019	\$ 279	\$ (279)	-	\$ 780,555	0.04%
2018	299	(299)	-	737,000	0.04%

See accompanying notes to the required supplementary information

VILLAGE OF JOHNSON CREEK
Notes to the Required Supplementary Information
December 31, 2019

1. Annual Operation Budget

The operation budget for all funds is prepared annually by the Village Board. The budget is prepared and presented on the same basis of accounting as the financial statements.

The budget was passed in November 2018 and was amended by the Village board as needed during the year. For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

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

1. Tentative budget is prepared and made available for public inspection before November 1.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to December 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Village Board may make transfers between the various items in any fund not exceeding the 10% of the total of such fund as set forth in the budget.
6. The Village Board may amend the budget (in other ways) by the same procedures required of its original adoption.

Excess Expenditures over Appropriations

The Village controls expenditures at the department level. Some individual line items experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

The Village incurred expenditures in excess of budget as follows:

Fund	Department	Final Budget	Actual Expenditures	Variance
General	Conservation and Development	\$ 54,160	\$ 315,655	\$ (261,495)
TIF #2	General Government	850	1,614	(764)
TIF #2	Principal Repayment	1,098,550	1,278,650	(180,100)
TIF #2	Interest Expense	131,564	134,513	(2,949)
TIF #3	General Government	600	694	(94)
TIF #3	Conservation and Development	250	534	(284)
TIF #3	Principal Repayment	1,238,461	1,921,350	(682,889)
TIF #3	Interest Expense	163,179	166,894	(3,715)
Fire/EMS	Public Safety	510,477	547,900	(37,423)
Fire/EMS	Principal Repayment	121,133	130,052	(8,919)

In total, General Fund expenditures were over budget by \$134,750.

VILLAGE OF JOHNSON CREEK
Notes to the Required Supplementary Information
December 31, 2019

2. Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 5 preceding years.

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

Changes of assumptions: Actuarial assumptions are based on an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, and mortality and separation rates.

3. Local Retiree Life Insurance Fund Schedules

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 8 preceding years.

Changes in benefit terms: There were no changes of benefit terms for any participating employer in LRLIF.

Changes of assumptions: Actuarial assumptions are based on an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

SUPPLEMENTARY INFORMATION

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2019**

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>
	<u>Library Fund</u>	<u>Room Tax Fund</u>	<u>General Capital Projects</u>	
ASSETS				
Cash and Cash Equivalents	\$ 37,388	\$ 172,449	\$ -	\$ 209,837
Receivables:				
Accounts	-	26,235	-	26,235
Restricted Cash	6,735	-	97,628	104,363
Total Assets	<u>\$ 44,123</u>	<u>\$ 198,684</u>	<u>\$ 97,628</u>	<u>\$ 340,435</u>
 LIABILITIES				
Accounts Payable	\$ 306	\$ 5,649	\$ 4,975	\$ 10,930
Accrued Liabilities	3,081	-	-	3,081
Total Liabilities	<u>3,387</u>	<u>5,649</u>	<u>4,975</u>	<u>14,011</u>
 FUND BALANCES				
Restricted	40,736	193,035	92,653	326,424
Total Fund Balances	<u>40,736</u>	<u>193,035</u>	<u>92,653</u>	<u>326,424</u>
Total Liabilities and Fund Balances	<u>\$ 44,123</u>	<u>\$ 198,684</u>	<u>\$ 97,628</u>	<u>\$ 340,435</u>

**Village of Johnson Creek
Johnson Creek, Wisconsin**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2019**

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>
	<u>Library Fund</u>	<u>Room Tax Fund</u>	<u>General Capital Projects</u>	
REVENUES				
Other Taxes	\$ -	\$ 136,572	\$ -	\$ 136,572
Intergovernmental	46,834	-	-	46,834
Fines, Forfeits and Penalties	2,977	-	-	2,977
Public Charges for Services	30	-	-	30
Interest Income	1,195	1,037	532	2,764
Miscellaneous Income	5,641	-	-	5,641
Total Revenues	<u>56,677</u>	<u>137,609</u>	<u>532</u>	<u>194,818</u>
EXPENDITURES				
Current:				
General Government	2,216	500	-	2,716
Culture, Recreation and Education	191,808	-	-	191,808
Conservation and Development	-	74,563	-	74,563
Capital Outlay	-	-	61,551	61,551
Total Expenditures	<u>194,024</u>	<u>75,063</u>	<u>61,551</u>	<u>330,638</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(137,347)</u>	<u>62,546</u>	<u>(61,019)</u>	<u>(135,820)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	159,000	-	61,551	220,551
Transfers Out	(22,097)	(92,613)	-	(114,710)
Total Other Financing Sources and Uses	<u>136,903</u>	<u>(92,613)</u>	<u>61,551</u>	<u>105,841</u>
Net Change in Fund Balances	(444)	(30,067)	532	(29,979)
Fund Balances - Beginning	41,180	223,102	92,121	356,403
Fund Balances - Ending	<u>\$ 40,736</u>	<u>\$ 193,035</u>	<u>\$ 92,653</u>	<u>\$ 326,424</u>