



**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT  
For the Year Ended December 31, 2020**

**Village of Johnson Creek**  
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**December 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Village Board  
Village of Johnson Creek and Management  
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, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 from 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, 2020, 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 15 to the financial statements, prepaid highway matching funds in the amount of \$73,886 were improperly over-reported on the statement of financial position and the statement of revenues, expenditures and changes in fund balances for the year ending December 31, 2019. Accordingly, beginning net position and fund balance as of January 1, 2020 were restated to reflect the correction of this error. Our opinion is 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 schedule 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 and Company, Inc.  
August 17, 2021

# VILLAGE OF JOHNSON CREEK

## MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2020

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, 2020. Please read it in conjunction with the Village of Johnson Creek's financial statements.

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### FINANCIAL HIGHLIGHTS

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Total equalized value of real and personal property in the Village for 2020 is \$406,917,100 of which \$276,565,000 is non-TIF (Tax Incremental Financing) property. Total equalized value in 2019 was \$372,706,900, of which \$241,756,500 was non-TIF property and in 2018 total equalized value was \$352,511,200, of which \$227,706,900 was non-TIF property. Overall equalized value (estimate of the market value of all property) was up \$34,210,200 from 2019 to 2020. Net new construction also increased by \$9,941,300 during the same period according to figures released by the State of Wisconsin Department of Revenue.

Village assets exceeded liabilities by \$32,275,311 at the close of FY 2020, up from \$30,716,038 FY 2019 and \$29,547,117 FY 2018. Of this amount, \$5,210,976 is considered unrestricted, \$708,669 is restricted for specific purposes, and \$26,355,666 is invested in capital assets net of related debt.

Net position for business-type activities was \$23,671,981 at the close of FY 2020, down from \$23,977,146 at close of FY 2019 and down from \$24,327,064 at the close of FY 2018. Net position for governmental-type activities was \$8,603,330 at the close of FY 2020, up from \$6,738,892 at the close of FY 2019 and \$5,220,053 at the close of FY 2018.

The Village experienced a net decrease of \$1,407,505 in fixed assets during 2020 due to total depreciation expense exceeding the new infrastructure and equipment added in the governmental and proprietary funds. Governmental funds fixed assets decreased by \$819,371, while proprietary funds fixed assets decreased by \$588,134.

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### OVERVIEW OF THE FINANCIAL STATEMENTS

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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, 2020

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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**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, 2020

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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**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 Capital projects 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, 2020

**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 \$32,275,311 at the close of the most recent fiscal year and \$30,642,172 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 8,803,043	\$ 9,342,198	\$ 3,695,851	\$ 3,385,095	\$ 12,498,894	\$ 12,727,293
Capital Assets	11,433,181	12,252,552	23,260,581	23,848,715	34,693,762	36,101,267
Total Assets	20,236,224	21,594,750	26,956,432	27,233,810	47,192,656	48,828,560
Deferred Outflows	340,669	436,882	248,137	301,557	588,806	738,439
Long-Term Liabilities	6,726,117	10,358,265	3,277,305	3,229,222	10,003,422	13,587,487
Other Liabilities	438,039	406,980	61,057	300,029	499,096	707,009
Total Liabilities	7,164,156	10,765,245	3,338,362	3,529,251	10,502,518	14,294,496
Deferred Inflows	4,809,407	4,527,495	194,226	102,836	5,003,633	4,630,331
Net Position:						
Net Investment in Capital Assets	6,315,467	3,644,650	20,040,199	20,680,534	26,355,666	24,325,184
Restricted	206,076	173,598	502,593	479,742	708,669	653,340
Unrestricted	2,081,787	2,920,644	3,129,189	2,743,004	5,210,976	5,663,648
Total Net Positions	\$ 8,603,330	\$ 6,738,892	\$ 23,671,981	\$ 23,903,280	\$ 32,275,311	\$ 30,642,172

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 \$26,355,666 compared to \$24,325,184 for the year ended 2019 and \$22,646,234 for the year ended 2018. 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, \$708,669 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 \$5,210,976 down from \$5,663,648 in the prior year.



VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2020

**FINANCIAL ANALYSIS OF THE VILLAGE (Continued)**

Village of Johnson Creek's Change in Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services and fees, fines and costs	\$ 765,719	\$ 579,031	\$ 1,437,961	\$ 1,390,783	\$ 2,203,680	\$ 1,969,814
Operating grants and contributions	275,033	224,653	4,786	-	279,819	224,653
Capital grants and contributions	47,140	-	45,087	-	92,227	-
General revenues:						
Taxes	4,412,968	4,487,626	-	-	4,412,968	4,487,626
Special Assessments	22,401	20,437	-	-	22,401	20,437
Intergovernmental revenues not restricted to specific programs	376,231	343,237	-	-	376,231	343,237
Unrestricted Interest and Investment Earnings	52,687	100,154	16,707	22,453	69,394	122,607
Miscellaneous	36,758	102,515	16,828	16,196	53,586	118,711
Special Items	-	(8,777)	-	-	-	(8,777)
Total Revenues	5,988,937	5,848,876	1,521,369	1,429,432	7,510,306	7,278,308
Expenses:						
General Government	483,437	516,019	-	-	483,437	516,019
Public Safety	1,506,282	1,467,468	-	-	1,506,282	1,467,468
Public Works	1,307,568	1,348,081	-	-	1,307,568	1,348,081
Health, Welfare & Sanitation	8,034	7,822	-	-	8,034	7,822
Culture and Recreation	382,509	397,407	-	-	382,509	397,407
Conservation & Development	142,701	423,967	-	-	142,701	423,967
Interest on long-term debt	262,214	350,370	-	-	262,214	350,370
Water & Sewer	-	-	1,784,402	1,598,253	1,784,402	1,598,253
Total Expenses	4,092,745	4,511,134	1,784,402	1,598,253	5,877,147	6,109,387
Increase (Decrease) in Net Position before transfers	1,896,192	1,337,742	(263,033)	(168,821)	1,633,159	1,168,921
Transfers	42,132	181,097	(42,132)	(181,097)	-	-
Increase (Decrease) in Net Position	1,938,324	1,518,839	(305,165)	(349,918)	1,633,159	1,168,921
Net Position – January 1	6,738,892	5,220,053	23,977,146	24,327,064	30,716,038	29,547,117
Restatement	(73,886)	-	-	-	(73,886)	-
Net Position – December 31	8,603,330	6,738,892	23,671,981	23,977,146	32,275,311	30,716,038

Governmental activities increased the Village of Johnson Creek's net position by \$1,938,324 and business-type activities decreased the Village's net position by \$305,165 for an overall increase of net position of \$1,633,159.

# VILLAGE OF JOHNSON CREEK

## MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2020

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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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 \$654,050 or 38% of the total General Fund balance. This can be compared to the Village's unassigned fund balance of \$601,419 at YE 2019. The reason for the increase in the unassigned fund balance in 2020. Total fund balance of the General Fund amounted to \$1,704,067 down from \$2,055,874 YE 2019 and \$2,349,042 YE 2018. The decrease in 2020 is primarily due to a transfer to the capital projects fund of \$356,000. The Village Board adopted a Fund Balance Policy in 2016 to assign unassigned fund balance in excess of 25-30% of total fund balance. For YE 2020, \$293,448 of assigned fund balance is the excess over 30%.

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 31% of total General Fund expenditures, which total fund balance represents 80% of that same amount.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2020

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**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)**

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**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.

Unrestricted net position of the Water Utility at the end of the year amounted to \$1,698,858 up from \$1,689,170 in 2019 and \$1,564,246 for the year ended 2018. Unrestricted net position of the Sewer Utility at the end of the year amounted to \$1,430,331 up from \$1,127,700 in 2019 and down from \$3,095,251 for the year ended 2018.

**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.

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

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In the 2020 budget, total expenditures were under budget by \$6,417, while total revenues collected were \$291,372 more than budgeted. License and Permits were greater than the budget by \$83,448 primarily related to an increase in building permit revenues. Public Charges for Service were greater than the budget by \$66,493 primarily from impact fees. Interest Income was greater than the budget by \$73,102. Public Safety expenditures were greater than the budget by \$48,954 primarily from building inspection costs.

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

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**Capital Assets**

The Village of Johnson Creek's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$34.7 million (net of accumulated depreciation) down from \$36.1 million at the end of fiscal year 2019 and \$36.4 million for 2018. 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, 2020

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Capital Assets (Continued)**

Village of Johnson Creek's Capital Assets						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,718,153	\$ 1,756,638	\$ 38,982	\$ 38,982	\$ 1,757,135	\$ 1,795,620
Construction Work in Progress	190,781	-	998,129	785,370	1,188,910	785,370
Land and Construction Work in Progress	1,908,934	1,756,638	1,037,111	824,352	2,946,045	2,580,990
Buildings	4,299,623	4,213,783	1,552,967	1,552,967	5,852,590	5,766,750
Vehicles & Equipment	4,757,846	4,757,846	1,775,099	1,735,432	6,532,945	6,493,278
Infrastructure	22,165,500	22,128,492	30,073,635	30,143,212	52,239,135	52,271,704
Other Capital Assets	31,222,969	31,100,121	33,401,701	33,431,611	64,624,670	64,531,732
Accumulated Depreciation	(21,698,722)	(20,604,207)	(11,178,231)	(10,407,248)	(32,876,953)	(31,011,455)
Other Capital Assets, net of depreciation	9,524,247	10,495,914	22,223,470	23,024,363	31,747,717	33,520,277
<b>Total Capital Assets</b>	<b>\$ 11,433,181</b>	<b>\$ 12,252,552</b>	<b>\$ 23,260,581</b>	<b>\$ 23,848,715</b>	<b>\$ 34,693,762</b>	<b>\$ 36,101,267</b>

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

- South East Neighborhood Project engineering costs
- Well #4 preliminary design costs
- Removal and replacement of WWTP transfer switch
- Replacement pump for sludge press
- Bell Park Restrooms
- Jefferson St Mill & Overlay

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 \$9.7 million, down from \$13.3 million FY 2019 and down from \$16.7 million FY 2018. Of this amount, \$2,845,896 comprises debt backed by the full faith and credit of the government. This amount is down from \$4,576,081 in 2019 and \$6,670,000 in 2018. 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, 2020

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**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

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**Long-Term Debt (Continued)**

<b>Village of Johnson Creek's Outstanding Debt</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General Obligation Debt	\$ 2,845,896	\$ 4,576,081	\$ -	\$ -	\$ 2,845,896	\$ 4,576,081
Bond Anticipation Notes	-	-	1,250,000	1,250,000	1,250,000	1,250,000
Revenue Bonds	-	-	1,970,382	1,918,181	1,970,382	1,918,181
CDA Lease Revenue Bonds	3,670,000	5,565,000	-	-	3,670,000	5,565,000
<b>Total Debt Outstanding</b>	<b>\$ 6,515,896</b>	<b>\$ 10,141,081</b>	<b>\$ 3,220,382</b>	<b>\$ 3,168,181</b>	<b>\$ 9,736,278</b>	<b>\$ 13,309,262</b>

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 \$2,845,896 is 14.0% of its \$20.3 million debt limitation, down from 24.6% FY 2019. 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.

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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2021 State of Wisconsin estimates indicate the current Johnson Creek population is 3,109. The most recent US Census (2010) results showed a 13.55% increase in population from 2010 to 2011.

Residential construction contributed to 24 new single-family residential building permits being issued with a total estimated value of \$4,787,693.

Assessed valuation of properties in the Village in 2020 was \$383,373,000 including properties in the TIF districts, an increase of \$10,574,500 from the prior year. Equalized valuation (the State of Wisconsin’s estimate of the market value of property) increased by \$34,210,200 to \$406,917,100. The ratio of equalized to assessed values as determined by the State of Wisconsin was 93.98%.

Village water rates have been in effect since 1997 and a simplified rate case was completed in 2020, increasing rates by three percent.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2020

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**REQUEST FOR INFORMATION**

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

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Village of Johnson Creek  
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## BASIC FINANCIAL STATEMENTS

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

**Statement of Net Position  
December 31, 2020**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,235,803	\$ 2,934,792	\$ 7,170,595
Receivables			
Taxes	2,431,577	4,028	2,435,605
Accounts, net	155,496	143,274	298,770
Special Assessments	34,722	-	34,722
Developer Loan	214,286	-	214,286
Inventories	-	39,613	39,613
Prepaid Expenses	-	9,159	9,159
Other Assets	2,122	-	2,122
Restricted Assets			
Restricted Cash and Investments	1,589,281	502,593	2,091,874
Net Pension Asset	139,756	62,392	202,148
Capital Assets			
Land and Construction in Progress	1,908,934	1,037,111	2,946,045
Other Capital Assets, Net of Depreciation	9,524,247	22,223,470	31,747,717
Total Capital Assets	<u>11,433,181</u>	<u>23,260,581</u>	<u>34,693,762</u>
Total Assets	<u>20,236,224</u>	<u>26,956,432</u>	<u>47,192,656</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	323,194	144,286	467,480
Deferred OPEB Outflows	17,475	6,198	23,673
Unamortized Loss on Debt Defeasance	-	97,653	97,653
Total Deferred Outflows of Resources	<u>340,669</u>	<u>248,137</u>	<u>588,806</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 20,576,893</u>	<u>\$ 27,204,569</u>	<u>\$ 47,781,462</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 201,252	\$ 39,547	\$ 240,799
Accrued Expenses	211,184	10,662	221,846
Accrued Interest Payable	25,603	10,848	36,451
Long-Term Liabilities			
Due Within One Year	1,427,929	93,619	1,521,548
Due in More Than One Year	5,253,741	3,164,915	8,418,656
Deferred Regulatory Liability	-	3,007	3,007
Net OPEB Liability	44,447	15,764	60,211
Total Liabilities	<u>7,164,156</u>	<u>3,338,362</u>	<u>10,502,518</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2020 Tax Levy	4,370,664	-	4,370,664
Deferred Pension Inflows	420,818	187,868	608,686
Deferred OPEB Inflows	17,925	6,358	24,283
Total Deferred Inflows of Resources	<u>4,809,407</u>	<u>194,226</u>	<u>5,003,633</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,315,467	20,040,199	26,355,666
Restricted:			
Developer Fees	102,183	-	102,183
Tree Planting	25,465	-	25,465
Library	1,435	-	1,435
Impact Fees	76,993	32,566	109,559
Debt Service Redemption	-	8,645	8,645
Equipment Replacement	-	461,382	461,382
Unrestricted	<u>2,081,787</u>	<u>3,129,189</u>	<u>5,210,976</u>
Total Net Position	<u>8,603,330</u>	<u>23,671,981</u>	<u>32,275,311</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 20,576,893</u>	<u>\$ 27,204,569</u>	<u>\$ 47,781,462</u>

See accompanying notes to the basic financial statements.



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

**Statement of Activities  
For the Year Ended December 31, 2020**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ 483,437	\$ 82,728	\$ -	\$ -	\$ (400,709)		\$ (400,709)
Public Safety	1,506,282	647,667	55,790	-	(802,825)		(802,825)
Public Works	1,307,568	32,438	153,992	10,480	(1,110,658)		(1,110,658)
Health and Human Services	8,034	-	-	-	(8,034)		(8,034)
Culture, Recreation, and Education	382,509	2,886	54,251	36,660	(288,712)		(288,712)
Conservation and Development	142,701	-	11,000	-	(131,701)		(131,701)
Interest on Long-term Debt	262,214	-	-	-	(262,214)		(262,214)
Total Governmental Activities	<u>4,092,745</u>	<u>765,719</u>	<u>275,033</u>	<u>47,140</u>	<u>(3,004,853)</u>		<u>(3,004,853)</u>
<b>Business-type Activities</b>							
Water	597,962	657,277	2,353	16,320	-	\$ 77,988	77,988
Sewer	1,186,440	780,684	2,433	28,767	-	(374,556)	(374,556)
Total Business-type Activities	<u>1,784,402</u>	<u>1,437,961</u>	<u>4,786</u>	<u>45,087</u>	<u>-</u>	<u>(296,568)</u>	<u>(296,568)</u>
Total Governmental and Business-Type Activities	<u>\$ 5,877,147</u>	<u>\$ 2,203,680</u>	<u>\$ 279,819</u>	<u>\$ 92,227</u>	<u>(3,004,853)</u>	<u>(296,568)</u>	<u>(3,301,421)</u>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property taxes					4,287,273	-	4,287,273
Other taxes					125,695	-	125,695
Special assessments					22,401	-	22,401
Shared taxes from state					376,231	-	376,231
Interest income					52,687	16,707	69,394
Miscellaneous					36,758	16,828	53,586
Transfers					42,132	(42,132)	-
Total general revenues and transfers					<u>4,943,177</u>	<u>(8,597)</u>	<u>4,934,580</u>
Change in net position					<u>1,938,324</u>	<u>(305,165)</u>	<u>1,633,159</u>
Net position - Beginning, as previously stated					<u>6,738,892</u>	<u>23,977,146</u>	<u>30,716,038</u>
Prior period adjustment - To accurately record use of prepaid highway funds in prior years					<u>(73,886)</u>	<u>-</u>	<u>(73,886)</u>
Net position - Beginning, as restated					<u>6,665,006</u>	<u>23,977,146</u>	<u>30,642,152</u>
Net position - Ending					<u>\$ 8,603,330</u>	<u>\$ 23,671,981</u>	<u>\$ 32,275,311</u>

See accompanying notes to the basic financial statements.

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

**Balance Sheet  
Governmental Funds  
December 31, 2020**

	<b>General Fund</b>	<b>TIF #2</b>	<b>TIF #3</b>	<b>Fire/EMS Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 1,830,586	\$ 710,449	\$ 891,026	\$ 439,752	\$ 363,990	\$ 4,235,803
Receivables:						
Taxes	840,220	899,304	689,944	-	-	2,429,468
Delinquent Personal Property Taxes	2,109	-	-	-	-	2,109
Special Assessments	-	34,722	-	-	-	34,722
Accounts	11,542	-	-	-	33,002	44,544
Developer Loan	214,286	-	-	-	-	214,286
Other	-	-	-	48,776	-	48,776
Due from Other Funds	62,177	-	-	-	-	62,177
Other Assets	2,122	-	-	-	-	2,122
Restricted Cash	204,641	693,812	689,393	-	1,435	1,589,281
Advances Receivable	547,651	-	-	-	-	547,651
Total Assets	<u>\$ 3,715,334</u>	<u>\$ 2,338,287</u>	<u>\$ 2,270,363</u>	<u>\$ 488,528</u>	<u>\$ 398,427</u>	<u>\$ 9,210,939</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 39,763	\$ -	\$ 612	\$ 2,207	\$ 158,670	\$ 201,252
Accrued Liabilities	101,583	-	-	43,909	3,515	149,007
Due to Other Funds	-	62,177	-	-	-	62,177
Advances Payable	-	-	547,651	-	-	547,651
Total Liabilities	<u>141,346</u>	<u>62,177</u>	<u>548,263</u>	<u>46,116</u>	<u>162,185</u>	<u>960,087</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows	1,869,921	1,644,474	1,245,423	17,369	-	4,777,187
Total Deferred Inflows of Resources	<u>1,869,921</u>	<u>1,644,474</u>	<u>1,245,423</u>	<u>17,369</u>	<u>-</u>	<u>4,777,187</u>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable	411,735	-	-	-	-	411,735
Restricted	204,641	631,636	689,393	-	236,242	1,761,912
Assigned	433,641	-	-	425,043	-	858,684
Unassigned (Deficit)	654,050	-	(212,716)	-	-	441,334
Total Fund Balances	<u>1,704,067</u>	<u>631,636</u>	<u>476,677</u>	<u>425,043</u>	<u>236,242</u>	<u>3,473,665</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,715,334</u>	<u>\$ 2,338,287</u>	<u>\$ 2,270,363</u>	<u>\$ 488,528</u>	<u>\$ 398,427</u>	<u>\$ 9,210,939</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, 2020**

Total fund balance, governmental funds		\$ 3,473,665
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.		11,433,181
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.		52,089
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.		214,286
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.		14,977
The net pension asset is not a current financial resource and is, therefore, not reported in the fund financial statements.		139,756
The net OPEB liability is not a current financial obligation and is, therefore, not reported in the fund financial statements.		(44,447)
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		340,669
Deferred inflows of resources		(438,743)
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.		140,147
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	(25,603)	
Long-term Debt - Current portion	(1,415,137)	
Long-term Debt	(5,100,759)	
Compensated Absences	(160,929)	
Termination Benefits	(19,822)	
Total	(6,722,250)	(6,722,250)
Net Position of Governmental Activities in the Statement of Net Position		\$ 8,603,330

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, 2020**

	<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>
<b>REVENUES</b>						
Property Taxes	\$ 1,405,131	\$ 1,480,468	\$ 1,401,674	\$ -	\$ -	\$ 4,287,273
Other Taxes	40,247	14,989	-	-	85,447	140,683
Special Assessment Revenue	28,243	19,402	-	-	-	47,645
Intergovernmental	480,028	48,887	23,099	255,395	65,251	872,660
License and Permits	176,448	-	-	-	-	176,448
Fines, Forfeits and Penalties	40,827	-	-	-	1,456	42,283
Public Charges for Services	99,293	-	-	272,008	-	371,301
Interest Income	78,302	8,907	5,668	2,265	1,913	97,055
Miscellaneous Income	51,023	-	-	2,219	5,330	58,572
Total Revenues	<u>2,399,542</u>	<u>1,572,653</u>	<u>1,430,441</u>	<u>531,887</u>	<u>159,397</u>	<u>6,093,920</u>
<b>EXPENDITURES</b>						
Current:						
General Government	401,767	3,610	779	66,532	3,124	475,812
Public Safety	771,676	-	-	559,465	-	1,331,141
Public Works	497,078	-	-	-	-	497,078
Health and Human Services	8,034	-	-	-	-	8,034
Culture, Recreation and Education	96,759	-	-	-	196,966	293,725
Conservation and Development	55,555	-	163	-	19,420	75,138
Capital Outlay	6,593	-	-	17,355	448,834	472,782
Debt Service:						
Principal Repayment	254,187	2,585,000	645,000	140,998	-	3,625,185
Interest Expense	25,826	92,100	120,600	20,597	-	259,123
Total Expenditures	<u>2,117,475</u>	<u>2,680,710</u>	<u>766,542</u>	<u>804,947</u>	<u>668,344</u>	<u>7,038,018</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>282,067</u>	<u>(1,108,057)</u>	<u>663,899</u>	<u>(273,060)</u>	<u>(508,947)</u>	<u>(944,098)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	282,218	-	-	323,372	518,834	1,124,424
Transfers Out	(842,206)	-	-	(2,318)	(100,069)	(944,593)
Total Other Financing Sources and Uses	<u>(559,988)</u>	<u>-</u>	<u>-</u>	<u>321,054</u>	<u>418,765</u>	<u>179,831</u>
Net Change in Fund Balances	<u>(277,921)</u>	<u>(1,108,057)</u>	<u>663,899</u>	<u>47,994</u>	<u>(90,182)</u>	<u>(764,267)</u>
Fund Balances - Beginning, as previously reported	2,055,874	1,739,693	(187,222)	377,049	326,424	4,311,818
Prior Period Adjustment - To accurately record use of prepaid highway matching funds in prior years	(73,886)	-	-	-	-	(73,886)
Fund Balances - Beginning, as restated	<u>1,981,988</u>	<u>1,739,693</u>	<u>(187,222)</u>	<u>377,049</u>	<u>326,424</u>	<u>4,237,932</u>
Fund Balances - Ending	<u>\$ 1,704,067</u>	<u>\$ 631,636</u>	<u>\$ 476,677</u>	<u>\$ 425,043</u>	<u>\$ 236,242</u>	<u>\$ 3,473,665</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, 2020**

Net change in fund balances - total governmental funds: \$ (764,267)

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 (\$313,629) net of depreciation (\$1,094,515) in the current period. (780,886)

Sale of land - developer incentive (38,485)

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. (60,957)

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. (44,021)

Economic development expenses charged for special assessments recovered through tax increments. (29,078)

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 \$0 in debt proceeds during the year, net of principal payments of \$3,625,185. 3,625,185

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	18,371
Amortization of debt discounts	(21,463)
Change in compensated absences not reflected on governmental funds	20,314
Change in termination benefits not reflected on governmental funds	22,513

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. (8,902)

Change in net position of governmental activities \$ 1,938,324

See accompanying notes to the basic financial statements.

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

**Statement of Net Position  
Proprietary Funds  
December 31, 2020**

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,570,113	\$ 1,364,679	\$ 2,934,792
Receivables			
Taxes	1,738	2,290	4,028
Accounts	43,027	100,247	143,274
Inventories	39,613	-	39,613
Prepaid Expenses	3,329	5,830	9,159
Total Current Assets	1,657,820	1,473,046	3,130,866
Restricted Assets:			
Restricted Cash and Cash Equivalents	25,438	477,155	502,593
Net Pension Asset	31,196	31,196	62,392
Total Restricted Assets	56,634	508,351	564,985
Capital Assets:			
Land	21,004	17,978	38,982
Construction Work in Progress	937,229	60,900	998,129
Other Capital Assets	9,565,300	23,836,401	33,401,701
Less Accumulated Depreciation	(2,974,209)	(8,204,022)	(11,178,231)
Net Capital Assets	7,549,324	15,711,257	23,260,581
Total Assets	9,263,778	17,692,654	26,956,432
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized Loss on Debt Defeasance	97,653	-	97,653
Deferred Pension Outflows	72,143	72,143	144,286
Deferred OPEB Outflows	3,099	3,099	6,198
Total Deferred Outflows of Resources	172,895	75,242	248,137
Total Assets and Deferred Outflows of Resources	\$ 9,436,673	\$ 17,767,896	\$ 27,204,569

See accompanying notes to the basic financial statements.

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

**Statement of Net Position  
Proprietary Funds  
December 31, 2020**

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 30,644	\$ 8,903	\$ 39,547
Accrued Liabilities	5,331	5,331	10,662
Accrued Interest Payable	-	10,848	10,848
Current Portion of Long-Term Liabilities:			
Revenue Bonds Payable	-	93,085	93,085
Termination Benefits	267	267	534
Total Current Liabilities	36,242	118,434	154,676
Non-Current Liabilities:			
Long-Term Debt			
Notes Payable	-	1,250,000	1,250,000
Revenue Bonds Payable	-	1,877,297	1,877,297
Total Long-Term Debt	-	3,127,297	3,127,297
Total Non-Current Liabilities	-	3,127,297	3,127,297
Other Liabilities:			
Compensated Absences	18,809	18,809	37,618
Deferred Regulatory Credit	3,007	-	3,007
Net OPEB Liability	7,882	7,882	15,764
Total Other Liabilities	29,698	26,691	56,389
Total Liabilities	65,940	3,272,422	3,338,362
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows	93,934	93,934	187,868
Deferred OPEB Inflows	3,179	3,179	6,358
Total Deferred Inflows of Resources	97,113	97,113	194,226
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,549,324	12,490,875	20,040,199
Restricted:			
Impact Fees	25,438	7,128	32,566
Debt Service Redemption	-	8,645	8,645
Equipment Replacement	-	461,382	461,382
Unrestricted	1,698,858	1,430,331	3,129,189
Total Net Position	9,273,620	14,398,361	23,671,981
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 9,436,673	\$ 17,767,896	\$ 27,204,569

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, 2020**

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 648,571	\$ 779,938	\$ 1,428,509
Other Operating Revenues	8,706	746	9,452
Total Operating Revenues	657,277	780,684	1,437,961
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	398,434	516,453	914,887
Depreciation	185,578	603,305	788,883
Total Operating Expenses	584,012	1,119,758	1,703,770
Operating Income (Loss)	73,265	(339,074)	(265,809)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and Investment Revenue	8,238	8,469	16,707
Miscellaneous Non-Operating Revenue	16,028	800	16,828
Operating Grants and Contributions	2,353	2,433	4,786
Interest Expense	-	(66,325)	(66,325)
Miscellaneous Expense	-	(357)	(357)
Amortization Expense	(13,950)	-	(13,950)
Total Non-Operating Revenues (Expenses)	12,669	(54,980)	(42,311)
Income (Loss) Before Capital Contributions and Transfers	85,934	(394,054)	(308,120)
Capital Contributions	93,119	89,667	182,786
Transfers Out	(177,649)	(2,182)	(179,831)
Change in Net Position	1,404	(306,569)	(305,165)
Total Net Position - Beginning	9,272,216	14,704,930	23,977,146
Total Net Position - Ending	\$ 9,273,620	\$ 14,398,361	\$ 23,671,981

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, 2020**

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<u>Cash Flows from Operating Activities:</u>			
Receipts from customers	\$ 648,289	\$ 765,061	\$ 1,413,350
Payments to suppliers	(146,537)	(385,796)	(532,333)
Payments to employees	(222,951)	(224,473)	(447,424)
Taxes paid	(175,467)	-	(175,467)
Net cash provided (used) by operating activities	103,334	154,792	258,126
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and construction of plant assets	(72,217)	(83,692)	(155,909)
Proceeds from long-term debt	-	137,214	137,214
Contributions in aid of construction	-	25,607	25,607
Capital contributions - impact fees	16,320	3,160	19,480
Principal payments on long-term debt	-	(85,013)	(85,013)
Interest paid	-	(66,325)	(66,325)
Net cash provided (used) by capital and related financing activities	(55,897)	(69,049)	(124,946)
<u>Cash Flows from Investing Activities:</u>			
Interest income	8,238	8,469	16,707
Net cash provided (used) by investing activities	8,238	8,469	16,707
Net increase (decrease) in cash and equivalents	55,675	94,212	149,887
<u>Cash and Equivalents, Beginning of Year</u>	1,539,876	1,747,622	3,287,498
<u>Cash and Equivalents, End of Year</u>	\$ 1,595,551	\$ 1,841,834	\$ 3,437,385
<u>Reconciliation to Statement of Net Position:</u>			
Current cash and cash equivalents	\$ 1,570,113	\$ 1,364,679	\$ 2,934,792
Restricted cash and cash equivalents	25,438	477,155	502,593
Cash and Equivalents, End of Year	\$ 1,595,551	\$ 1,841,834	\$ 3,437,385

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, 2020**

	Water	Sewer	Total
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating Income (Loss)	\$ 73,265	\$ (339,074)	\$ (265,809)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Miscellaneous	16,199	694	16,893
Tax equivalent transfer	(175,467)	-	(175,467)
Joint meter allocation	7,044	(7,044)	-
Depreciation	185,578	603,305	788,883
Pension expense	1,619	1,619	3,238
OPEB expense	492	492	984
Changes in Assets and Liabilities:			
Customer accounts receivable	(7,250)	(13,333)	(20,583)
Taxes receivable	(1,738)	(2,290)	(4,028)
Accounts payable	7,783	(86,388)	(78,605)
Accrued liabilities	(4,191)	(3,189)	(7,380)
Net cash provided (used) by operating activities	\$ 103,334	\$ 154,792	\$ 258,126
<b>Noncash Capital and Related Financing</b>			
Plant financed by accounts payable	\$ 18,915	\$ -	\$ 18,915
Plant financed by Capital Projects Fund	\$ 76,799	\$ 60,900	\$ 137,699

See accompanying notes to the basic financial statements.

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

**Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2020**

	<b>Tax Custodial Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,012,577
Receivables:	
Taxes Receivable	2,495,372
<b>Total Assets</b>	<b>\$ 4,507,949</b>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 4,507,949
<b>Total Liabilities</b>	<b>\$ 4,507,949</b>

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, 2020**

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

See accompanying notes to the basic financial statements.

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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**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 the Financial Statements**  
**December 31, 2020**

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**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 | - Water Fund  | - Sewer Fund  |

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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**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 the Financial Statements**  
**December 31, 2020**

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**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 the Financial Statements**  
**December 31, 2020**

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**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 the Financial Statements**  
**December 31, 2020**

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**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, 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 the Financial Statements**  
**December 31, 2020**

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**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 the Financial Statements**  
**December 31, 2020**

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**2. Summary of Significant Accounting Policies (Continued)**

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

**Property Taxes (Continued)**

Property tax calendar – 2020 tax roll:

Lien date and levy date	January 1, 2021
Tax bills mailed	December, 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes due in full	January 31, 2021
Tax sale – 2020 delinquent real estate taxes	October, 2023

**Accounts Receivable**

The Village’s management charges off all general accounts considered to be uncollectable prior to year end. The Village, in 2020, established an allowance for uncollectible accounts as follows:

Fire/EMS Fund	\$17,197
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**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 statement of net position.

**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.

Accounting 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 the Financial Statements**  
**December 31, 2020**

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**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
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, 2020, 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 the Financial Statements**  
**December 31, 2020**

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**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 net 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 net 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 the Financial Statements**  
**December 31, 2020**

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**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 the Financial Statements**  
**December 31, 2020**

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**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 August 27, 2020. 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 the Financial Statements**  
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**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 2019-2020 tax year. Changes in debt service from one year to the next are generally exempt from this limit.

**3. Cash and Temporary Cash Investments**

Cash for all Village funds are pooled for investment purposes. At December 31, 2020, the cash and investments consist of the following:

Petty Cash		\$ 400
Deposits with Financial Institutions		9,891,441
U.S. Government Securities Fund		1,383,205
Total Cash and Investments		\$ 11,275,046

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Investments	\$ 7,170,595
Restricted Cash	2,091,874
Statement of Fiduciary Net Position	
Tax Collections Cash	2,012,577
Total Cash and Investments	\$ 11,275,046

**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 the Financial Statements**  
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**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, 2020, the Village had \$9,997,360 on deposit with financial institutions. Of this amount the Village had deposits in excess of federal and state depository insurance limits that were exposed to custodial credit risk as follows:

Collateralized in the Financial Institutions Name	\$	6,011,638
Uninsured/Uncollateralized		1,718,070
Total Deposits with Financial Institutions	\$	<u>7,729,708</u>

**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, 2020, the Village has the following investments and maturities:

	Fair Value	Weighted Average Maturity (Days)
US Treasury Investments	<u>\$ 1,383,205</u>	<u>108</u>
Total	<u>\$ 1,383,205</u>	

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
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**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, 2020				
	Fair Value	Level 1	Level 2	Level 3
US Treasury Investments	\$ 1,383,205	\$ 1,383,205	\$ -	\$ -
	<u>\$ 1,383,205</u>	<u>\$ 1,383,205</u>	<u>\$ -</u>	<u>\$ -</u>

**5. Receivables and Deferred Inflows of Resources**

All of the Village’s receivables are expected to be collected within one year except \$178,571 in the General Fund.

As of December 31, 2020, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Property taxes receivable	\$ -	\$ 4,370,664	\$ 4,370,664
Special assessments and charges not yet due	34,721	-	34,721
Interest on advances	140,147	-	140,147
EMS charges	17,369	-	17,369
Developer loan	214,286	-	214,286
Total Deferred Inflows of Resources for Governmental Funds	<u>\$ 406,523</u>	<u>\$ 4,370,664</u>	<u>\$ 4,777,187</u>

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
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**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 #2	\$ 62,177	Cash Deficit
Sub-Total - Fund Financial Statements		62,177	
Less: Fund Eliminations		(62,177)	
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 12/31/20</u>	<u>Amount Due Within One Year</u>
General Fund	TIF #3	3%	\$ 406,992	\$ 140,659	<u>\$ 547,651</u>	<u>\$ 193,611</u>
Total All Funds					<u>\$ 547,651</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	
2021	\$ 193,611
2022	193,611
2023	193,612
Total	<u>580,834</u>
Less: anticipated future interest accrued	(33,183)
Current Advance Payable	<u>\$ 547,651</u>

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
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**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	\$ 77,972	Operations
General Fund	Fire/EMS Fund	Eliminated	2,318	Operations
General Fund	Library Fund	Eliminated	22,097	Operations
Library Fund	General Fund	Eliminated	163,000	Levy
Fire/EMS Fund	General Fund	Eliminated	323,372	Levy
Capital Projects Fund	General Fund	Eliminated	355,834	Operations
General Fund	Sewer Fund		2,182	Operations
General Fund	Water Fund		2,182	Operations
General Fund	Water Fund		175,467	Tax Equivalent
Total Transfers - Fund Financials			\$ 1,124,424	
General Fund	Water Fund	\$ 175,467	\$ -	Tax Equivalent
General Fund	Water Fund	2,182	-	Operations
General Fund	Sewer Fund	2,182	-	Operations
Sewer Fund	Capital Projects Fund	(60,900)	-	Capital Contribution
Water Fund	Capital Projects Fund	(76,799)	-	Capital Contribution
Total Transfers - Government-Wide Statement of Activities		\$ 42,132	\$ -	

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, 2020, is as follows:

Fund	Amount	Purpose
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**General Fund**

Impact Fees	\$ 76,993	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.
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**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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**7. Restricted Cash (Continued)**

Fund	Amount	Purpose
Developer Fees	102,183	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	25,465	The Village is also collecting fees to plant trees from homeowners. These fees were set by Village ordinances.
<b>Total General Fund</b>	<u>\$ 204,641</u>	
<b>TIF #2 - Debt Reserves</b>	<u>\$ 693,812</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.
<b>TIF #3 - Debt Reserves</b>	<u>\$ 689,393</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.
<b>Library Fund</b>		
Restricted Contributions	<u>\$ 1,435</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.
<b>Total Governmental Funds</b>	<u><u>\$ 1,589,281</u></u>	

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
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**7. Restricted Cash (Continued)**

Fund	Amount	Purpose
<b>Water</b>		
Impact Fees	\$ 25,438	Collection of impact fees noted above.
<b>Sewer</b>		
Impact Fees	4,925	Collection of impact fees noted above.
		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.
Debt Service Redemption	10,848	
		The 2018 CWFL restricts amounts sufficient to meet equipment replacement.
Equipment Replacement	461,382	
<b>Total Sewer</b>	<u>\$ 477,155</u>	
<b>Total Proprietary Funds</b>	<u>\$ 502,593</u>	

**8. Capital Assets**

Capital asset activity in the governmental activities for the year ended December 31, 2020, was as follows:

	<u>Balance 1/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2020</u>
<b>Governmental Activities</b>				
Non-depreciable Capital Assets:				
Land	\$ 1,756,638	\$ -	\$ 38,485	\$ 1,718,153
Construction in Progress	-	190,781	-	190,781
<b>Total Non-depreciable Capital Assets</b>	<u>1,756,638</u>	<u>190,781</u>	<u>38,485</u>	<u>1,908,934</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	4,213,783	85,840	-	4,299,623
Equipment	4,757,846	-	-	4,757,846
Infrastructure	22,128,492	37,008	-	22,165,500
<b>Total Capital Assets Being Depreciated</b>	<u>31,100,121</u>	<u>122,848</u>	<u>-</u>	<u>31,222,969</u>
<b>Total Capital Assets</b>	<u>32,856,759</u>	<u>313,629</u>	<u>38,485</u>	<u>33,131,903</u>
Less: Accumulated Depreciation	<u>20,604,207</u>	<u>1,094,515</u>	<u>-</u>	<u>21,698,722</u>
<b>Capital Assets Net of Depreciation</b>	<u>\$ 12,252,552</u>	<u>\$ (780,886)</u>	<u>\$ 38,485</u>	<u>\$ 11,433,181</u>

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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**8. Capital Assets (Continued)**

Depreciation expense was charged to governmental activities as follows:

<b>Governmental Activities</b>		
General Government	\$	13,682
Public Safety		164,275
Public Works		818,866
Culture, Recreation, and Education		<u>97,692</u>
Total Governmental Activities Depreciation Expense	\$	<u><u>1,094,515</u></u>

Capital asset activity in the business-type activities for the year ended December 31, 2020, was as follows:

<u>Water</u>	<u>Balance</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2020</u>
Non-Depreciable Capital Assets:				
Land	\$ 21,004	\$ -	\$ -	\$ 21,004
Construction in Process	<u>785,370</u>	<u>151,859</u>	<u>-</u>	<u>937,229</u>
Total Non-Depreciable Capital Assets	<u>806,374</u>	<u>151,859</u>	<u>-</u>	<u>958,233</u>
Capital Assets Being Depreciated:				
Buildings	757,987	-	-	757,987
Equipment	1,472,020	8,016	-	1,480,036
Infrastructure	<u>7,337,121</u>	<u>8,056</u>	<u>17,900</u>	<u>7,327,277</u>
Total Capital Assets Being Depreciated	<u>9,567,128</u>	<u>16,072</u>	<u>17,900</u>	<u>9,565,300</u>
Total Capital Assets	<u>10,373,502</u>	<u>167,931</u>	<u>17,900</u>	<u>10,523,533</u>
Less: Accumulated Depreciation	<u>(2,799,487)</u>	<u>(192,622)</u>	<u>(17,900)</u>	<u>(2,974,209)</u>
Capital Assets Net of Depreciation	<u><u>\$ 7,574,015</u></u>	<u><u>\$ (24,691)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,549,324</u></u>

Construction work in progress for the Water Utility reported above includes \$864,430 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, 2020, no adjustment has been made in the financial statements related to potential impairment.



**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
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**8. Capital Assets (Continued)**

<u>Sewer</u>	<u>Balance</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>Balance</u> <u>12/31/2020</u>
Non-Depreciable Capital Assets:					
Land	\$ 17,978	\$ -	\$ -	\$ -	\$ 17,978
Construction in Process	-	60,900	-	-	60,900
<b>Total Non-Depreciable Capital Assets</b>	<u>17,978</u>	<u>60,900</u>	<u>-</u>	<u>-</u>	<u>78,878</u>
Capital Assets Being Depreciated:					
Buildings	794,980	-	-	-	794,980
Equipment	263,412	31,651	-	-	295,063
Infrastructure	22,806,091	52,701	-	(112,434)	22,746,358
<b>Total Capital Assets Being Depreciated</b>	<u>23,864,483</u>	<u>84,352</u>	<u>-</u>	<u>(112,434)</u>	<u>23,836,401</u>
<b>Total Capital Assets</b>	<u>23,882,461</u>	<u>145,252</u>	<u>-</u>	<u>(112,434)</u>	<u>23,915,279</u>
Less: Accumulated Depreciation	<u>(7,607,761)</u>	<u>(596,261)</u>	<u>-</u>	<u>-</u>	<u>(8,204,022)</u>
<b>Capital Assets Net of Depreciation</b>	<u>\$ 16,274,700</u>	<u>\$ (451,009)</u>	<u>\$ -</u>	<u>\$ (112,434)</u>	<u>\$ 15,711,257</u>
<b>Total Business-Type Capital Assets</b>	<u>\$ 23,848,715</u>	<u>\$ (475,700)</u>	<u>\$ -</u>	<u>\$ (112,434)</u>	<u>\$ 23,260,581</u>

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

<b>Business-Type Activities</b>	
Water-Depreciation	\$ 185,578
Sewer-Depreciation	<u>603,305</u>
<b>Total Business-Type Activities Depreciation Expense</b>	<u>\$ 788,883</u>

**9. Long-Term Receivables**

The Village approved an 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, 2020 is \$214,286.

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
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**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, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable					
General Obligation Notes and Bonds	\$ 4,415,000	\$ -	\$ 1,710,000	\$ 2,705,000	\$ 835,000
Direct Borrowings or Direct Placements	161,081	-	20,185	140,896	20,137
CDA Lease Revenue Bonds	5,565,000	-	1,895,000	3,670,000	560,000
Less Unamortized Debt Discount	(36,440)	-	(21,463)	(14,977)	-
Total Bonds and Notes Payable	<u>10,104,641</u>	<u>-</u>	<u>3,603,722</u>	<u>6,500,919</u>	<u>1,415,137</u>
Other Liabilities					
Termination Benefits	42,335	-	22,513	19,822	12,792
Compensated Absences	181,243	-	20,314	160,929	-
Total Other Liabilities	<u>223,578</u>	<u>-</u>	<u>42,827</u>	<u>180,751</u>	<u>12,792</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 10,328,219</u>	<u>\$ -</u>	<u>\$ 3,646,549</u>	<u>\$ 6,681,670</u>	<u>\$ 1,427,929</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable					
Direct Borrowings - Revenue Bonds	\$ 1,918,181	\$ 137,214	\$ 85,013	\$ 1,970,382	\$ 93,085
Note Anticipation Notes	1,250,000	-	-	1,250,000	-
Total Bonds and Notes Payable	<u>3,168,181</u>	<u>137,214</u>	<u>85,013</u>	<u>3,220,382</u>	<u>93,085</u>
Other Liabilities					
Termination Benefits	3,216	-	2,682	534	534
Compensated Absences	43,722	-	6,104	37,618	-
Total Other Liabilities	<u>46,938</u>	<u>-</u>	<u>8,786</u>	<u>38,152</u>	<u>534</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 3,215,119</u>	<u>\$ 137,214</u>	<u>\$ 93,799</u>	<u>\$ 3,258,534</u>	<u>\$ 93,619</u>

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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

**A. Governmental Debt**

Long-term debt issues outstanding at December 31, 2020, 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 12/31/20</u>	<u>Current Portion</u>
<b>Governmental Activities</b>						
<u>General Obligation</u>						
2016 A Fire and Capital GO Notes	8/15/2016	8/1/2026	1.75-2%	\$ 1,300,000	\$ 1,080,000	\$ 165,000
2016 B General and Fire GO Refunding Notes	12/12/2016	12/1/2024	2.0-2.15%	\$ 1,360,000	705,000	190,000
2017 A TIF 2 GO Refunding Bonds	11/15/2017	12/1/2021	1.2-1.55%	\$ 960,000	200,000	200,000
2017 B TIF 3 GO Refunding Bonds	11/15/2017	12/1/2021	2.0-2.4%	\$ 1,000,000	720,000	280,000
2019 Fire GO Notes	3/29/2019	1/31/2026	2.47%	\$ 170,000	140,896	20,137
Total Governmental Activities -- General Obligation Debt					<u>2,845,896</u>	<u>855,137</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	-
2015 TIF 2 CDA Refunding Lease Revenue Bonds	9/2/2015	12/1/2023	.85-2.85%	\$ 1,740,000	875,000	185,000
2017 TIF 3 CDA Refunding Lease Revenue Bonds	11/15/2017	12/1/2022	1.3% -2.0%	\$ 2,235,000	855,000	375,000
Total Governmental Activities -- CDA Lease Revenue Bonds					<u>3,670,000</u>	<u>560,000</u>
<b>Total Governmental Activities</b>					<u>\$ 6,515,896</u>	<u>\$ 1,415,137</u>

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

**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 CDA Bonds Principal	Total Lease Revenue CDA Bonds Interest	Total Governmental Activities Debt Service
2021	\$ 835,000	\$ 55,853	\$ 20,137	\$ 3,489	\$ 560,000	\$ 93,253	\$ 1,567,732
2022	795,000	39,492	20,644	2,982	670,000	81,690	1,609,808
2023	350,000	21,833	21,154	2,472	965,000	66,960	1,427,419
2024	350,000	14,747	21,676	1,949	480,000	41,085	909,457
2025	195,000	7,500	22,207	1,418	490,000	28,365	744,490
2026	180,000	3,600	35,078	865	505,000	14,645	739,188
	<u>\$ 2,705,000</u>	<u>\$ 143,025</u>	<u>\$ 140,896</u>	<u>\$ 13,175</u>	<u>\$ 3,670,000</u>	<u>\$ 325,998</u>	<u>\$ 6,998,094</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, 2020 is \$20,345,855. Debt subject to the limit is \$2,845,896.

**B. Business-Type Debt**

Long-term debt issues outstanding at December 31, 2020, and total debt outstanding were as follows:

	Date Of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20	Current Portion
<b>Business-Type Activities</b>						
<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>1,970,382</u>	<u>93,085</u>
<b>Total Business-Type Activities</b>					<u>\$ 3,220,382</u>	<u>\$ 93,085</u>

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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**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
2021	\$ 93,085	\$ 36,097	\$ 129,182	\$ -	\$ 31,250	\$ 31,250
2022	94,826	34,219	129,045	-	31,250	31,250
2023	96,599	32,429	129,028	1,250,000	15,625	1,265,625
2024	98,405	30,606	129,011	-	-	-
2025	100,246	28,748	128,994	-	-	-
2026-2030	530,058	114,642	644,700	-	-	-
2031-2035	581,507	62,712	644,219	-	-	-
2036-2038	375,656	10,624	386,280	-	-	-
	<u>\$ 1,970,382</u>	<u>\$ 350,077</u>	<u>\$ 2,320,458</u>	<u>\$ 1,250,000</u>	<u>\$ 78,125</u>	<u>\$ 1,328,125</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 2020 as follows:

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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

**C. Bond Covenant Disclosures (Continued)**

**Debt Coverage (Continued)**

	Sewer Utility
<u>Bond Reserves</u>	
Replacement Account	\$ 461,382
Debt Service Redemption Account	10,848
Total	\$ 472,230
<u>Coverage Covenant Calculation</u>	
Gross Revenue	\$ 780,684
Other Revenues	11,702
Operation and Maintenance Expenses - (Excluding Depreciation)	(516,453)
Net Revenues	\$ 275,933
Maximum annual debt service	\$ 129,182
Percent Coverage	214%
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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
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**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>
2010	(1.3%)	22%
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0	(10)

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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**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 \$62,287 in contributions from the municipality.

Contribution rates as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

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

At December 31, 2020, the Village reported a liability (asset) of \$202,148 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension 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, 2019, the Village's proportion was 0.00626922%, which was a decrease of 0.00020692% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$78,180.

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 the Financial Statements**  
**December 31, 2020**

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**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, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 383,723	\$ (192,027)
Changes of assumptions	15,752	-
Net difference between projected and actual earnings on pension plan investments	-	(413,262)
Changes in proportion and difference between Employer contributions and proportionate share of contributions	1,395	(3,397)
Employer contributions subsequent to the measurement date	66,610	-
Total	\$ 467,480	\$ (608,686)

\$66,610 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2021	\$ (60,880)
2022	(46,619)
2023	6,412
2024	(106,729)
2025	-
Total	\$ (207,816)

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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**11. Defined Benefit Pension Plan (Continued)**

**G. Actuarial Assumptions**

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

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
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. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

**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 the Financial Statements**  
**December 31, 2020**

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**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, 2019

<u>Core Fund Asset Class</u>	<u>Asset Allocation</u> %	<u>Long-Term</u> <u>Expected Nominal</u> <u>Rate of Return %</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return %</u>
Global Equities	49	8	5.1
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4
Total Core Fund	<u>110</u>	7.5	4.6
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	<u>100</u>	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

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

**I. Single Discount Rate**

A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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 municipal bond 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 the Financial Statements**  
**December 31, 2020**

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**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:

	<b>1% Decrease to Discount Rate (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase to Discount Rate (8.0%)</b>
Village's proportionate share of the net pension liability (asset)	\$ 520,567	\$ (202,148)	\$ (742,461)

**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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

**L. Allocation of Pension Plan**

Pension amounts are allocated between the proprietary funds and governmental activities based on the percentage of required contributions of each fund to the whole.

**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 members.

**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>

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

**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.

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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

**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.

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, 2020 are:

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

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

<b>Life Insurance Employee Contribution Rates* For the year ended December 31, 2019</b>		
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 \$255 in contributions from the employer.

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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

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

At December 31, 2020, the Village reported a liability (asset) of \$60,211 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2019, rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net 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, 2019, the Village's proportion was 0.01414000%, which was a decrease of 0.001416% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized OPEB expense of \$3,539.

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, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (2,698)
Changes of assumptions	22,213	(6,624)
Net differences between projected and actual earnings on OPEB plan investments	1,135	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(14,961)
Employer contributions subsequent to the measurement date	325	-
Totals	\$ 23,673	\$ (24,283)

\$325 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2020**

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

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

Year ended December 31:	Net Outflows (Inflows) of Resources
2021	\$ (439)
2022	(439)
2023	(561)
2024	(687)
2025	(911)
Thereafter	2,102
Total	\$ (935)

**F. Actuarial Assumptions**

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

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

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

**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 the Financial Statements**  
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**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, 2019**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Credit Bonds	Barclays Credit	45%	2.12%
US Long Credit Bonds	Barclays Long Credit	5%	2.90%
US Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

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

**H. Single Discount Rate**

A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit 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.

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

**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 2.87 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 (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:



**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
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**12. Other Postemployment Benefits (Continued)**

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

	<b>1% Decrease to Discount Rate (1.87%)</b>	<b>Current Discount Rate (2.87%)</b>	<b>1% Increase to Discount Rate (3.87%)</b>
Village's proportionate share of the net OPEB liability (asset)	\$ 83,141	\$ 60,211	\$ 42,765

**J. Allocation of Other Postemployment Benefits Plan**

OPEB amounts are allocated between the proprietary funds and governmental activities based on the percentage of required contributions of each fund to the whole.

**13. Net Position/Fund Balances**

**A. Net Position**

Net position reported on the government-wide statement of net position at December 31, 2020 includes the following:

	<b>Governmental</b>	<b>Water</b>	<b>Sewer</b>
Capital Assets Net of Depreciation	\$ 11,433,181	\$ 7,549,324	\$ 15,711,257
Less: Related Long-Term Debt Outstanding	(6,515,896)	-	(3,220,382)
Plus: Unamortized Debt Expenses	14,977	-	-
Plus: Debt Reserves - TIF 2 & 3	1,383,205	-	-
Total Net Investment in Capital Assets	\$ 6,315,467	\$ 7,549,324	\$ 12,490,875

**B. Fund Balances**

Fund balances on the fund financial statements as of December 31, 2020 include the following:

**Nonspendable Fund Balance**

General Fund

Delinquent Personal Property Taxes	\$ 2,109
Advances to Other Funds (net of unavailable interest)	407,504
Highway Prepaid to Jefferson County	2,122
Total General Fund	411,735
Total Nonspendable Fund Balance	\$ 411,735

**Restricted Fund Balance**

General Fund

Impact / Developer Fees	\$ 179,176
Other	25,465
Total General Fund	204,641

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
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**13. Net Position/Fund Balances (Continued)**

**B. Fund Balances (Continued)**

<b>Restricted Fund Balance</b>	
<u>TIF District #2</u>	
Debt Service	\$ 631,636
<u>TIF District #3</u>	
Debt Service	689,393
<u>Library Fund</u>	
Library Expenditures	43,673
<u>Room Tax Fund</u>	
Operations	192,569
Total Restricted Fund Balance	\$ 1,761,912
<b>Assigned Fund Balance</b>	
<u>General Fund</u>	
Capital Purchases	\$ 140,193
2021 Budgeted Capital Applied Surplus	293,448
Total General Fund	433,641
<u>Fire/EMS Fund</u>	
Capital Purchases	425,043
Total Assigned Fund Balance	\$ 858,684
<b>Unassigned Fund Balance (Deficit)</b>	
<u>General Fund</u>	
	\$ 654,050
<u>TIF District #3</u>	
	(212,716)
Total Unassigned Fund Balance (Deficit)	\$ 441,334

**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 2020, the Village had \$29,078 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, as an incentive for development, 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 the Financial Statements**  
**December 31, 2020**

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**14. Commitments and Contingencies (Continued)**

**A. Developer Commitments (Continued)**

Additionally, in 2021, the Village has approved three developer agreements that included the sales of land parcels to developers at a discounted cost as an incentive for development with the following conditions:

- The land must be developed within a specified period of time from the date of the purchases, otherwise, the Village will have the right to purchase the land back from the developers.
- The agreements include developer guarantees whereas the developer must pay the Village if the assessed value does not meet the terms outlined in the developer agreements.

**B. Construction Commitments**

In 2020, the Village approved a professional services agreement to provide preliminary engineering services for the Southeast Neighborhood-Utility Reconstruction project in an amount of \$54,600. Additionally, in 2021, the Village approved final professional services and construction agreements totaling \$3,069,609. As of December 31, 2020, total engineering costs incurred totaled \$328,480, which is including in construction in progress on the financial statements.

**C. 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 \$155,000 relating to property assessments from 2016 to 2020. The Village is defending the claims. No accrual was included in the financial statements and subsequent to yearend, all claims were dismissed.

**15. Prior Period Adjustment**

A prior period adjustment has been recorded effective January 1, 2020 in the amount of \$73,886 to accurately state the Village's prepaid expenditures balance to the Jefferson County highway project fund. On the government-wide financial statements, the governmental activities' net position as previously reported was \$3,738,892 and is restated to \$6,665,006. On the fund financial statements, the General Fund's fund balance as previously reported was \$2,055,874 and is restated to \$1,981,988.

**16. Subsequent Events**

Subsequent to year-end, the Village approved borrowing \$3,905,000 in GO Corporate Purpose Bonds to finance the Southeast Neighborhood-Utility Reconstruction project. Additionally, subsequent to year-end, the Village approved the following construction projects and capital equipment purchases:

- Purchase of Workhorse financial software for \$28,500.
- Purchase of a new police squad car for \$35,837.
- Purchase of a new public works UTV for \$17,298.
- Purchase of a new water utility vehicle for \$28,644.
- Purchase of heart monitors for the fire department in the amount of \$67,078.
- Professional services agreement for the Gosdeck Bridge Crossing project in the amount of \$354,413.

Lastly, in June 2021, the Village approved the termination of TIF #2 and TIF #3 and the creation of TIF #4.

## 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, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,405,131	\$ 1,405,131	\$ 1,405,131	\$ -
Other Taxes	43,600	43,600	40,247	(3,353)
Special Assessment Revenue	-	-	28,243	28,243
Intergovernmental	478,834	478,834	480,028	1,194
License and Permits	93,000	93,000	176,448	83,448
Fines, Forfeits and Penalties	25,000	25,000	40,827	15,827
Public Charges for Services	32,800	32,800	99,293	66,493
Interest Income	5,200	5,200	78,302	73,102
Miscellaneous Income	24,605	24,605	51,023	26,418
Total Revenues	<u>2,108,170</u>	<u>2,108,170</u>	<u>2,399,542</u>	<u>291,372</u>
<b>EXPENDITURES</b>				
Current:				
General Government	416,973	416,973	401,767	15,206
Public Safety	722,725	722,725	771,676	(48,951)
Public Works	522,983	522,983	497,078	25,905
Health and Human Services	8,147	8,147	8,034	113
Culture, Recreation and Education	116,763	116,763	96,759	20,004
Conservation and Development	56,288	56,288	55,555	733
Capital Outlay	-	-	6,593	(6,593)
Debt Service:				
Principal Repayment	254,187	254,187	254,187	-
Interest Expense	25,826	25,826	25,826	-
Total Expenditures	<u>2,123,892</u>	<u>2,123,892</u>	<u>2,117,475</u>	<u>6,417</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(15,722)</u>	<u>(15,722)</u>	<u>282,067</u>	<u>297,789</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	561,169	561,169	282,218	(278,951)
Transfers Out	<u>(545,447)</u>	<u>(545,447)</u>	<u>(842,206)</u>	<u>(296,759)</u>
Total Other Financing Sources and Uses	<u>15,722</u>	<u>15,722</u>	<u>(559,988)</u>	<u>(575,710)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(277,921)</u>	<u>(277,921)</u>
Fund Balance - Beginning, as previously reported	2,055,874	2,055,874	2,055,874	-
Prior Period Adjustment - To accurately record use of prepaid highway matching funds in prior years	<u>(73,886)</u>	<u>(73,886)</u>	<u>(73,886)</u>	<u>-</u>
Fund Balance - Beginning, as restated	<u>1,981,988</u>	<u>1,981,988</u>	<u>1,981,988</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,981,988</u>	<u>\$ 1,981,988</u>	<u>\$ 1,704,067</u>	<u>\$ (277,921)</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, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,480,165	\$ 1,480,165	\$ 1,480,468	\$ 303
Other Taxes	17,195	17,195	14,989	(2,206)
Special Assessment Revenue	-	-	19,402	19,402
Intergovernmental	23,876	23,876	48,887	25,011
Interest Income	-	-	8,907	8,907
Total Revenues	<u>1,521,236</u>	<u>1,521,236</u>	<u>1,572,653</u>	<u>51,417</u>
<b>EXPENDITURES</b>				
Current:				
General Government	775	775	3,610	(2,835)
Debt Service:				
Principal Repayment	1,784,359	1,784,359	2,585,000	(800,641)
Interest Expense	92,064	92,064	92,100	(36)
Total Expenditures	<u>1,877,198</u>	<u>1,877,198</u>	<u>2,680,710</u>	<u>(803,512)</u>
Net Change in Fund Balance	(355,962)	(355,962)	(1,108,057)	(752,095)
Fund Balance - Beginning	1,739,693	1,739,693	1,739,693	-
Fund Balance - Ending	<u>\$ 1,383,731</u>	<u>\$ 1,383,731</u>	<u>\$ 631,636</u>	<u>\$ (752,095)</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, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,401,387	\$ 1,401,387	\$ 1,401,674	\$ 287
Intergovernmental	10,511	10,511	23,099	12,588
Interest Income	2,000	2,000	5,668	3,668
Total Revenues	<u>1,413,898</u>	<u>1,413,898</u>	<u>1,430,441</u>	<u>16,543</u>
<b>EXPENDITURES</b>				
Current:				
General Government	775	775	779	(4)
Conservation and Development	-	-	163	(163)
Debt Service:				
Principal Repayment	645,000	645,000	645,000	-
Interest Expense	<u>97,773</u>	<u>97,773</u>	<u>120,600</u>	<u>(22,827)</u>
Total Expenditures	<u>743,548</u>	<u>743,548</u>	<u>766,542</u>	<u>(22,994)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>670,350</u>	<u>670,350</u>	<u>663,899</u>	<u>(6,451)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(193,611)</u>	<u>(193,611)</u>	-	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 Balance	476,739	476,739	663,899	187,160
Fund Balance (Deficit) - Beginning	<u>(187,222)</u>	<u>(187,222)</u>	<u>(187,222)</u>	-
Fund Balance - Ending	<u>\$ 289,517</u>	<u>\$ 289,517</u>	<u>\$ 476,677</u>	<u>\$ 187,160</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, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 245,078	\$ 245,078	\$ 255,395	\$ 10,317
Public Charges for Services	229,000	229,000	272,008	43,008
Interest Income	1,600	1,600	2,265	665
Miscellaneous Income	6,300	6,300	2,219	(4,081)
Total Revenues	<u>481,978</u>	<u>481,978</u>	<u>531,887</u>	<u>49,909</u>
<b>EXPENDITURES</b>				
Current:				
General Government	66,554	66,554	66,532	22
Public Safety	579,234	579,234	559,465	19,769
Capital Outlay	15,000	15,000	17,355	(2,355)
Debt Service:				
Principal Repayment	140,960	140,960	140,998	(38)
Interest Expense	21,565	21,565	20,597	968
Total Expenditures	<u>823,313</u>	<u>823,313</u>	<u>804,947</u>	<u>18,366</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(341,335)</u>	<u>(341,335)</u>	<u>(273,060)</u>	<u>68,275</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	334,107	334,107	323,372	(10,735)
Transfers Out	(2,318)	(2,318)	(2,318)	-
Total Other Financing Sources and Uses	<u>331,789</u>	<u>331,789</u>	<u>321,054</u>	<u>(10,735)</u>
Net Change in Fund Balance	(9,546)	(9,546)	47,994	57,540
Fund Balance - Beginning	377,049	377,049	377,049	-
Fund Balance - Ending	<u>\$ 367,503</u>	<u>\$ 367,503</u>	<u>\$ 425,043</u>	<u>\$ 57,540</u>

See accompanying notes to the required supplementary information



**VILLAGE OF JOHNSON CREEK  
WISCONSIN RETIREMENT SYSTEM SCHEDULES  
December 31, 2020**

**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 collective 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)
2019	-0.00626922%	\$ (202,148)	\$ 841,583	(24.02%)	102.96%
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
2020	\$ 66,209	\$ (66,209)	\$ -	\$ 879,053	7.53%
2019	62,555	(62,555)	-	841,583	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 SCHEDULE  
December 31, 2020**

**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 collective 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)
2019	0.01414000%	\$ 60,211	\$ 786,000	7.66%	37.58%
2018	0.01555600%	40,140	737,000	5.45%	48.69%
2017	0.02056000%	61,856	864,607	7.15%	44.81%

See accompanying notes to the required supplementary information

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Required Supplementary Information**  
**December 31, 2020**

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**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 2019. No amendments were made by the Village board 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	Public Works	\$ 722,725	\$ 771,676	\$ (48,951)
General	Capital Outlay	-	6,593	(6,593)
TIF #2	General Government	775	3,610	(2,835)
TIF #2	Principal Repayment	1,784,359	2,585,000	(800,641)
TIF #2	Interest Expense	92,064	92,100	(36)
TIF #3	General Government	775	779	(4)
TIF #3	Conservation and Development	-	163	(163)
TIF #3	Interest Expense	97,773	120,600	(22,827)
Fire/EMS	Capital Outlay	15,000	17,355	(2,355)
Fire/EMS	Principal Repayment	140,960	140,998	(38)

In total, General Fund expenditures were under budget by \$6,417.

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Required Supplementary Information**  
**December 31, 2020**

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**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 4 preceding years.

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

*Changes of assumptions:* No significant changes in assumptions were noted from the prior year.

**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 7 preceding years.

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

*Changes of assumptions:* Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section in Note 12 to the financial statements for additional details.

## SUPPLEMENTARY INFORMATION

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

**Combining Balance Sheet  
Non-Major Governmental Funds  
December 31, 2020**

	<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>	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 46,629	\$ 159,667	\$ 157,694	\$ 363,990
Receivables:				
Accounts	-	33,002	-	33,002
Restricted Cash	1,435	-	-	1,435
Total Assets	<u>\$ 48,064</u>	<u>\$ 192,669</u>	<u>\$ 157,694</u>	<u>\$ 398,427</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 876	\$ 100	\$ 157,694	\$ 158,670
Accrued Liabilities	3,515	-	-	3,515
Total Liabilities	<u>4,391</u>	<u>100</u>	<u>157,694</u>	<u>162,185</u>
<b>FUND BALANCES</b>				
Restricted	43,673	192,569	-	236,242
Total Fund Balances	<u>43,673</u>	<u>192,569</u>	<u>-</u>	<u>236,242</u>
Total Liabilities and Fund Balances	<u>\$ 48,064</u>	<u>\$ 192,669</u>	<u>\$ 157,694</u>	<u>\$ 398,427</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, 2020**

	<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>	
<b>REVENUES</b>				
Other Taxes	\$ -	\$ 85,447	\$ -	\$ 85,447
Intergovernmental	54,251	11,000	-	65,251
Fines, Forfeits and Penalties	1,456	-	-	1,456
Interest Income	587	979	347	1,913
Miscellaneous Income	5,330	-	-	5,330
Total Revenues	<u>61,624</u>	<u>97,426</u>	<u>347</u>	<u>159,397</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,624	500	-	3,124
Culture, Recreation and Education	196,966	-	-	196,966
Conservation and Development	-	19,420	-	19,420
Capital Outlay	-	-	448,834	448,834
Total Expenditures	<u>199,590</u>	<u>19,920</u>	<u>448,834</u>	<u>668,344</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(137,966)</u>	<u>77,506</u>	<u>(448,487)</u>	<u>(508,947)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	163,000	-	355,834	518,834
Transfers Out	(22,097)	(77,972)	-	(100,069)
Total Other Financing Sources and Uses	<u>140,903</u>	<u>(77,972)</u>	<u>355,834</u>	<u>418,765</u>
Net Change in Fund Balances	2,937	(466)	(92,653)	(90,182)
Fund Balances - Beginning	40,736	193,035	92,653	326,424
Fund Balances - Ending	<u>\$ 43,673</u>	<u>\$ 192,569</u>	<u>\$ -</u>	<u>\$ 236,242</u>