



JOHNSON CREEK
Crossroads With A Future

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT
For the Year Ended December 31, 2021**

**Village of Johnson Creek
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December 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Johnson Creek, Wisconsin, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary 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 combining non-major fund financial statements are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 basic financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
October 7, 2022

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2021

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, 2021. Please read it in conjunction with the Village of Johnson Creek's financial statements.

FINANCIAL HIGHLIGHTS

Total equalized value of real and personal property in the Village for 2021 is \$441,201,100 of which \$293,569,000 is non-TIF (Tax Incremental Financing) property. Total equalized value in 2020 was \$406,917,100, of which \$276,565,000 was non-TIF property and in 2019 total equalized value was \$372,706,900, of which \$241,756,500 was non-TIF property. Overall equalized value (estimate of the market value of all property) was up \$34,284,000 from 2020 to 2021. Net new construction also increased by \$12,912,800 during the same period according to figures released by the State of Wisconsin Department of Revenue.

Village assets exceeded liabilities by \$33,951,231 at the close of FY 2021, up from \$32,275,311 FY 2020 and \$30,716,038 FY 2019. Of this amount, \$6,048,651 is considered unrestricted, \$1,128,188 is restricted for specific purposes, and \$26,774,392 is invested in capital assets net of related debt.

Net position for business-type activities was \$24,346,422 at the close of FY 2021, up from \$23,671,981 at close of FY 2020 and up from \$23,977,146 at the close of FY 2019. Net position for governmental-type activities was \$9,604,809 at the close of FY 2021, up from \$8,603,330 at the close of FY 2020 and \$6,738,892 at the close of FY 2019.

The Village experienced a net increase of \$1,542,210 in fixed assets during 2021 due to the new infrastructure and equipment added in the governmental and proprietary funds exceeding total depreciation expense. Governmental funds fixed assets increased by \$1,116,284, while proprietary funds fixed assets increased by \$425,926.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the Village of Johnson Creek that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities of the Village include general administration; public safety; public works; health and human services; culture, recreation and education; 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, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

The Village of Johnson Creek maintains eight 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, ARPA Fund and TIF #4 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, 2021

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 \$33,951,231 at the close of the most recent fiscal year and \$32,275,311 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 11,750,823	\$ 8,803,043	\$ 3,876,188	\$ 3,695,851	\$ 15,627,011	\$ 12,498,894
Capital Assets	12,549,465	11,433,181	23,686,507	23,260,581	36,235,972	34,693,762
Total Assets	24,300,288	20,236,224	27,562,695	26,956,432	51,862,983	47,192,656
Deferred Outflows	483,667	340,669	275,738	248,137	759,405	588,806
Long-Term Liabilities	9,326,312	6,726,117	3,200,625	3,277,305	12,526,937	10,003,422
Other Liabilities	572,887	438,039	47,548	61,057	620,435	499,096
Total Liabilities	9,899,199	7,164,156	3,248,173	3,338,362	13,147,372	10,502,518
Deferred Inflows	5,279,947	4,809,407	243,838	194,226	5,523,785	5,003,633
Net Position:						
Net Investment in Capital Assets	6,215,182	6,315,467	20,559,210	20,040,199	26,774,392	26,355,666
Restricted	509,796	345,832	618,392	564,985	1,128,188	910,817
Unrestricted	2,879,831	1,942,031	3,168,820	3,066,797	6,048,651	5,008,828
Total Net Positions	\$ 9,604,809	\$ 8,603,330	\$ 24,346,422	\$ 23,671,981	\$ 33,951,231	\$ 32,275,311

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 \$26,774,392 compared to \$26,355,666 for the year ended 2020 and \$24,325,184 for the year ended 2019. 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, \$1,128,188 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 \$6,048,651 , up from \$5,008,828 in the prior year.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE VILLAGE (Continued)

Village of Johnson Creek's Change in Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services and fees, fines and costs	\$ 721,906	\$ 765,719	\$ 1,494,482	\$ 1,437,961	\$ 2,216,388	\$ 2,203,680
Operating grants and contributions	241,078	275,033	-	4,786	241,078	279,819
Capital grants and contributions	115,771	47,140	5,844	45,087	121,615	92,227
General revenues:						
Taxes	4,552,331	4,412,968	-	-	4,552,331	4,412,968
Special Assessments	31,968	22,401	-	-	31,968	22,401
Intergovernmental revenues not restricted to specific programs	384,164	376,231	-	-	384,164	376,231
Unrestricted Interest and Investment Earnings	44,006	52,687	11,503	16,707	55,509	69,394
Miscellaneous	201,455	36,758	14,103	16,828	215,558	53,586
Special Items	(22,711)	-	-	-	(22,711)	-
Total Revenues	6,269,968	5,988,937	1,525,932	1,521,369	7,795,900	7,510,306
Expenses:						
General Government	525,307	483,437	-	-	525,307	483,437
Public Safety	1,517,870	1,506,282	-	-	1,517,870	1,506,282
Public Works	1,333,975	1,307,568	-	-	1,333,975	1,307,568
Health and Human Services	8,034	8,034	-	-	8,034	8,034
Culture, Recreation, and Education	429,006	382,509	-	-	429,006	382,509
Conservation & Development	120,752	142,701	-	-	120,752	142,701
Interest on long-term debt	351,656	262,214	-	-	351,656	262,214
Water & Sewer	-	-	1,833,380	1,784,402	1,833,380	1,784,402
Total Expenses	4,286,600	4,092,745	1,833,380	1,784,402	6,119,980	5,877,147
Increase (Decrease) in Net Position before transfers	1,983,368	1,896,192	(307,448)	(263,033)	1,675,920	1,633,159
Transfers	(981,889)	42,132	981,889	(42,132)	-	-
Increase (Decrease) in Net Position	1,001,479	1,938,324	674,441	(305,165)	1,675,920	1,633,159
Net Position – January 1	8,603,330	6,738,892	23,671,981	23,977,146	32,275,311	30,716,038
Restatement	-	(73,886)	-	-	-	(73,886)
Net Position – December 31	\$ 9,604,809	\$ 8,603,330	\$ 24,346,422	\$ 23,671,981	\$ 33,951,231	\$ 32,275,311

Governmental activities increased the Village of Johnson Creek's net position by \$1,001,479 and business-type activities increased the Village's net position by \$674,441 for an overall increase of net position of \$1,675,920.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

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

The Village's General Fund (the chief operating fund of the Village of Johnson Creek) showed an unassigned fund balance of \$698,794 or 30% of the total General Fund balance. This can be compared to the Village's unassigned fund balance of \$654,050 at YE 2020. Total fund balance of the General Fund amounted to \$2,292,767 up from \$1,704,067 YE 2020 and \$2,055,874 YE 2019. The increase in 2021 is primarily due to the use of debt proceeds to finance new capital projects, which in turn allowed for the accumulation of revenues against the remaining expenditures. 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 2021, \$531,247 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 12% of total General Fund expenditures, including capital outlay, while total fund balance represents 41% of that same amount.

VILLAGE OF JOHNSON CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

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 \$1,774,981 up from \$1,698,858 in 2020 and \$1,689,170 for the year ended 2019. Unrestricted net position of the Sewer Utility at the end of the year amounted to \$1,393,839 down from \$1,430,331 in 2020 and up from \$1,127,700 for the year ended 2019.

Fiduciary Funds

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

GENERAL FUND BUDGETARY HIGHLIGHTS

In the 2021 budget, total expenditures were over budget by \$3,359,517, while total revenues collected were \$233,099 more than budgeted and net other financing sources were \$3,715,118 more than budgeted. Miscellaneous Income was greater than the budget by \$137,156 primarily related to a \$100,000 grant received for Bell Park improvements. Interest Income was greater than the budget by \$66,666. Capital Outlay expenditures were greater than the budget by \$3,292,761 primarily from the Southeast Neighborhood project not being budgeted for.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Village of Johnson Creek's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$36.2 million (net of accumulated depreciation) up from \$34.7 million at the end of fiscal year 2020 and \$36.1 million for 2019. In years in which there are few major capital purchases and projects, the reason for the steady decline is normal depreciation. 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, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

Village of Johnson Creek's Capital Assets						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,718,153	\$ 1,718,153	\$ 38,982	\$ 38,982	\$ 1,757,135	\$ 1,757,135
Construction Work in Progress	107,746	190,781	860,430	998,129	968,176	1,188,910
Land and Construction Work in Progress	1,825,899	1,908,934	899,412	1,037,111	2,725,311	2,946,045
Buildings & Improvements	4,299,623	4,299,623	1,552,967	1,552,967	5,852,590	5,852,590
Equipment	4,841,625	4,757,846	1,816,269	1,775,099	6,657,894	6,532,945
Infrastructure	24,378,650	22,165,500	31,343,109	30,073,635	55,721,759	52,239,135
Other Capital Assets	33,519,898	31,222,969	34,712,345	33,401,701	68,232,243	64,624,670
Accumulated Depreciation	(22,796,332)	(21,698,722)	(11,925,250)	(11,178,231)	(34,721,582)	(32,876,953)
Other Capital Assets, net of depreciation	10,723,566	9,524,247	22,787,095	22,223,470	33,510,661	31,747,717
Total Capital Assets	\$ 12,549,465	\$ 11,433,181	\$ 23,686,507	\$ 23,260,581	\$ 36,235,972	\$ 34,693,762

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

- South East Neighborhood Project engineering and construction costs
- Vehicle purchases
- Gosdeck Bridge design and planning costs
- Replacement of two defibrillators

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, including unamortized debt premiums and discounts, of \$12.1 million, up from \$9.7 million FY 2020 and down from \$13.3 million FY 2019. Of this amount, \$5,826,037 comprises debt backed by the full faith and credit of the government. This amount is up from \$2,845,896 in 2020 and \$4,576,081 in 2019. 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, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-Term Debt (Continued)

Village of Johnson Creek's Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	1900	2021	1900	2021	1900
General Obligation Debt	\$ 5,826,037	\$ 2,845,896	\$ -	\$ -	\$ 5,826,037	\$ 2,845,896
Bond Anticipation Notes	-	-	1,250,000	1,250,000	1,250,000	1,250,000
Revenue Bonds	-	-	1,877,297	1,970,382	1,877,297	1,970,382
CDA Lease Revenue Bonds	3,110,000	3,670,000	-	-	3,110,000	3,670,000
Total Debt Outstanding	\$ 8,936,037	\$ 6,515,896	\$ 3,127,297	\$ 3,220,382	\$ 12,063,334	\$ 9,736,278

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 \$5,826,037 is 26.4% of its \$22.1 million debt limitation, up from 14.0% FY 2020. This is attributed to new debt issued increase in equalized value and the ongoing debt payments each year.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

2022 State of Wisconsin estimates indicate the current Johnson Creek population is 3,318. The most recent US Census (2010) results showed a 13.55% increase in population from 2010 to 2011.

Residential construction contributed to 6 new single-family residential building permits being issued and 1 new commercial/industrial building permit, with a total estimated value of \$1,260,110 and 2,160,110, respectively.

Assessed valuation of properties in the Village in 2021 was \$388,413,700 including properties in the TIF districts, an increase of \$5,040,700 from the prior year. Equalized valuation (the State of Wisconsin’s estimate of the market value of property) increased by \$34,284,000 to \$441,201,100. The ratio of equalized to assessed values as determined by the State of Wisconsin was 88.02%.

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, 2021

REQUEST FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

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

**Statement of Net Position
December 31, 2021**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,211,100	\$ 3,061,180	\$ 9,272,280
Investments	174,809	-	174,809
Receivables			
Taxes	3,157,941	1,956	3,159,897
Accounts, net	299,115	145,888	445,003
Inventories	-	39,613	39,613
Prepaid Expenses	10,744	9,159	19,903
Other Assets	4,244	-	4,244
Restricted Assets			
Restricted Cash and Investments	1,620,674	510,320	2,130,994
Net Pension Asset	272,196	108,072	380,268
Capital Assets			
Land and Construction in Progress	1,825,899	899,412	2,725,311
Other Capital Assets, Net of Depreciation	10,723,566	22,787,095	33,510,661
Total Capital Assets	12,549,465	23,686,507	36,235,972
Total Assets	24,300,288	27,562,695	51,862,983
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	454,571	180,483	635,054
Deferred OPEB Outflows	29,096	11,552	40,648
Unamortized Loss on Debt Defeasance	-	83,703	83,703
Total Deferred Outflows of Resources	483,667	275,738	759,405
 Total Assets and Deferred Outflows of Resources	 \$ 24,783,955	 \$ 27,838,433	 \$ 52,622,388
LIABILITIES			
Accounts Payable	\$ 248,677	\$ 25,727	\$ 274,404
Accrued Expenses	146,548	10,973	157,521
Accrued Interest Payable	44,419	10,848	55,267
Refundable Advance - ARPA	133,243	-	133,243
Long-Term Liabilities			
Due Within One Year	1,492,673	94,826	1,587,499
Due in More Than One Year	7,770,703	3,078,805	10,849,508
Deferred Regulatory Credit	-	2,005	2,005
Net OPEB Liability	62,936	24,989	87,925
Total Liabilities	9,899,199	3,248,173	13,147,372
DEFERRED INFLOWS OF RESOURCES			
2021 Tax Levy	4,665,808	-	4,665,808
Deferred Pension Inflows	598,140	237,485	835,625
Deferred OPEB Inflows	15,999	6,353	22,352
Total Deferred Inflows of Resources	5,279,947	243,838	5,523,785
NET POSITION			
Net Investment in Capital Assets	6,215,182	20,559,210	26,774,392
Restricted:			
Developer Fees	114,438	-	114,438
Tree Planting	31,880	-	31,880
Library	1,440	-	1,440
Impact Fees	89,842	36,333	126,175
Net Pension Asset	272,196	108,072	380,268
Debt Service Redemption	-	10,828	10,828
Equipment Replacement	-	463,159	463,159
Unrestricted	2,879,831	3,168,820	6,048,651
Total Net Position	9,604,809	24,346,422	33,951,231
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 \$ 24,783,955	 \$ 27,838,433	 \$ 52,622,388

See accompanying notes to the basic financial statements.

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

**Statement of Activities
For the Year Ended December 31, 2021**

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
Governmental Activities							
General Government	\$ 525,307	\$ 73,798	\$ -	\$ -	\$ (451,509)		\$ (451,509)
Public Safety	1,517,870	612,439	26,027	-	(879,404)		(879,404)
Public Works	1,333,975	22,080	164,749	3,272	(1,143,874)		(1,143,874)
Health and Human Services	8,034	-	-	-	(8,034)		(8,034)
Culture, Recreation, and Education	429,006	13,589	50,302	112,499	(252,616)		(252,616)
Conservation and Development	120,752	-	-	-	(120,752)		(120,752)
Interest on Long-term Debt	351,656	-	-	-	(351,656)		(351,656)
Total Governmental Activities	<u>4,286,600</u>	<u>721,906</u>	<u>241,078</u>	<u>115,771</u>	<u>(3,207,845)</u>		<u>(3,207,845)</u>
Business-type Activities							
Water	550,788	677,904	-	4,896	-	\$ 132,012	132,012
Sewer	1,282,592	816,578	-	948	-	(465,066)	(465,066)
Total Business-type Activities	<u>1,833,380</u>	<u>1,494,482</u>	<u>-</u>	<u>5,844</u>	<u>-</u>	<u>(333,054)</u>	<u>(333,054)</u>
Total Governmental and Business-Type Activities	<u>\$ 6,119,980</u>	<u>\$ 2,216,388</u>	<u>\$ 241,078</u>	<u>\$ 121,615</u>	<u>(3,207,845)</u>	<u>(333,054)</u>	<u>(3,540,899)</u>
General Revenues:							
Taxes:							
Property taxes					4,352,298	-	4,352,298
Other taxes					200,033	-	200,033
Special assessments					31,968	-	31,968
Shared taxes from state					384,164	-	384,164
Interest income					44,006	11,503	55,509
Miscellaneous					201,455	14,103	215,558
Special item - Gain on sale of asset					(22,711)	-	(22,711)
Transfers					(981,889)	981,889	-
Total general revenues and transfers					<u>4,209,324</u>	<u>1,007,495</u>	<u>5,216,819</u>
Change in net position					<u>1,001,479</u>	<u>674,441</u>	<u>1,675,920</u>
Net position - Beginning					<u>8,603,330</u>	<u>23,671,981</u>	<u>32,275,311</u>
Net position - Ending					<u>\$ 9,604,809</u>	<u>\$ 24,346,422</u>	<u>\$ 33,951,231</u>

See accompanying notes to the basic financial statements.

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

**Balance Sheet
Governmental Funds
December 31, 2021**

	<u>General Fund</u>	<u>TIF #2</u>	<u>TIF #3</u>	<u>Fire/EMS Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 2,474,540	\$ 1,833,570	\$ 1,078,997	\$ 375,756	\$ 448,237	\$ 6,211,100
Investments	-	-	-	-	174,809	174,809
Receivables:						
Taxes	1,010,906	1,285,269	844,406	-	-	3,140,581
Delinquent Personal Property Taxes	17,360	-	-	-	-	17,360
Accounts	4,989	-	-	-	33,435	38,424
Developer Loan	178,571	-	-	-	-	178,571
Other, Net	-	-	-	82,120	-	82,120
Due from Other Funds	24,076	-	-	-	-	24,076
Other Assets	4,244	-	-	-	-	4,244
Prepaid Expenses	10,744	-	-	-	-	10,744
Restricted Cash	236,160	693,856	689,218	-	1,440	1,620,674
Advances Receivable	370,469	-	-	-	-	370,469
Total Assets	<u>\$ 4,332,059</u>	<u>\$ 3,812,695</u>	<u>\$ 2,612,621</u>	<u>\$ 457,876</u>	<u>\$ 657,921</u>	<u>\$ 11,873,172</u>
LIABILITIES						
Accounts Payable	\$ 169,929	\$ -	\$ 608	\$ 45,903	\$ 32,237	\$ 248,677
Accrued Liabilities	93,723	-	-	48,092	4,733	146,548
Due to Other Funds	-	-	-	-	24,076	24,076
Advances Payable	-	-	370,469	-	-	370,469
Refundable Advance - ARPA	-	-	-	-	133,243	133,243
Total Liabilities	<u>263,652</u>	<u>-</u>	<u>371,077</u>	<u>93,995</u>	<u>194,289</u>	<u>923,013</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows	1,775,640	1,908,477	1,255,068	24,443	-	4,963,628
Total Deferred Inflows of Resources	<u>1,775,640</u>	<u>1,908,477</u>	<u>1,255,068</u>	<u>24,443</u>	<u>-</u>	<u>4,963,628</u>
FUND BALANCES						
Nonspendable	307,500	-	-	-	-	307,500
Restricted	422,689	1,904,218	986,476	-	487,656	3,801,039
Assigned	863,784	-	-	339,438	52	1,203,274
Unassigned (Deficit)	698,794	-	-	-	(24,076)	674,718
Total Fund Balances	<u>2,292,767</u>	<u>1,904,218</u>	<u>986,476</u>	<u>339,438</u>	<u>463,632</u>	<u>5,986,531</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,332,059</u>	<u>\$ 3,812,695</u>	<u>\$ 2,612,621</u>	<u>\$ 457,876</u>	<u>\$ 657,921</u>	<u>\$ 11,873,172</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, 2021**

Total fund balance, governmental funds		\$ 5,986,531
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>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.</p>		12,549,465
<p>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.</p>		24,444
<p>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.</p>		178,571
<p>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.</p>		12,490
<p>The net pension asset is not a current financial resource and is, therefore, not reported in the fund financial statements.</p>		272,196
<p>The net OPEB liability is not a current financial obligation and is, therefore, not reported in the fund financial statements.</p>		(62,936)
<p>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.</p>		
Deferred outflows of resources		483,667
Deferred inflows of resources		(614,139)
<p>Interest accrued on advances between funds are recorded as income on the Statement of Activities but are recorded as deferred inflows of resources on the fund financial statements.</p>		94,805
<p>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.</p>		
Accrued Interest	(44,419)	
Long-term Debt - Current portion	(1,485,644)	
Long-term Debt	(7,450,393)	
Unamortized Debt Premium	(136,007)	
Compensated Absences	(196,793)	
Termination Benefits	(7,029)	
Total	(9,320,285)	(9,320,285)
Net Position of Governmental Activities in the Statement of Net Position		\$ 9,604,809

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, 2021**

	<u>General Fund</u>	<u>TIF #2</u>	<u>TIF #3</u>	<u>Fire/EMS Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Property Taxes	\$ 1,514,000	\$ 1,592,874	\$ 1,245,423	\$ -	\$ -	\$ 4,352,297
Other Taxes	39,669	16,744	-	-	143,619	200,032
Special Assessment Revenue	11,840	15,717	-	-	-	27,557
Intergovernmental	449,156	58,260	20,538	256,567	66,979	851,500
License and Permits	99,604	-	-	-	-	99,604
Fines, Forfeits and Penalties	46,439	-	-	-	2,313	48,752
Public Charges for Services	51,465	-	-	247,906	-	299,371
Interest Income	76,770	5,753	3,399	408	4,176	90,506
Miscellaneous Income	170,981	-	-	46,551	183,330	400,862
Total Revenues	<u>2,459,924</u>	<u>1,689,348</u>	<u>1,269,360</u>	<u>551,432</u>	<u>400,417</u>	<u>6,370,481</u>
EXPENDITURES						
Current:						
General Government	402,332	3,945	927	71,055	-	478,259
Public Safety	697,939	-	-	647,768	-	1,345,707
Public Works	523,606	-	-	-	-	523,606
Health and Human Services	8,034	-	-	-	-	8,034
Culture, Recreation and Education	132,314	-	-	-	184,601	316,915
Conservation and Development	63,377	-	-	-	26,476	89,853
Capital Outlay	3,386,656	-	-	78,603	36,714	3,501,973
Debt Service:						
Principal Repayment	231,947	385,000	655,000	142,912	-	1,414,859
Interest Expense	187,274	27,821	103,634	18,781	-	337,510
Total Expenditures	<u>5,633,479</u>	<u>416,766</u>	<u>759,561</u>	<u>959,119</u>	<u>247,791</u>	<u>8,016,716</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,173,555)</u>	<u>1,272,582</u>	<u>509,799</u>	<u>(407,687)</u>	<u>152,626</u>	<u>(1,646,235)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Long-Term Debt	3,835,000	-	-	-	-	3,835,000
Proceed from Bond Premium	143,165	-	-	-	-	143,165
Transfers In	276,490	-	-	324,400	168,000	768,890
Transfers Out	(492,400)	-	-	(2,318)	(93,236)	(587,954)
Total Other Financing Sources and Uses	<u>3,762,255</u>	<u>-</u>	<u>-</u>	<u>322,082</u>	<u>74,764</u>	<u>4,159,101</u>
Net Change in Fund Balances	588,700	1,272,582	509,799	(85,605)	227,390	2,512,866
Fund Balances - Beginning	1,704,067	631,636	476,677	425,043	236,242	3,473,665
Fund Balances - Ending	<u>\$ 2,292,767</u>	<u>\$ 1,904,218</u>	<u>\$ 986,476</u>	<u>\$ 339,438</u>	<u>\$ 463,632</u>	<u>\$ 5,986,531</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, 2021**

Net change in fund balances - total governmental funds: \$ 2,512,866

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 (\$2,256,232) net of depreciation (\$1,117,237) in the current period. 1,138,995

Loss on disposal of capital asset, net trade-in value received (22,711)

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. (32,464)

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. (45,342)

Economic development expenses charged for special assessments recovered through tax increments. (30,899)

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 \$3,835,000 in debt proceeds during the year, net of principal payments of \$1,414,859. (2,420,141)

Proceeds from bond premiums are recorded as current financial resources in the fund statements. In contrast, the Statement of Activities treats premiums as a liability and amortized and recognized over the life of the issuance. This is the net activity during the current year. (136,007)

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 (18,816)

Amortization of debt discounts (2,487)

Change in compensated absences not reflected on governmental funds (35,864)

Change in termination benefits not reflected on governmental funds 12,793

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 (asset) from the prior year to the current year, with some adjustments. 81,556

Change in net position of governmental activities \$ 1,001,479

See accompanying notes to the basic financial statements.

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

**Statement of Net Position
Proprietary Funds
December 31, 2021**

	Enterprise Funds		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,671,274	\$ 1,389,906	\$ 3,061,180
Receivables			
Taxes	659	1,297	1,956
Accounts	49,109	96,779	145,888
Inventories	39,613	-	39,613
Prepaid Expenses	3,329	5,830	9,159
Total Current Assets	1,763,984	1,493,812	3,257,796
Restricted Assets:			
Restricted Cash and Cash Equivalents	30,440	479,880	510,320
Net Pension Asset	52,325	55,747	108,072
Total Restricted Assets	82,765	535,627	618,392
Capital Assets:			
Land	21,004	17,978	38,982
Construction Work in Progress	860,430	-	860,430
Other Capital Assets	10,332,216	24,380,129	34,712,345
Less Accumulated Depreciation	(3,126,121)	(8,799,129)	(11,925,250)
Net Capital Assets	8,087,529	15,598,978	23,686,507
Total Assets	9,934,278	17,628,417	27,562,695
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Debt Defeasance	83,703	-	83,703
Deferred Pension Outflows	87,384	93,099	180,483
Deferred OPEB Outflows	5,593	5,959	11,552
Total Deferred Outflows of Resources	176,680	99,058	275,738
Total Assets and Deferred Outflows of Resources	\$ 10,110,958	\$ 17,727,475	\$ 27,838,433

See accompanying notes to the basic financial statements.

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

**Statement of Net Position
Proprietary Funds
December 31, 2021**

	Enterprise Funds		
	Water	Sewer	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 6,481	\$ 19,246	\$ 25,727
Accrued Liabilities	3,873	7,100	10,973
Accrued Interest Payable	-	10,848	10,848
Current Portion of Long-Term Liabilities:			
Revenue Bonds Payable	-	94,826	94,826
Total Current Liabilities	10,354	132,020	142,374
Non-Current Liabilities:			
Long-Term Debt			
Notes Payable	-	1,250,000	1,250,000
Revenue Bonds Payable	-	1,782,471	1,782,471
Total Long-Term Debt	-	3,032,471	3,032,471
Total Non-Current Liabilities	-	3,032,471	3,032,471
Other Liabilities:			
Compensated Absences	23,167	23,167	46,334
Deferred Regulatory Credit	2,005	-	2,005
Net OPEB Liability	12,099	12,890	24,989
Total Other Liabilities	37,271	36,057	73,328
Total Liabilities	47,625	3,200,548	3,248,173
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	114,982	122,503	237,485
Deferred OPEB Inflows	3,076	3,277	6,353
Total Deferred Inflows of Resources	118,058	125,780	243,838
NET POSITION			
Net Investment in Capital Assets	8,087,529	12,471,681	20,559,210
Restricted:			
Impact Fees	30,440	5,893	36,333
Debt Service Redemption	-	10,828	10,828
Equipment Replacement	-	463,159	463,159
Net Pension Asset	52,325	55,747	108,072
Unrestricted	1,774,981	1,393,839	3,168,820
Total Net Position	9,945,275	14,401,147	24,346,422
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 10,110,958	\$ 17,727,475	\$ 27,838,433

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, 2021**

	Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 669,022	\$ 813,394	\$ 1,482,416
Other Operating Revenues	8,882	3,184	12,066
Total Operating Revenues	677,904	816,578	1,494,482
OPERATING EXPENSES			
Operation and Maintenance	336,994	605,310	942,304
Depreciation	199,844	609,935	809,779
Total Operating Expenses	536,838	1,215,245	1,752,083
Operating Income (Loss)	141,066	(398,667)	(257,601)
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	5,512	5,991	11,503
Miscellaneous Non-Operating Revenue	14,064	39	14,103
Interest Expense	-	(67,347)	(67,347)
Amortization Expense	(13,950)	-	(13,950)
Total Non-Operating Revenues (Expenses)	5,626	(61,317)	(55,691)
Income (Loss) Before Capital Contributions and Transfers	146,692	(459,984)	(313,292)
Capital Contributions	702,101	466,568	1,168,669
Transfers Out	(177,138)	(3,798)	(180,936)
Change in Net Position	671,655	2,786	674,441
Total Net Position - Beginning	9,273,620	14,398,361	23,671,981
Total Net Position - Ending	\$ 9,945,275	\$ 14,401,147	\$ 24,346,422

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, 2021**

	Enterprise Funds		
	Water	Sewer	Total
<u>Cash Flows from Operating Activities:</u>			
Receipts from customers	\$ 672,901	\$ 821,039	\$ 1,493,940
Payments to suppliers	(126,554)	(358,737)	(485,291)
Payments to employees	(229,180)	(256,049)	(485,229)
Taxes paid	(173,340)	-	(173,340)
Net cash provided (used) by operating activities	<u>143,827</u>	<u>206,253</u>	<u>350,080</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and construction of plant assets	(48,072)	(24,808)	(72,880)
Capital contributions - impact fees	4,896	948	5,844
Principal payments on long-term debt	-	(93,085)	(93,085)
Interest paid	-	(67,347)	(67,347)
Net cash provided (used) by capital and related financing activities	<u>(43,176)</u>	<u>(184,292)</u>	<u>(227,468)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest income	5,512	5,991	11,503
Net cash provided (used) by investing activities	<u>5,512</u>	<u>5,991</u>	<u>11,503</u>
Net increase (decrease) in cash and equivalents	106,163	27,952	134,115
<u>Cash and Equivalents, Beginning of Year</u>	<u>1,595,551</u>	<u>1,841,834</u>	<u>3,437,385</u>
<u>Cash and Equivalents, End of Year</u>	<u>\$ 1,701,714</u>	<u>\$ 1,869,786</u>	<u>\$ 3,571,500</u>
<u>Reconciliation to Statement of Net Position:</u>			
Current cash and cash equivalents	\$ 1,671,274	\$ 1,389,906	\$ 3,061,180
Restricted cash and cash equivalents	<u>30,440</u>	<u>479,880</u>	<u>510,320</u>
Cash and Equivalents, End of Year	<u>\$ 1,701,714</u>	<u>\$ 1,869,786</u>	<u>\$ 3,571,500</u>

See accompanying notes to the basic financial statements.

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

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021**

	Enterprise Funds		
	Water	Sewer	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating Income (Loss)	\$ 141,066	\$ (398,667)	\$ (257,601)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Miscellaneous	10,266	(3,759)	6,507
Tax equivalent transfer	(173,340)	-	(173,340)
Joint meter allocation	7,228	(7,228)	-
Depreciation	199,844	609,935	809,779
Pension revenue	(15,323)	(16,938)	(32,261)
OPEB expense	1,620	2,246	3,866
Changes in Assets and Liabilities:			
Customer accounts receivable	(6,082)	3,468	(2,614)
Taxes receivable	1,079	993	2,072
Accounts payable	(24,163)	10,343	(13,820)
Accrued liabilities	1,632	5,860	7,492
Net cash provided (used) by operating activities	\$ 143,827	\$ 206,253	\$ 350,080
 Noncash Capital and Related Financing			
Plant financed by General Fund	\$ 697,205	\$ 465,620	\$ 1,162,825

See accompanying notes to the basic financial statements.

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

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021**

	Tax Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 1,564,509
Receivables:	
Taxes Receivable	3,216,960
Total Assets	<u>\$ 4,781,469</u>
LIABILITIES	
Due to Other Governments	\$ 4,781,469
Total Liabilities	<u>\$ 4,781,469</u>

See accompanying notes to the basic financial statements.

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

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021**

	<u>Tax Custodial Fund</u>
ADDITIONS	
Property tax collections for other governments	\$ 2,845,272
Total additions	<u>2,845,272</u>
DEDUCTIONS	
Payments of taxes to other governments	<u>2,845,272</u>
Total deductions	<u>2,845,272</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, 2021

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, 2021

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, 2021

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 seven such funds:

- TIF Funds – These funds are specifically funded for community improvements within a specific Tax Incremental Financing District. The Village maintains three Tax Incremental Financing (TIF) Districts and each District is accounted for as a separate TIF Fund. These are reported as TIF #2, TIF #3, and TIF #4 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.
- APRA Fund – This fund is specifically funded for tracking the American Rescue Plan Act (ARPA) funding received 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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

2. Summary of Significant Accounting Policies (Continued)

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

Property Taxes (Continued)

Property tax calendar – 2021 tax roll:

Lien date and levy date	January 1, 2022
Tax bills mailed	December, 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes due in full	January 31, 2022

Accounts Receivable

The Village’s management charges off all general accounts considered to be uncollectable prior to year end. The Village, in 2021, established an allowance for uncollectible accounts as follows:

Fire/EMS Fund	\$27,656
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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, 2021

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, 2021, 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, 2021

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, 2021

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, 2021

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

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

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 2020-2021 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, 2021, the cash and investments consist of the following:

Petty Cash	\$ 400
Deposits with Financial Institutions	11,554,506
Local Government Investment Pool	29,802
U.S. Government Securities Fund	1,383,075
Investment Fund Held at South Central Library System Foundation	174,809
Total Cash and Investments	\$ 13,142,592

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Cash Equivalents	\$ 9,272,280
Investments	174,809
Restricted Cash	2,130,994
Statement of Fiduciary Net Position	
Tax Collections Cash	1,564,509
Total Cash and Investments	\$ 13,142,592

A. Credit Risk

Generally, credit JC 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.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses.

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

3. Cash and Temporary Cash Investments (Continued)

A. Credit Risk (Continued)

This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>.

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021 and 2020, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount reported in these statements. Information on derivatives was not available to the District.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund investment guidelines.

Investment allocation in the LGIP as of December 31, 2021 was: 81% in U.S. Government Securities, 3% in Certificates of Deposit and Bankers' Acceptances and 16% in Commercial Paper and Corporate Notes. Investment allocation in the LGIP as of December 31, 2020 was: 86.76% in U.S. Government Securities, 2.39% in Certificates of Deposit and Bankers' Acceptances and 10.85% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

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, 2021, the Village had \$11,606,925 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	\$	9,768,133
Uninsured/Uncollateralized		-
Total Deposits with Financial Institutions	\$	9,768,133

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

3. Cash and Temporary Cash Investments (Continued)

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, 2021, the Village has the following investments and maturities:

	Fair Value	Weighted Average Maturity (Days)
US Treasury Investments	\$ 1,383,075	54
Local Government Investment Pool	29,802	61
Investment Fund Held at South Central Library System Foundation	174,809	Not Available
Total	\$ 1,587,686	

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.

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

4. Fair Value Measurement (Continued)

	Assets at Fair Value as of December 31, 2021			
	Fair Value	Level 1	Level 2	Level 3
US Treasury Investments	\$ 1,557,884	\$ 1,557,884	\$ -	\$ -
Investment Fund Held at South Central Library System Foundation	174,809	174,809	-	-
	<u>\$ 1,732,693</u>	<u>\$ 1,732,693</u>	<u>\$ -</u>	<u>\$ -</u>

The Village's investment fund held by the South Central Library System Foundation ("Foundation") represents an agreement between the Village and the Foundation in which the Village transfers assets to the Foundation to be invested in the Foundation's investment portfolio. The investment funds remain the property of the Village and are available for withdrawal to fund the Village library's projects or programs.

5. Receivables and Deferred Inflows of Resources

All of the Village's receivables are expected to be collected within one year except \$142,857 in the General Fund.

As of December 31, 2021, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Property taxes receivable	\$ -	\$ 4,665,808	\$ 4,665,808
Interest on advances	94,805	-	94,805
EMS charges	24,444	-	24,444
Developer loan	178,571	-	178,571
Total Deferred Inflows of Resources for Governmental Funds	<u>\$ 297,820</u>	<u>\$ 4,665,808</u>	<u>\$ 4,963,628</u>

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 #4	\$ 24,076	Cash Deficit
Sub-Total - Fund Financial Statements		24,076	
Less: Fund Eliminations		(24,076)	
Total - Government-Wide Statement of Activities		<u>\$ -</u>	

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

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

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 12/31/21</u>	<u>Amount Due Within One Year</u>
General Fund	TIF #3	3%	\$ 275,152	\$ 95,317	<u>\$ 370,469</u>	<u>\$ 370,469</u>
Total All Funds					<u><u>\$ 370,469</u></u>	<u><u>\$ 370,469</u></u>

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

Repayment Year	
2022	<u>\$ 389,928</u>
Total	<u>389,928</u>
Less: anticipated future interest accrued	<u>(19,459)</u>
Current Advance Payable	<u><u>\$ 370,469</u></u>

C. Transfers

The following is a schedule of interfund transfers:

<u>Transferred To</u>	<u>Transferred From</u>	<u>Per Government-Wide Statements</u>	<u>Per Fund Statements</u>	<u>Purpose</u>
General Fund	Room Tax Fund	Eliminated	\$ 71,139	Operations
General Fund	Fire/EMS Fund	Eliminated	2,318	Operations
General Fund	Library Fund	Eliminated	22,097	Operations
Library Fund	General Fund	Eliminated	168,000	Levy
Fire/EMS Fund	General Fund	Eliminated	324,400	Levy
General Fund	Sewer Fund		3,798	Operations
General Fund	Water Fund		3,798	Operations
General Fund	Water Fund		173,340	Tax Equivalent
Total Transfers - Fund Financials			<u>\$ 768,890</u>	
General Fund	Water Fund	\$ 173,340	\$ -	Tax Equivalent
General Fund	Water Fund	3,798	-	Operations
General Fund	Sewer Fund	3,798	-	Operations
Sewer Fund	Capital Projects Fund	(465,620)	-	Capital Contribution
Water Fund	Capital Projects Fund	(697,205)	-	Capital Contribution
Total Transfers - Government-Wide Statement of Activities		<u>\$ (981,889)</u>	<u>\$ -</u>	

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

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

C. Transfers (Continued)

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, 2021, is as follows:

Fund	Amount	Purpose
General Fund		
Impact Fees	\$ 89,842	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.
Developer Fees	114,438	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	31,880	The Village is also collecting fees to plant trees from homeowners. These fees were set by Village ordinances.
Total General Fund	<u>\$ 236,160</u>	
TIF #2 - Debt Reserves	<u>\$ 693,856</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.

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

7. Restricted Cash (Continued)

Fund	Amount	Purpose
		The Community Development Authority (CDA) bonds require money to be accumulated for the purpose of paying principal and interest payments. These amounts have been restricted for the purpose of making principal and interest payments.
TIF #3 - Debt Reserves	<u>\$ 689,218</u>	
Library Fund		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.
Restricted Contributions	<u>\$ 1,440</u>	
Total Governmental Funds	<u><u>\$ 1,620,674</u></u>	
Water		
Impact Fees	<u>\$ 30,440</u>	Collection of impact fees noted above.
Sewer		
Impact Fees	5,894	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	10,828	
		The 2018 CWFL restricts amounts sufficient to meet equipment replacement.
Equipment Replacement	<u>463,158</u>	
Total Sewer	<u>\$ 479,880</u>	
Total Proprietary Funds	<u><u>\$ 510,320</u></u>	

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

8. Capital Assets

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

	<u>Balance</u> <u>1/1/2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2021</u>
Governmental Activities				
Non-depreciable Capital Assets:				
Land	\$ 1,718,153	\$ -	\$ -	\$ 1,718,153
Construction in Progress	190,781	107,746	190,781	107,746
Total Non-depreciable Capital Assets	<u>1,908,934</u>	<u>107,746</u>	<u>190,781</u>	<u>1,825,899</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	4,299,623	-	-	4,299,623
Equipment	4,757,846	136,117	52,338	4,841,625
Infrastructure	22,165,500	2,213,150	-	24,378,650
Total Capital Assets Being Depreciated	<u>31,222,969</u>	<u>2,349,267</u>	<u>52,338</u>	<u>33,519,898</u>
Total Capital Assets	<u>33,131,903</u>	<u>2,457,013</u>	<u>243,119</u>	<u>35,345,797</u>
Less: Accumulated Depreciation	<u>21,698,722</u>	<u>1,117,237</u>	<u>19,627</u>	<u>22,796,332</u>
Capital Assets Net of Depreciation	<u>\$ 11,433,181</u>	<u>\$ 1,339,776</u>	<u>\$ 223,492</u>	<u>\$ 12,549,465</u>

Depreciation expense was charged to governmental activities as follows:

Governmental Activities	
General Government	\$ 13,517
Public Safety	216,328
Public Works	795,849
Culture, Recreation, and Education	<u>91,543</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,117,237</u>

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

8. Capital Assets (Continued)

Capital asset activity in the business-type activities for the year ended December 31, 2021, was as follows:

<u>Water</u>	<u>Balance</u> <u>1/1/2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2021</u>
Non-Depreciable Capital Assets:				
Land	\$ 21,004	\$ -	\$ -	\$ 21,004
Construction in Process	937,229	-	76,799	860,430
Total Non-Depreciable Capital Assets	<u>958,233</u>	<u>-</u>	<u>76,799</u>	<u>881,434</u>
Capital Assets Being Depreciated:				
Buildings	757,987	-	-	757,987
Equipment	1,480,036	35,043	-	1,515,079
Infrastructure	7,327,277	787,033	55,160	8,059,150
Total Capital Assets Being Depreciated	<u>9,565,300</u>	<u>822,076</u>	<u>55,160</u>	<u>10,332,216</u>
Total Capital Assets	<u>10,523,533</u>	<u>822,076</u>	<u>131,959</u>	<u>11,213,650</u>
Less: Accumulated Depreciation	<u>(2,974,209)</u>	<u>(207,072)</u>	<u>(55,160)</u>	<u>(3,126,121)</u>
Capital Assets Net of Depreciation	<u>\$ 7,549,324</u>	<u>\$ 615,004</u>	<u>\$ 76,799</u>	<u>\$ 8,087,529</u>

Construction work in progress for the Water Utility reported above includes \$860,430 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, 2021, no adjustment has been made in the financial statements related to potential impairment.

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

8. Capital Assets (Continued)

<u>Sewer</u>	<u>Balance 1/1/2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2021</u>
Non-Depreciable Capital Assets:				
Land	\$ 17,978	\$ -	\$ -	\$ 17,978
Construction in Process	60,900	-	60,900	-
Total Non-Depreciable Capital Assets	<u>78,878</u>	<u>-</u>	<u>60,900</u>	<u>17,978</u>
Capital Assets Being Depreciated:				
Buildings	794,980	-	-	794,980
Equipment	295,063	6,127	-	301,190
Infrastructure	22,746,358	545,201	7,600	23,283,959
Total Capital Assets Being Depreciated	<u>23,836,401</u>	<u>551,328</u>	<u>7,600</u>	<u>24,380,129</u>
Total Capital Assets	<u>23,915,279</u>	<u>551,328</u>	<u>68,500</u>	<u>24,398,107</u>
Less: Accumulated Depreciation	<u>(8,204,022)</u>	<u>(602,707)</u>	<u>(7,600)</u>	<u>(8,799,129)</u>
Capital Assets Net of Depreciation	<u>\$ 15,711,257</u>	<u>\$ (51,379)</u>	<u>\$ 60,900</u>	<u>\$ 15,598,978</u>
Total Business-Type Capital Assets	<u>\$ 23,260,581</u>	<u>\$ 563,625</u>	<u>\$ 137,699</u>	<u>\$ 23,686,507</u>

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

Business-Type Activities	
Water-Depreciation	\$ 199,844
Sewer-Depreciation	<u>609,935</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 809,779</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, 2021 is \$178,571.

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

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, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General Obligation Notes and Bonds	\$ 2,705,000	\$ 3,835,000	\$ 835,000	\$ 5,705,000	\$ 795,000
Direct Borrowings or Direct Placements	140,896	-	19,859	121,037	20,644
CDA Lease Revenue Bonds	3,670,000	-	560,000	3,110,000	670,000
Plus Unamortized Debt Premium	-	143,165	7,158	136,007	-
Less Unamortized Debt Discount	(14,977)	-	(2,487)	(12,490)	-
Total Bonds and Notes Payable	<u>6,500,919</u>	<u>3,978,165</u>	<u>1,419,530</u>	<u>9,059,554</u>	<u>1,485,644</u>
Other Liabilities					
Termination Benefits	19,822	-	12,793	7,029	7,029
Compensated Absences	160,929	35,864	-	196,793	-
Total Other Liabilities	<u>180,751</u>	<u>35,864</u>	<u>12,793</u>	<u>203,822</u>	<u>7,029</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 6,681,670</u>	<u>\$ 4,014,029</u>	<u>\$ 1,432,323</u>	<u>\$ 9,263,376</u>	<u>\$ 1,492,673</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
Direct Borrowings - Revenue Bonds	\$ 1,970,382	\$ -	\$ 93,085	\$ 1,877,297	\$ 94,826
Note Anticipation Notes	1,250,000	-	-	1,250,000	-
Total Bonds and Notes Payable	<u>3,220,382</u>	<u>-</u>	<u>93,085</u>	<u>3,127,297</u>	<u>94,826</u>
Other Liabilities					
Termination Benefits	534	-	534	-	-
Compensated Absences	37,618	8,716	-	46,334	-
Total Other Liabilities	<u>38,152</u>	<u>8,716</u>	<u>534</u>	<u>46,334</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 3,258,534</u>	<u>\$ 8,716</u>	<u>\$ 93,619</u>	<u>\$ 3,173,631</u>	<u>\$ 94,826</u>

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

10. Long-Term Obligations (Continued)

A. Governmental Debt

Long-term debt issues outstanding at December 31, 2021, 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 12/31/21</u>	<u>Current Portion</u>
Governmental Activities						
<u>General Obligation</u>						
2016 A Fire and Capital GO Notes	8/15/2016	8/1/2026	1.75-2%	\$ 1,300,000	\$ 915,000	\$ 175,000
2016 B General and Fire GO Refunding Notes	12/12/2016	12/1/2024	2.0-2.15%	\$ 1,360,000	515,000	180,000
2017 B TIF 3 GO Refunding Bonds	11/15/2017	12/1/2022	2.0-2.4%	\$ 1,000,000	440,000	440,000
2019 Fire GO Notes	3/29/2019	1/31/2026	2.47%	\$ 170,000	121,037	20,644
2021 General GO Bonds	3/1/2021	3/1/2040	2.00%	\$ 3,835,000	3,835,000	-
Total Governmental Activities -- General Obligation Debt					<u>5,826,037</u>	<u>815,644</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	690,000	190,000
2017 TIF 3 CDA Refunding Lease Revenue Bonds	11/15/2017	12/1/2022	1.3% -2.0%	\$ 2,235,000	480,000	480,000
Total Governmental Activities -- CDA Lease Revenue Bonds					<u>3,110,000</u>	<u>670,000</u>
Total Governmental Activities					<u>\$ 8,936,037</u>	<u>\$ 1,485,644</u>

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

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 CDA Lease Revenue Bonds Principal	Total CDA Lease Revenue Bonds Interest	Total Governmental Activities Debt Service
2022	\$ 795,000	\$ 116,192	\$ 20,644	\$ 2,982	\$ 670,000	\$ 81,690	\$ 1,686,508
2023	470,000	97,333	21,154	2,472	965,000	66,960	1,622,919
2024	470,000	87,847	21,676	1,949	480,000	41,085	1,102,557
2025	390,000	77,450	22,207	1,418	490,000	28,365	1,009,440
2026	375,000	69,650	35,356	865	505,000	14,645	1,000,516
2027-2031	1,045,000	269,050	-	-	-	-	1,314,050
2032-2036	1,150,000	159,500	-	-	-	-	1,309,500
2037-2040	1,010,000	40,900	-	-	-	-	1,050,900
	<u>\$ 5,705,000</u>	<u>\$ 917,922</u>	<u>\$ 121,037</u>	<u>\$ 9,686</u>	<u>\$ 3,110,000</u>	<u>\$ 232,745</u>	<u>\$ 10,096,390</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, 2021 is \$22,060,055. Debt subject to the limit is \$5,826,037.

B. Business-Type Debt

Long-term debt issues outstanding at December 31, 2021, and total debt outstanding were as follows:

	Date Of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21	Current Portion
Business-Type Activities						
<u>Sewer Utility</u>						
2018 Note Anticipation Notes	8/20/2018	5/1/2023	2.50%	\$ 1,250,000	\$ 1,250,000	\$ -
2018 Clean Water Fund Loan	5/9/2018	5/1/2038	1.87%	\$ 2,156,245	<u>1,877,297</u>	<u>94,826</u>
Total Business-Type Activities					<u>\$ 3,127,297</u>	<u>\$ 94,826</u>

Current Refunding

In August 2022, the Village issued \$1,290,000 of general obligation refunding bonds with interest rates of 2.90% to 3.85% to currently refund \$1,250,000 of note anticipation notes issued in 2018 with interest rates of 2.50%. Cash flow requirements of the old debt totaled \$1,296,875 and cash flow requirements of the new debt totals \$1,682,415. The refunding resulted in an increase in future cash flow requirements of \$385,630 and an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$56,787.

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

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
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	102,120	26,856	128,976	-	-	-
2027-2031	539,970	104,637	644,607	-	-	-
2032-2036	592,381	51,736	644,117	-	-	-
2037-2038	252,751	4,748	257,499	-	-	-
	<u>\$ 1,877,298</u>	<u>\$ 313,979</u>	<u>\$ 2,191,277</u>	<u>\$ 1,250,000</u>	<u>\$ 46,875</u>	<u>\$ 1,296,875</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 2021 as follows:

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

10. Long-Term Obligations (Continued)

C. Bond Covenant Disclosures (Continued)

Debt Coverage (Continued)

	Sewer Utility
<u>Bond Reserves</u>	
Replacement Account	\$ 463,158
Debt Service Redemption Account	10,828
Total	\$ 473,986
<u>Coverage Covenant Calculation</u>	
Gross Revenue	\$ 816,578
Other Revenues	6,030
Operation and Maintenance Expenses - (Excluding Depreciation)	(605,310)
Net Revenues	\$ 217,298
Maximum annual debt service	\$ 129,045
Percent Coverage	168%
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 Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

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>
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

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 \$67,915 in contributions from the municipality.

Contribution rates as of December 31, 2021 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At December 31, 2021, the Village reported a liability (asset) of (\$380,268) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension 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, 2020, the Village's proportion was 0.00609099%, which was a decrease of 0.00017823% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized pension expense (revenue) of (\$41,335).

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

11. Defined Benefit Pension Plan (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 550,365	\$ (118,547)
Net differences between projected and actual earnings on pension plan investments	-	(713,924)
Changes in assumptions	8,625	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	59	(3,154)
Employer contributions subsequent to the measurement date	76,005	-
Total	\$ 635,054	\$ (835,625)

\$76,005 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (71,606)
2023	(20,074)
2024	(129,990)
2025	(54,906)
2026	-
Total	\$ (276,576)

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

11. Defined Benefit Pension Plan (Continued)

G. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
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, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 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.

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

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

11. Defined Benefit Pension Plan (Continued)

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

Asset Allocation Targets and Expected Returns
As of December 31, 2020

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	<u>115</u>	6.6	4.1
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	<u>100</u>	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

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 2.00% (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, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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, 2021

11. Defined Benefit Pension Plan (Continued)

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

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	\$ 361,963	\$ (380,268)	\$ (925,433)

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

C. Benefits Provided

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

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

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, 2021 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating 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, 2020 are as listed below:

Life Insurance		
Employee Contribution Rates*		
For the year ended December 31, 2020		
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 \$318 in contributions from the employer.

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

12. Other Postemployment Benefits (Continued)

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

At December 31, 2021, the Village reported a liability (asset) of \$87,925 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2020, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net 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, 2020, the Village's proportion was 0.01598400%, which was an increase of 0.001844% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized OPEB expense (revenue) of \$8,797.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (4,196)
Net differences between projected and actual earnings on plan investments	1,279	-
Changes in actuarial assumptions	34,203	(6,033)
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,166	(12,123)
Totals	\$ 40,648	\$ (22,352)

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

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2022	\$ 2,765
2023	2,627
2024	2,484
2025	2,211
2026	5,033
Thereafter	3,176
Total	\$ 18,296

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

12. Other Postemployment Benefits (Continued)

F. Actuarial Assumptions

The total OPEB liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.25%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

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
December 31, 2021

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, 2020

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Credit Bonds	Barclays Credit	50%	1.47%
US Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20%, respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

H. Single Discount Rate

A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive 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 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

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)

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Village's proportionate share of the net OPEB liability (asset)	\$ 119,601	\$ 87,925	\$ 63,967

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. Fund Balances

Fund balances on the fund financial statements as of December 31, 2021 include the following:

Nonspendable Fund Balance

General Fund

Delinquent Personal Property Taxes	\$ 17,360
Advances to Other Funds (net of unavaiable interest)	275,152
Highway Prepaid to Jefferson County	4,244
Prepaid Expenses	10,744
Total General Fund	307,500
Total Nonspendable Fund Balance	\$ 307,500

Restricted Fund Balance

General Fund

Unspent Bond Proceeds	\$ 186,529
Impact / Developer Fees	204,280
Other	31,880
Total General Fund	422,689

TIF District #2

TIF Expenditures	1,904,218
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TIF District #3

TIF Expenditures	986,476
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Library Fund

Library Expenditures	224,308
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Room Tax Fund

Operations	263,348
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Total Restricted Fund Balance	\$ 3,801,039
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VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

13. Fund Balances (Continued)

Assigned Fund Balance	
<u>General Fund</u>	
Capital Purchases	\$ 296,326
2022 Budgeted Applied Surplus	36,211
Fund Balance Policy Unassigned Excess	531,247
Total General Fund	863,784
 <u>Fire/EMS Fund</u>	
Capital Purchases	339,438
 <u>ARPA Fund</u>	
Eligible Expenditures	52
Total Assigned Fund Balance	\$ 1,203,274
 Unassigned Fund Balance (Deficit)	
<u>General Fund</u>	
	\$ 698,794
<u>TIF District #4</u>	
	(24,076)
Total Unassigned Fund Balance (Deficit)	\$ 674,718

14. Commitments and Contingencies

Historically, the Village has had a number of agreements in which the tax increment on developments will be used to reduce special assessments. In 2021, the Village had \$30,899 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 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.

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.

Additionally, in 2021, the Village entered into a developer incentive obligation that is a pay-as-you-go agreement where the Village has agreed to pay a developer up to \$561,000 contingent upon the developer meeting several conditions. Once these conditions are met, the Village will make annual payments equal to 70% of the project increment revenue generated in the TIF district. No liability has been accrued in the financial statements as there are various conditions that need to be met annually. The Village has made no payments to the developer through 2021.

VILLAGE OF JOHNSON CREEK
Notes to the Financial Statements
December 31, 2021

14. Commitments and Contingencies (Continued)

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, 2021, total contract costs incurred were \$3,436,875, which are included in depreciable capital assets on the financial statements. Final pay requests on this project were paid in 2022.

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.

15. American Rescue Plan Act (ARPA)

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. Municipalities can spend the fund into the following four eligible use categories: replace lost public-sector revenue; support the COVID-19 public health and economic response; provide premium pay for eligible workers performing essential work; and invest in water, sewer, and broadband infrastructure.

In June 2021, the Village received \$159,410 in Local Fiscal Recovery Funds from the American Rescue Plan Act (ARPA). As of December 31, 2021, the Village had spent \$26,167 of the ARPA funds. The remaining funds received and unspent (\$133,243) are being shown as a refundable advance in these financial statements.

16. Status of Tax Incremental Financing Districts

The Village approved the termination of TIF #2 and TIF #3 effective June 28, 2021. Subsequently, the Village approved the creation of TIF #4 effective July 12, 2021, with a termination date of July 12, 2041.

17. Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 87, *Leases*, effective for periods beginning after June 15, 2021, GASB Statement No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021, and GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. When these become effective, application of these standards may restate portions of these financial statements.

18. Subsequent Events

In March 2022, the Village approved a construction contract in the amount of \$413,516 for a water and sewer extension project. Additionally, in 2022, the Village approved vehicle purchases totaling \$393,298. Lastly, in August 2022, the Village issued \$1,290,000 in general obligation refunding bonds. See Note 10B for additional information on these bonds.

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, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,514,000	\$ 1,514,000	\$ 1,514,000	\$ -
Other Taxes	45,600	45,600	39,669	(5,931)
Special Assessment Revenue	-	-	11,840	11,840
Intergovernmental	459,996	459,996	449,156	(10,840)
License and Permits	100,000	100,000	99,604	(396)
Fines, Forfeits and Penalties	27,000	27,000	46,439	19,439
Public Charges for Services	36,300	36,300	51,465	15,165
Interest Income	10,104	10,104	76,770	66,666
Miscellaneous Income	33,825	33,825	170,981	137,156
Total Revenues	<u>2,226,825</u>	<u>2,226,825</u>	<u>2,459,924</u>	<u>233,099</u>
EXPENDITURES				
Current:				
General Government	425,136	425,136	402,332	22,804
Public Safety	745,350	745,350	697,939	47,411
Public Works	521,120	521,120	523,606	(2,486)
Health and Human Services	8,400	8,400	8,034	366
Culture, Recreation and Education	147,521	147,521	132,314	15,207
Conservation and Development	79,576	79,576	63,377	16,199
Capital Outlay	93,895	93,895	3,386,656	(3,292,761)
Debt Service:				
Principal Repayment	231,947	231,947	231,947	-
Interest Expense	21,017	21,017	187,274	(166,257)
Total Expenditures	<u>2,273,962</u>	<u>2,273,962</u>	<u>5,633,479</u>	<u>(3,359,517)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(47,137)</u>	<u>(47,137)</u>	<u>(3,173,555)</u>	<u>(3,126,418)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-Term Debt	-	-	3,835,000	3,835,000
Proceeds from Bond Premium	-	-	143,165	143,165
Transfers In	496,674	496,674	276,490	(220,184)
Transfers Out	(492,400)	(492,400)	(492,400)	-
Total Other Financing Sources and Uses	<u>4,274</u>	<u>4,274</u>	<u>3,762,255</u>	<u>3,757,981</u>
Net Change in Fund Balance	(42,863)	(42,863)	588,700	631,563
Fund Balance - Beginning	1,704,067	1,704,067	1,704,067	-
Fund Balance - Ending	<u>\$ 1,661,204</u>	<u>\$ 1,661,204</u>	<u>\$ 2,292,767</u>	<u>\$ 631,563</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, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,475,000	\$ 1,475,000	\$ 1,592,874	\$ 117,874
Other Taxes	-	-	16,744	16,744
Special Assessment Revenue	-	-	15,717	15,717
Intergovernmental	54,384	54,384	58,260	3,876
Interest Income	-	-	5,753	5,753
Total Revenues	<u>1,529,384</u>	<u>1,529,384</u>	<u>1,689,348</u>	<u>159,964</u>
EXPENDITURES				
Current:				
General Government	950	950	3,945	(2,995)
Debt Service:				
Principal Repayment	385,000	385,000	385,000	-
Interest Expense	<u>27,105</u>	<u>27,105</u>	<u>27,821</u>	<u>(716)</u>
Total Expenditures	<u>413,055</u>	<u>413,055</u>	<u>416,766</u>	<u>(3,711)</u>
Net Change in Fund Balance	1,116,329	1,116,329	1,272,582	156,253
Fund Balance - Beginning	<u>631,636</u>	<u>631,636</u>	<u>631,636</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,747,965</u>	<u>\$ 1,747,965</u>	<u>\$ 1,904,218</u>	<u>\$ 156,253</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, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,395,000	\$ 1,395,000	\$ 1,245,423	\$ (149,577)
Intergovernmental	20,027	20,027	20,538	511
Interest Income	2,000	2,000	3,399	1,399
Total Revenues	<u>1,417,027</u>	<u>1,417,027</u>	<u>1,269,360</u>	<u>(147,667)</u>
EXPENDITURES				
Current:				
General Government	775	775	927	(152)
Debt Service:				
Principal Repayment	655,000	655,000	655,000	-
Interest Expense	85,968	85,968	103,634	(17,666)
Total Expenditures	<u>741,743</u>	<u>741,743</u>	<u>759,561</u>	<u>(17,818)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>675,284</u>	<u>675,284</u>	<u>509,799</u>	<u>(165,485)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(193,611)	(193,611)	-	193,611
Total Other Financing Sources and Uses	<u>(193,611)</u>	<u>(193,611)</u>	<u>-</u>	<u>193,611</u>
Net Change in Fund Balance	481,673	481,673	509,799	28,126
Fund Balance - Beginning	476,677	476,677	476,677	-
Fund Balance - Ending	<u>\$ 958,350</u>	<u>\$ 958,350</u>	<u>\$ 986,476</u>	<u>\$ 28,126</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, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 249,936	\$ 249,936	\$ 256,567	\$ 6,631
Public Charges for Services	225,112	225,112	247,906	22,794
Interest Income	1,600	1,600	408	(1,192)
Miscellaneous Income	19,800	19,800	46,551	26,751
Total Revenues	496,448	496,448	551,432	54,984
EXPENDITURES				
Current:				
General Government	72,015	72,015	71,055	960
Public Safety	579,666	579,666	647,768	(68,102)
Capital Outlay	54,920	54,920	78,603	(23,683)
Debt Service:				
Principal Repayment	143,694	143,694	142,912	782
Interest Expense	18,930	18,930	18,781	149
Total Expenditures	869,225	869,225	959,119	(89,894)
Excess (Deficiency) of Revenues Over Expenditures	(372,777)	(372,777)	(407,687)	(34,910)
OTHER FINANCING SOURCES (USES)				
Transfers In	324,440	324,440	324,400	(40)
Transfers Out	(2,318)	(2,318)	(2,318)	-
Total Other Financing Sources and Uses	322,122	322,122	322,082	(40)
Net Change in Fund Balance	(50,655)	(50,655)	(85,605)	(34,950)
Fund Balance - Beginning	425,043	425,043	425,043	-
Fund Balance - Ending	\$ 374,388	\$ 374,388	\$ 339,438	\$ (34,950)

See accompanying notes to the required supplementary information

**VILLAGE OF JOHNSON CREEK
WISCONSIN RETIREMENT SYSTEM SCHEDULES
December 31, 2021**

**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	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)
2020	-0.00609099%	\$ (380,268)	\$ 879,053	(43.26%)	105.26%
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
2021	\$ 76,003	\$ (76,003)	\$ -	\$ 955,966	7.95%
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, 2021**

**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	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)
2020	0.01598400%	\$ 87,925	\$ 850,000	10.34%	31.36%
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, 2021

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 2020. 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	\$ 521,120	\$ 523,606	\$ (2,486)
General	Capital Outlay	93,895	3,386,656	(3,292,761)
General	Interest Expense	21,017	187,274	(166,257)
TIF #2	General Government	950	3,945	(2,995)
TIF #2	Interest Expense	27,105	27,821	(716)
TIF #3	General Government	775	927	(152)
TIF #3	Interest Expense	85,968	103,634	(17,666)
Fire/EMS	Public Safety	579,666	647,768	(68,102)
Fire/EMS	Capital Outlay	54,920	78,603	(23,683)

VILLAGE OF JOHNSON CREEK
Notes to the Required Supplementary Information
December 31, 2021

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 3 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 Schedule

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 6 preceding years.

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

Changes of assumptions: The Single Discount Rate assumption used to develop Total OPEB Liability changed from the prior year. 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, 2021**

	<u>Special Revenue Funds</u>				Non-Major Governmental Funds
	<u>Library Fund</u>	<u>Room Tax Fund</u>	<u>ARPA Fund</u>	<u>TIF #4</u>	
ASSETS					
Cash and Cash Equivalents	\$ 69,661	\$ 229,913	\$ 148,663	\$ -	\$ 448,237
Investments	174,809	-	-	-	174,809
Receivables:					
Accounts	-	33,435	-	-	33,435
Restricted Cash	1,440	-	-	-	1,440
Total Assets	<u>\$ 245,910</u>	<u>\$ 263,348</u>	<u>\$ 148,663</u>	<u>\$ -</u>	<u>\$ 657,921</u>
LIABILITIES					
Accounts Payable	\$ 16,869	\$ -	\$ 15,368	\$ -	\$ 32,237
Accrued Liabilities	4,733	-	-	-	4,733
Due to Other Funds	-	-	-	24,076	24,076
Refundable Advance - ARPA	-	-	133,243	-	133,243
Total Liabilities	<u>21,602</u>	<u>-</u>	<u>148,611</u>	<u>24,076</u>	<u>194,289</u>
FUND BALANCES (DEFICIT)					
Restricted	224,308	263,348	-	-	487,656
Assigned	-	-	52	-	52
Unassigned (Deficit)	-	-	-	(24,076)	(24,076)
Total Fund Balances (Deficit)	<u>224,308</u>	<u>263,348</u>	<u>52</u>	<u>(24,076)</u>	<u>463,632</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 245,910</u>	<u>\$ 263,348</u>	<u>\$ 148,663</u>	<u>\$ -</u>	<u>\$ 657,921</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, 2021**

	<u>Special Revenue Funds</u>				<u>Non-Major Governmental Funds</u>
	<u>Library Fund</u>	<u>Room Tax Fund</u>	<u>ARPA Fund</u>	<u>TIF #4</u>	
REVENUES					
Other Taxes	\$ -	\$ 143,619	\$ -	\$ -	\$ 143,619
Intergovernmental	40,812	-	26,167	-	66,979
Fines, Forfeits and Penalties	2,313	-	-	-	2,313
Interest Income	3,425	699	52	-	4,176
Miscellaneous Income	183,330	-	-	-	183,330
Total Revenues	<u>229,880</u>	<u>144,318</u>	<u>26,219</u>	<u>-</u>	<u>400,417</u>
EXPENDITURES					
Current:					
Culture, Recreation and Education	184,601	-	-	-	184,601
Conservation and Development	-	2,400	-	24,076	26,476
Capital Outlay	10,547	-	26,167	-	36,714
Total Expenditures	<u>195,148</u>	<u>2,400</u>	<u>26,167</u>	<u>24,076</u>	<u>247,791</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>34,732</u>	<u>141,918</u>	<u>52</u>	<u>(24,076)</u>	<u>152,626</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	168,000	-	-	-	168,000
Transfers Out	(22,097)	(71,139)	-	-	(93,236)
Total Other Financing Sources and Uses	<u>145,903</u>	<u>(71,139)</u>	<u>-</u>	<u>-</u>	<u>74,764</u>
Net Change in Fund Balances	180,635	70,779	52	(24,076)	227,390
Fund Balances - Beginning	43,673	192,569	-	-	236,242
Fund Balances - Ending	<u>\$ 224,308</u>	<u>\$ 263,348</u>	<u>\$ 52</u>	<u>\$ (24,076)</u>	<u>\$ 463,632</u>