

VILLAGE OF CRIVITZ, WISCONSIN

Annual Financial Report

December 31, 2021

VILLAGE OF CRIVITZ, WISCONSIN

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Crivitz
Crivitz, Wisconsin

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Crivitz, Wisconsin (Village), 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 Crivitz, Wisconsin, as of December 31, 2021, and the respective changes in financial position, and, where applicable, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

To the Village Board
Village of Crivitz

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, and the schedule of revenues, expenditures and change in fund balance – budget and actual – general fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

To the Village Board
Village of Crivitz

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of operating revenues and expenses – water and sewer utility, schedule of detailed budgetary revenues and other financing sources comparison – general fund, and schedule of detailed budgetary expenditures and other financing use comparison – general fund but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

KerberRose SC

KerberRose SC
Certified Public Accountants
Shawano, Wisconsin
September 28, 2022

FINANCIAL STATEMENTS

TECHNICAL STATEMENTS

VILLAGE OF CRIVITZ
Statement of Net Position
As of December 31, 2021

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash	\$ 390,766	\$ 210,116	\$ 600,882
Investments	217,592	-	217,592
Receivables:			
Taxes	690,297	-	690,297
Customer Accounts Receivable	-	154,435	154,435
Delinquent Personal Property Taxes	2,715	-	2,715
Special Assessments	29,338	-	29,338
Other Accounts Receivable	-	29,241	29,241
Due from Other Funds	136,993	(136,993)	-
Inventories	-	8,812	8,812
Total Current Assets	<u>1,467,701</u>	<u>265,611</u>	<u>1,733,312</u>
Noncurrent Assets			
Capital Assets:			
Capital Assets Not Being Depreciated	280,381	98,169	378,550
Other Capital Assets, Net of Depreciation	2,913,905	4,552,010	7,465,915
Restricted Cash	242,666	742,848	985,514
Net Pension Asset	75,203	55,210	130,413
Total Noncurrent Assets	<u>3,512,155</u>	<u>5,448,237</u>	<u>8,960,392</u>
TOTAL ASSETS	<u>4,979,856</u>	<u>5,713,848</u>	<u>10,693,704</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows of Resources Related to Pension	119,027	87,385	206,412
LIABILITIES			
Current Liabilities			
Accounts Payable	30,349	163,767	194,116
Due to Other Governments	1,667	-	1,667
Accrued Liabilities	5,592	-	5,592
Accrued Interest	7,477	21,674	29,151
Current Portion of Compensated Absences	5,749	-	5,749
Current Portion of Long-Term Obligations	338,700	42,770	381,470
Deferred Revenues	42,739	-	42,739
Total Current Liabilities	<u>432,273</u>	<u>228,211</u>	<u>660,484</u>
Noncurrent Liabilities			
Noncurrent Portion of Compensated Absences	22,994	-	22,994
Noncurrent Portion of Long-Term Obligations	706,620	1,088,509	1,795,129
TOTAL LIABILITIES	<u>1,161,887</u>	<u>1,316,720</u>	<u>2,478,607</u>
DEFERRED INFLOW OF RESOURCES			
Taxes Levied for Subsequent Year	924,006	-	924,006
Deferred Inflows of Resources Related to Pension	166,826	122,475	289,301
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,090,832</u>	<u>122,475</u>	<u>1,213,307</u>
NET POSITION			
Net Investment in Capital Assets	2,148,966	3,518,900	5,667,866
Restricted for:			
Debt Service	-	102,957	102,957
Equipment Replacement	-	639,891	639,891
Pension Benefits	27,404	20,120	47,524
Unrestricted	600,457	80,170	680,627
TOTAL NET POSITION	<u>\$ 2,776,827</u>	<u>\$ 4,362,038</u>	<u>\$ 7,138,865</u>

See Accompanying Notes

VILLAGE OF CRIVITZ
Statement of Activities
For the Year Ended December 31, 2021

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
Governmental Activities:						
General Government	\$ 299,742	\$ 13,330	\$ -	\$ (286,412)	\$ -	\$ (286,412)
Public Safety	283,395	19,182	3,525	(260,688)	-	(260,688)
Public Works	238,292	6,697	50,768	(180,827)	-	(180,827)
Culture and Recreation	47,241	6,940	-	(40,301)	-	(40,301)
Health and Human Services	11,507	2,195	-	(9,312)	-	(9,312)
Interest and Fiscal Charges	124,384	-	-	(124,384)	-	(124,384)
Total Governmental Activities	1,004,561	48,344	54,293	(901,924)	-	(901,924)
BUSINESS-TYPE ACTIVITIES						
Water	361,000	360,821	-	-	(179)	(179)
Sewer	432,636	411,069	-	-	(21,567)	(21,567)
Total Business-Type Activities	793,636	771,890	-	-	(21,746)	(21,746)
TOTAL	\$ 1,798,197	\$ 820,234	\$ 54,293	(901,924)	(21,746)	(923,670)

GENERAL REVENUES

Taxes:			
Property Taxes, Levied for General Purposes	879,604	-	879,604
Intergovernmental Revenues not Restricted to Specific Programs	215,580	-	215,580
American Rescue Plan Act Revenues	6,612	-	6,612
Investment Income	2,093	1,730	3,823
Rental Income	-	1,448	1,448
Miscellaneous	80,501	-	80,501
Total General Revenues	1,184,390	3,178	1,187,568
TRANSFERS	65,070	(65,070)	-
CHANGE IN NET POSITION	347,536	(83,638)	263,898
NET POSITION - BEGINNING OF YEAR	2,429,291	4,445,676	6,874,967
NET POSITION - END OF YEAR	\$ 2,776,827	\$ 4,362,038	\$ 7,138,865

VILLAGE OF CRIVITZ

Balance Sheet

Governmental Funds

As of December 31, 2021

	General	Tax Incremental District	ARPA Special Revenue Fund	Total
ASSETS				
Cash	\$ 199,182	\$ 148,833	\$ 42,751	\$ 390,766
Investments	179,041	38,551	-	217,592
Receivables:				
Taxes	399,871	290,426	-	690,297
Delinquent Personal Property Taxes	2,715	-	-	2,715
Special Assessments	-	29,338	-	29,338
Due from Other Funds	182,952	-	-	182,952
Restricted Cash	138,814	103,852	-	242,666
TOTAL ASSETS	\$ 1,102,575	\$ 611,000	\$ 42,751	\$ 1,756,326
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 30,349	\$ -	\$ -	\$ 30,349
Accrued Liabilities	5,592	-	-	5,592
Due to Other Fund	89,551	25,745	-	115,296
Due to Other Governments	1,667	-	-	1,667
Deferred Revenues	-	-	42,739	42,739
Total Liabilities	127,159	25,745	42,739	195,643
Deferred Inflows of Resources:				
Taxes Levied for Subsequent Year	529,728	394,278	-	924,006
Unavailable Special Assessments	-	29,338	-	29,338
Total Deferred Inflows of Resources	529,728	423,616	-	953,344
Fund Balances:				
Restricted for Tax Increment District Projects	-	161,639	12	161,651
Restricted for Personal Property Taxes	2,715	-	-	2,715
Assigned	288,685	-	-	288,685
Unassigned	157,003	-	-	157,003
Total Fund Balances	445,688	161,639	12	607,339
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,102,575	\$ 611,000	\$ 42,751	\$ 1,756,326

See Accompanying Notes

VILLAGE OF CRIVITZ

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
As of December 31, 2021

Total Fund Balances - Governmental Funds \$ 607,339

Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:

Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental Capital Assets	6,497,865	
Governmental Accumulated Depreciation	<u>(3,303,579)</u>	3,194,286

Deferred outflows and inflows of resources are a consumption or acquisition of net position that applies to future periods and will not be recognized as an outflow or inflow of resources until then. Deferred outflows and inflows are reported in the statement of net position and are not reported in the fund balance sheet

Deferred Outflows of Resources Related to Pension	119,027	
Deferred Inflows of Resources Related to Pension		(166,826)

Net pension asset is not usable in the current period and therefore not reported in the fund financial statements. 75,203

Certain revenues for developer agreements will be collected in later years and are not available soon enough to pay for current expenditures and, therefore, are not recorded in the funds. 29,338

Noncurrent obligations, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Items reported in the statement of net position that are not reported in the funds balance sheet:

General Debt	(1,069,087)	
Bond Discount	23,767	
Accrued Interest on General Obligation Debt	(7,477)	
Vested Employee Benefits	<u>(28,743)</u>	<u>(1,081,540)</u>

Total Net Position - Governmental Activities \$ 2,776,827

VILLAGE OF CRIVITZ
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General	Tax Incremental District	ARPA Special Revenue Fund	Debt Service Fund	Total
REVENUES					
Taxes	\$ 527,577	\$ 352,027	\$ -	\$ -	\$ 879,604
Intergovernmental	252,544	17,329	6,612	-	276,485
Licenses and Permits	17,896	-	-	-	17,896
Fines and Forfeits	19,177	-	-	-	19,177
Public Charges for Services	11,271	-	-	-	11,271
Miscellaneous	82,216	365	13	-	82,594
Total Revenues	910,681	369,721	6,625	-	1,287,027
EXPENDITURES					
Current:					
General Government	191,907	68,278	-	-	260,185
Public Safety	243,030	-	-	-	243,030
Public Works	305,193	-	6,613	-	311,806
Culture and Recreation	40,628	-	-	-	40,628
Health and Human Services	11,507	-	-	-	11,507
Capital Outlay	6,484	8,262	-	-	14,746
Debt Service:					
Principal Retirement	-	-	-	333,311	333,311
Interest and Fiscal Charges	4,925	720	-	43,805	49,450
Total Expenditures	803,674	77,260	6,613	377,116	1,264,663
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	107,007	292,461	12	(377,116)	22,364
OTHER FINANCING SOURCES (USE)					
Issuance of Long-Term Debt	-	-	-	69,337	69,337
Transfers In	65,070	-	-	307,779	372,849
Transfers Out	(139,876)	(237,240)	-	-	(377,116)
Total Other Financing Source (Use)	(74,806)	(237,240)	-	377,116	65,070
NET CHANGE IN FUND BALANCES	32,201	55,221	12	-	87,434
FUND BALANCES - BEGINNING	413,487	106,418	-	-	519,905
FUND BALANCES - ENDING	\$ 445,688	\$ 161,639	\$ 12	\$ -	\$ 607,339

VILLAGE OF CRIVITZ

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	\$	87,434
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense.		
Capital outlay reported in governmental fund statements	118,115	
Depreciation expense reported in the statement of activities	<u>(137,427)</u>	
Amount by which depreciation is more than capital outlay in the current period.		(19,312)
Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.		14,706
Vested employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
Compensated absences paid in current year	10,723	
Compensated absences benefits earned in current year	<u>(4,392)</u>	
Amounts paid are more than amounts earned by		6,331
Debt incurred in the governmental funds is reported as an other financing source in the fund financial statements, but is reported as an increase in outstanding long-term debt in the statement of net position, and does not affect the statement of activities.		
		(69,337)
Discounts on debt issued are recorded as other financing use in the governmental funds but are amortized over the life of the related debt issue in the government activities financial statements.		
		(4,876)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year.		
		333,311
In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.		
The amount of interest paid during the current period	49,450	
The amount of interest accrued during the current period	<u>(48,729)</u>	
Interest paid is more than interest accrued by		<u>(721)</u>
Change in Net Position - Governmental Activities	\$	<u><u>347,536</u></u>

VILLAGE OF CRIVITZ
Statement of Net Position
Proprietary Funds
As of December 31, 2021

	Water Utility	Sewer Utility	Total
CURRENT ASSETS			
Cash	\$ 45,688	\$ 164,428	\$ 210,116
Receivables:			
Customer Accounts Receivable	70,432	84,003	154,435
Other Accounts Receivable	-	29,241	29,241
Due from Other Funds	-	69,147	69,147
Inventories	4,824	3,988	8,812
Total Current Assets	120,944	350,807	471,751
NON-CURRENT ASSETS			
Capital Assets			
Capital Assets Not Being Depreciated	95,650	2,519	98,169
Other Capital Assets, Net of Depreciation	2,320,271	2,231,739	4,552,010
Restricted Cash - Bond Redemption	102,957	-	102,957
Restricted Cash - Equipment Replacement	232,287	407,604	639,891
Net Pension Asset	25,186	30,024	55,210
Total Non-Current Assets	2,776,351	2,671,886	5,448,237
TOTAL ASSETS	2,897,295	3,022,693	5,919,988
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	39,864	47,521	87,385
CURRENT LIABILITIES			
Accounts Payable	64,283	99,484	163,767
Due to Other Funds	159,055	47,085	206,140
Accrued Interest	20,339	1,335	21,674
Current Portion of Long-Term Obligations	20,020	22,750	42,770
Total Current Liabilities	263,697	170,654	434,351
NON-CURRENT LIABILITIES			
Noncurrent Portion of Long-Term Obligations	1,036,009	52,500	1,088,509
TOTAL LIABILITIES	1,299,706	223,154	1,522,860
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pension	55,872	66,603	122,475
NET POSITION			
Net Investment in Capital Assets	1,359,892	2,159,008	3,518,900
Restricted for:			
Debt Service	102,957	-	102,957
Equipment Replacement	232,287	407,604	639,891
Pension Benefits	9,178	10,942	20,120
Unrestricted (Deficit)	(122,733)	202,903	80,170
TOTAL NET POSITION	\$ 1,581,581	\$ 2,780,457	\$ 4,362,038

See Accompanying Notes

VILLAGE OF CRIVITZ
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
OPERATING REVENUES	\$ 360,821	\$ 411,069	\$ 771,890
OPERATING EXPENSES			
Operation and Maintenance	118,801	131,398	250,199
Administration and General	81,476	117,211	198,687
Depreciation	111,911	180,829	292,740
Total Operating Expenses	<u>312,188</u>	<u>429,438</u>	<u>741,626</u>
OPERATING INCOME (LOSS)	<u>48,633</u>	<u>(18,369)</u>	<u>30,264</u>
NON-OPERATING REVENUES (EXPENSE)			
Interest Income	641	1,089	1,730
Other Income	1,398	50	1,448
Interest Expense	(48,812)	(3,198)	(52,010)
Total Non-Operating Revenues (Expense)	<u>(46,773)</u>	<u>(2,059)</u>	<u>(48,832)</u>
INCOME (LOSS) BEFORE TRANSFER	1,860	(20,428)	(18,568)
TRANSFER OUT	<u>(63,886)</u>	<u>(1,184)</u>	<u>(65,070)</u>
CHANGE IN NET POSITION	(62,026)	(21,612)	(83,638)
NET POSITION - BEGINNING	<u>1,643,607</u>	<u>2,802,069</u>	<u>4,445,676</u>
NET POSITION - ENDING	<u>\$ 1,581,581</u>	<u>\$ 2,780,457</u>	<u>\$ 4,362,038</u>

See Accompanying Notes

VILLAGE OF CRIVITZ
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 330,073	\$ 418,057	\$ 748,130
Cash Paid to Suppliers for Goods and Services	(33,629)	(68,476)	(102,105)
Cash Paid to Employees for Services	(117,872)	(120,713)	(238,585)
Cash Received from Other Funds	12,772	-	12,772
Net Cash Flows From Operating Activities	191,344	228,868	420,212
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Non-Operating Income	1,398	50	1,448
Tax Equivalent Paid to Municipality	(63,886)	(1,184)	(65,070)
Net Cash Flows From Noncapital Financing Activities	(62,488)	(1,134)	(63,622)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income Received	641	1,089	1,730
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(7,792)	(64,396)	(72,188)
Principal Payments on Long-Term Debt	(19,126)	(22,750)	(41,876)
Interest Paid	(49,530)	(3,198)	(52,728)
Net Cash Flows From Capital and Related Financing Activities	(76,448)	(90,344)	(166,792)
NET INCREASE IN CASH	53,049	138,479	191,528
CASH - BEGINNING	327,883	433,553	761,436
CASH - ENDING	\$ 380,932	\$ 572,032	\$ 952,964
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 48,633	\$ (18,369)	\$ 30,264
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Non-Cash Items:			
Depreciation	111,911	180,829	292,740
Changes in Operating Assets and Liabilities:			
Accounts Receivable	(30,748)	6,988	(23,760)
Due From Other Funds	-	(15,741)	(15,741)
Pension Asset	(14,268)	(16,809)	(31,077)
Deferred Outflows Related to Pension	(15,120)	(17,571)	(32,691)
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	55,186	35,667	90,853
Due to Other Fund	12,772	47,085	59,857
Deferred Inflows Related to Pension	22,978	26,789	49,767
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 191,344	\$ 228,868	\$ 420,212
RECONCILIATION OF CASH PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS			
Statement of Net Position Proprietary Fund:			
Cash	\$ 45,688	\$ 164,428	\$ 210,116
Restricted Cash - Bond Redemption	102,957	-	102,957
Restricted Cash - Equipment Replacement	232,287	407,604	639,891
CASH PER STATEMENT OF CASH FLOWS	\$ 380,932	\$ 572,032	\$ 952,964

See Accompanying Notes

VILLAGE OF CRIVITZ
Statement of Net Position
Fiduciary Fund
As of December 31, 2021

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
ASSETS	
Restricted Cash	\$ 211,494
Taxes Receivable	591,449
Total Assets	<u>802,943</u>
 LIABILITIES	
Due to Other Taxing Units	<u>802,943</u>
 NET POSITION	<u>\$ -</u>

See Accompanying Notes

VILLAGE OF CRIVITZ
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2021

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
ADDITIONS	
Taxes Collected on Behalf of Other Taxing Entities	\$ 1,057,503
DEDUCTIONS	
Taxes Remitted to Other Taxing Entities	<u>1,057,503</u>
NET CHANGE IN NET POSITION	-
NET POSITION - BEGINNING	<u>-</u>
NET POSITION - ENDING	<u><u>\$ -</u></u>

See Accompanying Notes

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of the Village of Crivitz (Village) is presented to assist in understanding the Village's financial statements. The financial statements and notes are representations of the Village's management who is responsible for the integrity and objectivity of the financial statements.

The accompanying basic financial statements of the Village have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The significant accounting and reporting policies used by the Village are described below.

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 (1) it is able to impose its will on that organization or (2) 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. The Village has not identified any component units that are required to be included in the financial statements.

Government-Wide Financial Statements

The statement of net position and statement of activities presents financial information about the Village as a whole. All funds of the Village are included except for fiduciary funds. The statements report governmental-type and business-type activities. Eliminations have been made to minimize the double counting of internal transactions. Governmental-type activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions and are reported separately from business-type activities which rely to a significant extent on fees and charges for services. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental-type and business-type 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 goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Village's water and sewer utility 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.

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

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements

Fund financial statements of the Village are organized into individual funds each of which are considered to be separate accounting entities. 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, fund equity, revenues, and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized 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 Village or meets the following criteria:

- a. 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 the same element that met the 10 percent criterion is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined.
- b. 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.

Under the terms of grant agreements, the Village may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. When program expenditures are incurred, both restricted and unrestricted resources may be available to finance the program. It is the Village's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Governmental Funds

The Village reports the following major governmental funds:

General Fund

The general fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Tax Incremental Village Fund

This fund accounts for the expenditures outlined in the TID project plan and related revenues and proceeds from long-term borrowing.

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

ARPA Special Revenue Fund

This fund is used to account for expenditures for the revenue from the American Rescue Plan Act that are restricted for purposes outlined in the grant compliance.

Debt Service Fund

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

Proprietary Funds

The Village reports the following major proprietary funds:

Water Utility Fund – Accounts for the provision of water service to village residents, business entities and public authorities.

Sewer Utility Fund – Accounts for the provision of wastewater treatment service to village residents, business entities and public authorities.

Fiduciary Fund

The Village reports the following custodial fund:

Tax Collection Fund – which accounts for taxes and deposits collected by the Village, acting in the capacity of a custodian, for distribution to other governmental units or designated beneficiaries.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources) or economic resources (all assets, deferred outflows of resources, all liabilities, and deferred inflows of resources). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Investments

Cash deposits consist of demand and time deposits with financial institutions carried at cost. Investments are stated at fair value.

For purposes of the statement of cash flows, cash deposits and highly liquid investments with a maturity when purchased of three months or less are considered to be cash equivalents.

Restricted Cash

Cash is reported as restricted for advance tax collections in the governmental funds and custodial fund. Cash has been restricted for utility debt service payments and equipment replacement.

Accounts Receivable

Accounts receivable in the governmental funds are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material.

Ordinarily, no provision for uncollectible accounts receivable is made in the accompanying enterprise fund financial statements because the water and sewer utilities have the right by law to place delinquent bills on the tax roll.

Inventories

Inventories of proprietary fund types are recorded at cost, which approximates market, using the first-in first-out method of valuation. The cost is recorded as an expenditure at the time individual inventory items are consumed.

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements and used in governmental fund operations.

Government-Wide Statements

All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated acquisition value at the date of donation. The Village has a threshold of \$2,000 for capitalization of depreciable assets. For capital assets reported by the Water Utility, the guidelines provided by the Public Service Commission of Wisconsin are followed.

Depreciation of all exhaustible capital assets is recorded as an expense of the relevant functional activity in the statement of activities, with accumulated depreciation 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 asset is as follows:

<u>Asset Class</u>	<u>Estimated Lives</u>
Buildings and Improvements	10-50 Years
Machinery and Equipment	5-25 Years
Infrastructure	50 Years
Utility System	7-100 Years

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Additions to and replacement of utility plant are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Pension

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

Deferred Outflows Of Resources And Deferred Inflows Of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the balance sheet and/or statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future reporting periods and so will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Obligations

The accounting treatment of long-term debt depends on whether it is reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation promissory notes and revenue bonds and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. In governmental funds, debt issuance costs are reported as expenditures. The accounting in proprietary funds is the same in the fund statements as it is in the government-wide statements.

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences

Governmental Funds

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are recorded in these statements. The amount of accumulated sick and vacation leave is \$28,743. The Village estimates the amounts due within one year as \$5,749.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirement. Compensated absences are liquidated by the general fund, water and sewer funds.

Government-Wide Statements

Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements.

All Funds

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021 are determined on the basis of current salary rates and include salary related payments.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board 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 fund types. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

Equity Classifications

Government-Wide Statements

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

- Net investment in capital assets – Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- Restricted component of net position – Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) by law through constitutional provisions or enabling legislation reduced by liabilities related to those assets.
- Unrestricted component of net position – Is the net amount that does not meet the definition of “restricted” or “net investment in capital assets.”

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Equity Classifications (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

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The Village Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance in the general fund represents amounts constrained by the Village Board for a specific intended purpose. Intent can be expressed by the Village Board or by its designee. The Board has designated the Finance Committee as authorized to assign fund balance to a specific purpose. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The Village Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Village Board through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the Village strives to maintain its unassigned fund balance to be used for unanticipated emergencies.

Regulated Municipal Utility

Crivitz Water Utility operates under service rules which are established by the Public Service Commission of Wisconsin (PSC). Rates charged are regulated by the Commission. The accounting records of the utility are maintained in accordance with the Uniform System of Accounts prescribed by the Public Service Commission.

The Sewer Utility is not regulated by the PSC. Responsibility for customer rates and rules lies within the Village of Crivitz Board. The Sewer Utility maintains its financial records within the Uniform Chart of Accounts recommended by the Wisconsin Public Service Commission.

Water and sewer revenues are recorded based on actual service rendered; billings are made to customers through quarterly billings. The utility does not accrue revenues beyond such billing dates as the amounts are not significant.

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis for Existing Rates

Water Utility - On April 2, 2015, the Public Service Commission of Wisconsin approved a water rate increase designed to provide a 4.50% return on rate base effective May 1, 2015.

Sewer Utility - Sewer rates were approved by the Village Board and became effective May 2009.

Use of Estimates

The preparation of financial statements in conformity with 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 may differ from those estimates.

Note 2 - Cash and Investments

The Village is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturity in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities guaranteed by the federal government.
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant regulations of the Village.

At December 31, 2021, the Village's bank balance of cash was \$1,832,042. The Village maintains its cash accounts at two financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village does not have a deposit policy for custodial credit risk.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and non-interest bearing demand deposit accounts.

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 2 - Cash and Investments (Continued)

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2021, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

The following represents a summary of deposits as of December 31, 2021:

Fully Insured Deposits	\$ 596,386
Uncollateralized	<u>1,235,656</u>
Total	<u>\$ 1,832,042</u>

For all deposits and investments shown, the market value at the balance sheet date is substantially the same as the carrying value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2021.

Investments

The following investment types were held by the Village as of December 31, 2021:

Investment Type:	
Government Money Market Fund	\$ 38,551
Corporate Fixed-income Securities	<u>179,041</u>
	<u>\$ 217,592</u>

Interest Rate Risk for Investments

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Village manages its exposure to interest rate risk is by purchasing corporate laddered bonds that are available for liquidity needs for operations.

Information about the sensitivity of the fair values of the Village's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity.

Investment Type	Investment Maturities				
	Fair Value	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Corporate Fixed-income Securities	\$ 201,521	\$ 25,332	\$ 12,283	\$ 79,328	\$ 84,578
Cash & Cash Equivalents	16,071	16,071	-	-	-
Total	<u>\$ 217,592</u>	<u>\$ 41,403</u>	<u>\$ 12,283</u>	<u>\$ 79,328</u>	<u>\$ 84,578</u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 2 - Cash and Investments (Continued)

Credit Risk for Investments

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All securities are investment grade.

	Total	S & P Credit Rating
Corporate Fixed-income Securities	\$ 22,324	AAA
Corporate Fixed-income Securities	19,462	AA
Corporate Fixed-income Securities	84,203	A
Corporate Fixed-income Securities	75,530	BBB+
Cash & Cash Equivalents	16,073	BBB+
Total	\$ 217,592	

Custodial Credit Risk for Investments

Custodial risk for investments is the risk that, in the event of the failure of a counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Village has not adopted an investment policy for custodial risk.

Note 3 - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Village has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability (the Village currently has no Level 2 investments).
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement (the Village currently has no Level 3 investments).

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 3 - Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value:

Corporate Fixed-income Securities: Fair values reflect the closing prices reported in the active markets in which the individual securities are traded (level 1 inputs).

The following table sets forth by level, within the fair value hierarchy, the Village's assets at fair value as of December 31, 2021:

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Corporate Fixed-income Securities	\$ 201,519	\$ -	\$ -	201,519
Cash & Cash Equivalents	16,073	-	-	16,073
	\$ 217,592	\$ -	\$ -	\$ 217,592

Note 4 - Property Taxes

The Village bills and collects its own property taxes and also levies for the Crivitz School Village, Marinette County, and Northeast Wisconsin Technical College.

Property taxes consist of taxes on real estate and personal property. They are levied during December and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31, or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by July 31 are assumed by the county as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

Note 5 - Interfund Receivables, Payables and Transfers

The following is a schedule of interfund receivables and payables:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Tax Incremental District	\$ 25,745	Year End Cash Flow Timing
General Fund	Water Utility	125,155	Year End Cash Flow Timing
General Fund	Sewer Utility	11,838	Year End Cash Flow Timing
Sewer Utility	Water Utility	33,900	Year End Cash Flow Timing
		\$ 196,638	

The following is a schedule of interfund transfers:

Transfer From	Transfer To	Amount	Purpose
Water Utility	General Fund	\$ 63,886	Tax Equivalent
Water Utility	General Fund	1,184	Tax Equivalent
General Fund	Debt Service	139,876	Debt Service Requirement
Tax Incremental District	Debt Service	237,240	Debt Service Requirement
		\$ 442,186	

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 6 - Restricted Assets

Restricted cash at December 31, 2021 is for the following:

General Fund		
Advance Tax Collection	\$	138,814
Tax Incremental District		
Advance Tax Collection		103,852
Water Utility Fund		
Equipment Replacement		232,287
Debt Service		102,957
Sewer Utility Fund		
Equipment Replacement		<u>407,604</u>
Total Restricted Assets	\$	<u>985,514</u>

Note 7 - Capital Assets

Capital asset balances and activity for the year ended December 31, 2021 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated:				
Land	\$ 280,381	\$ -	\$ -	\$ 280,381
 Other Capital Assets				
Buildings and Improvements	1,764,518	-	-	1,764,518
Machinery and Equipment	1,334,404	4,000	-	1,338,404
Infrastructure	3,000,447	114,115	-	3,114,562
Total Capital Assets being Depreciated	<u>6,099,369</u>	<u>118,115</u>	<u>-</u>	<u>6,217,484</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(1,054,408)	(24,080)	-	(1,078,488)
Machinery and Equipment	(1,017,317)	(47,841)	-	(1,065,158)
Infrastructure	(1,094,427)	(65,506)	-	(1,159,933)
Total Accumulated Depreciation	<u>(3,166,152)</u>	<u>(137,427)</u>	<u>-</u>	<u>(3,303,579)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>2,933,217</u>	<u>(19,312)</u>	<u>-</u>	<u>2,913,905</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,213,598</u>	<u>\$ (19,312)</u>	<u>\$ -</u>	<u>\$ 3,194,286</u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 7 - Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets not Being Depreciated:				
Land	\$ 98,169	\$ -	\$ -	\$ 98,169
Capital Assets being Depreciated				
Utility Plant	11,109,743	72,188	13,929	11,168,002
Less: Accumulated Depreciation	(6,337,181)	(292,740)	(13,929)	(6,615,992)
Total Capital Assets being Depreciated, Net of Depreciation	<u>4,772,562</u>	<u>(220,552)</u>	<u>-</u>	<u>4,552,010</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,870,731</u>	<u>\$ (220,552)</u>	<u>\$ -</u>	<u>\$ 4,650,179</u>

Depreciation expense was charged to the following functions as follows:

Governmental Activities:	
General Government	\$ 42,669
Public Safety	38,740
Public Works	48,509
Culture and Recreation	7,509
Governmental Activities Depreciation Expense	<u>\$ 137,427</u>
Business-Type Activities:	
Sewer Depreciation Charged to Accumulated Depreciation	\$ 176,040
Plus: Share of Meter Depreciation	4,789
Sewer Depreciation Expense	<u>180,829</u>
Water Depreciation Charged to Accumulated Depreciation	116,700
Less: Share of Meter Depreciation	(4,789)
Water Depreciation Expense	<u>111,911</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 292,740</u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 8 - Long-Term Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2021:

	<u>Outstanding 12/31/20</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding 12/31/21</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Debt					
Promissory Notes	\$ 1,333,061	\$ 69,337	\$ 333,311	\$ 1,069,087	\$ 338,700
Discount	(28,643)	-	(4,876)	(23,767)	-
Total General Obligation Debt	1,304,418	69,337	328,435	1,045,320	338,700
Vested Compensated Absences	35,074	4,392	10,723	28,743	5,749
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,339,492</u>	<u>\$ 73,729</u>	<u>\$ 339,158</u>	<u>\$ 1,074,063</u>	<u>\$ 344,449</u>
Business-Type Activities:					
General Obligation Debt					
Revenue Bonds	\$ 1,075,155	\$ -	\$ 19,126	\$ 1,056,029	\$ 20,020
Promissory Note	98,000	-	22,750	75,250	22,750
Total Business-Type Activities Debt	<u>\$ 1,173,155</u>	<u>\$ -</u>	<u>\$ 41,876</u>	<u>\$ 1,131,279</u>	<u>\$ 42,770</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 1,173,155</u>	<u>\$ -</u>	<u>\$ 41,876</u>	<u>\$ 1,131,279</u>	<u>\$ 42,770</u>

For governmental activities, compensated absences are liquidated by the general fund.

Total interest paid during the year on governmental activities long-term debt totaled \$43,814.

Total interest paid during the year on business-type activities on long-term debt totaled \$52,728.

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 8 - Long-Term Obligations (Continued)

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the Village.

General obligation debt at December 31, 2021, is comprised of the following individual issue:

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/21</u>
Governmental Activities					
Long-Term Obligations					
2015 G.O. Promissory Note	10/02/15	10/01/24	2.0% - 3.50%	\$ 2,385,450	\$ 999,750
2019 G.O. Promissory Note	02/15/19	02/15/24	4.50%	160,000	69,337
Total Governmental Activities Long-Term Obligations					<u>\$ 1,069,087</u>
Business-Type Activities					
Long-Term Obligations					
G.O. Promissory Note	10/02/15	10/01/24	2.0% - 3.50%	\$ 179,550	\$ 75,250
Mortgage Revenue Bonds	01/23/09	02/01/49	4.625%	1,246,000	1,056,029
Total Business-Type Activities Long-Term Obligations					<u>\$ 1,131,279</u>

Debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 338,700	\$ 33,422	\$ 42,770	\$ 51,151	\$ 381,470	\$ 84,573
2023	358,387	23,599	45,458	49,475	403,845	73,074
2024	372,000	13,020	49,810	47,826	421,810	60,846
2025	-	-	22,958	45,698	22,958	45,698
2026	-	-	24,032	44,624	24,032	44,624
2027-2031	-	-	137,982	205,298	137,982	205,298
2032-2036	-	-	173,353	169,927	173,353	169,927
2037-2041	-	-	218,019	125,261	218,019	125,261
2042-2046	-	-	274,044	69,236	274,044	69,236
2047-20	-	-	142,853	9,603	142,853	9,603
	<u>\$ 1,069,087</u>	<u>\$ 70,041</u>	<u>\$ 1,131,279</u>	<u>\$ 818,099</u>	<u>\$ 2,200,366</u>	<u>\$ 888,140</u>

The 2021 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$94,821,600. The legal debt limit and margin of indebtedness as of December 31, 2021, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Debt Limit (5% of \$94,821,600)	\$ 4,741,080
Deduct Long-Term Debt Applicable to Debt Margin	<u>1,144,337</u>
Remaining Margin of Indebtedness Available	<u>\$ 3,596,743</u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 9 - Net Position/Fund Balances

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Investment in Capital Assets			
Net Capital Assets	\$ 3,194,286	\$ 4,650,179	\$ 7,844,465
Less: Related Long-Term Debt Outstanding	1,045,320	1,131,279	2,176,599
Net Investment in Capital Assets	<u>2,148,966</u>	<u>3,518,900</u>	<u>5,667,866</u>
Restricted for:			
Debt Service	-	102,957	102,957
Equipment Replacement	-	639,891	639,891
Pension Benefits	27,404	20,120	47,524
Total Restricted	<u>27,404</u>	<u>762,968</u>	<u>790,372</u>
Unrestricted	<u>669,794</u>	<u>80,170</u>	<u>749,964</u>
Total Government-Wide Net Position	<u>\$ 2,846,164</u>	<u>\$ 4,362,038</u>	<u>\$ 7,208,202</u>

Fund balances reported in the governmental funds balance sheet at December 31, 2021 are classified as follows:

General Fund

Assigned:

River Ridge Park	\$ 12,000
Fire Vehicle Fund	58,309
Public Works Truck	44
General Park Improvements	9,544
Police Vehicle	18,818
Cemetery Perpetual Care	38,283
Police Auxiliary	416
Emergency Fund	94,210
General Equipment	19,993
Littleland Park	2,734
Citizens Community Vets Park	11,186
Future Road Projects	9,861
Snow Removal	6,113
Triangle Park	4,930
July 4th Savings	2,244
Total General Fund Assigned	<u>\$ 288,685</u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 10 - Fire Department Retirement

The Crivitz Fire Department has enrolled in a length of service award program, a program developed by the State of Wisconsin. This is a defined contribution plan with individual amounts held for each firefighter.

Upon completion of 10 years of service, participants will be 50% vested. An additional 5% vesting will be accumulated for each subsequent year of service. Upon completion of 20 years of service, participants will be fully vested.

The Village contributed \$9,252 on behalf of the firefighters for the year ended December 31, 2021.

Note 11 - Defined Benefit Pension Plan

General Information About the Pension Plan

Plan Description. The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school Village 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>

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

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

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 11 - Defined Benefit Pension Plan (Continued)

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

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 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 \$14,614 in contributions from the employer.

Contribution rates as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General, including Executives and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Village reported an asset of \$130,413 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension 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 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 0.00208891%, which was a decrease of 0.00021164% from its proportion measured as of December 31, 2019.

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 11 - Defined Benefit Pension Plan (Continued)

For the year ended December 31, 2021, the Village recognized pension expense of (\$15,063).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experiences	\$188,748	\$40,656
Changes of actuarial assumptions	2,958	-
Net difference between projected and actual investment earnings on pension plan investment	-	244,841
Changes in proportion and differences between employer contributions and proportionate share of contributions	92	3,804
Employer contributions subsequent to the measurement date	<u>14,614</u>	-
Total	<u>\$206,412</u>	<u>\$289,301</u>

The Village had \$14,614 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment to the net pension (asset) liability in the plan year ending 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 as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2022	\$ (25,184)
2023	(7,704)
2024	(45,334)
2025	(19,281)
	<u>\$ (97,503)</u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 11 - Defined Benefit Pension Plan (Continued):

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.

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 following table:

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	51.0%	7.2%	4.7%
Fixed Income	25.0	3.2	0.8
Inflation Sensitive Assets	16.0	2.0	(0.4)
Real Estate	8.0	5.6	3.1
Private Equity/Debt	11.0	10.2	7.6
Multi-Asset	4.0	5.8	3.3
Total Core Fund	115.0% *	6.6%	4.1%
 <u>Variable Fund Asset Class</u>			
U.S. Equities	70.0%	6.6%	4.1%
International Equities	30.0	7.4	4.9
Total Variable Fund	100.0%	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.

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 11 - Defined Benefit Pension Plan (Continued):

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.

Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$124,135	\$ (130,413)	\$ (317,378)

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>.

Payables to the Pension Plan: The Village is required to remit the monthly required contribution for both the employee and Village portions by the last day of the following month. The amount due to WRS as of December 31, 2021 is \$4,048 for December payroll.

Note 12 - Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the Village purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in the past three years.

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2021

Note 13 - Contingencies

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

The Village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Funding for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs depend on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

Note 14 - Tax Incremental District (TID)

The Village has established a Tax Incremental District (TID) that was created under the provisions of Wisconsin Statute Section 66.46. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The TID was formed to install public utilities (including sanitary and storm sewers, and water facilities) and streets on unimproved property together with such other development incentives that will allow development to take place.

The Statutes specify the period of time after creation date for a TID to incur project costs eligible for financing from tax increments. The Statutes further specify the period of time the TID may collect tax increments to repay project costs including principal and interest on long-term debt issued by the Village to finance such improvements. Project costs uncollected after the final dissolution date are absorbed by the municipality.

	Creation Date	Last Date To Incur Project Costs	Final Dissolution Date
TID	09/17/01	09/17/19	09/17/24

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REQUIRED SUPPLEMENTARY INFORMATION

RESEARCH AND DEVELOPMENT DEPARTMENT

VILLAGE OF CRIVITZ
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System
For the Year Ended December 31, 2021

WRS Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net Pension Asset/Liability	Village's Proportionate Share of the Net Pension (Asset)/Liability	Village's Covered Payroll	Village's Proportionate Share of the Net Pension (Asset)/Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2020	0.00208891%	\$ (130,413)	\$ 264,574	49.29%	105.26%
12/31/2019	0.00230055%	(74,180)	296,854	24.99%	102.96%
12/31/2018	0.00233156%	82,949	304,765	27.22%	96.45%
12/31/2017	0.00228746%	(67,917)	303,741	22.36%	102.93%
12/31/2016	0.22549900%	18,587	289,680	6.42%	99.12%
12/31/2015	0.22799000%	37,047	283,721	13.06%	98.20%
12/31/2014	0.23686800%	(58,181)	287,376	20.25%	102.74%

Schedule of Employer Contributions
Wisconsin Retirement System
For the Year Ended December 31, 2021

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2021	\$ 14,614	\$ 14,614	-	\$ 215,657	6.78%
12/31/2020	21,166	21,166	-	264,574	8.00%
12/31/2019	23,744	23,744	-	296,854	8.00%
12/31/2018	24,252	24,252	-	304,765	7.96%
12/31/2017	21,294	21,294	-	303,741	7.01%
12/31/2016	21,475	21,475	-	289,680	7.41%
12/31/2015	22,623	22,623	-	283,721	7.97%

VILLAGE OF CRIVITZ
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 526,764	\$ 522,489	\$ 527,577	\$ 5,088
Intergovernmental	267,767	268,675	252,544	(16,131)
Licenses and Permits	16,500	17,535	17,896	361
Fines and Forfeits	10,000	20,094	19,177	(917)
Public Charges for Services	10,700	10,765	11,271	506
Miscellaneous	82,001	86,590	82,216	(4,374)
Total Revenues	<u>913,732</u>	<u>926,148</u>	<u>910,681</u>	<u>(15,467)</u>
EXPENDITURES				
General Government	230,060	220,045	191,907	28,138
Public Safety	343,316	279,318	243,030	36,288
Public Works	226,907	328,127	305,193	22,934
Culture and Recreation	58,431	46,745	40,628	6,117
Health and Human Services	11,422	13,570	11,507	2,063
Capital Outlay	-	6,484	6,484	-
Debt Service	-	139,976	4,925	135,051
Total Expenditures	<u>870,136</u>	<u>1,034,265</u>	<u>803,674</u>	<u>230,591</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>43,596</u>	<u>(108,117)</u>	<u>107,007</u>	<u>215,124</u>
OTHER FINANCING SOURCES (USE)				
Issuance of Long-Term Debt	-	-	-	-
Transfers In	73,757	73,757	65,070	(8,687)
Transfers Out	(23,200)	-	(139,876)	(139,876)
Total Other Financing Sources (Use)	<u>50,557</u>	<u>73,757</u>	<u>(74,806)</u>	<u>(148,563)</u>
NET CHANGE IN FUND BALANCE	94,153	(34,360)	32,201	66,561
FUND BALANCE - BEGINNING	<u>413,487</u>	<u>413,487</u>	<u>413,487</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 507,640</u>	<u>\$ 379,127</u>	<u>\$ 445,688</u>	<u>\$ 66,561</u>

VILLAGE OF CRIVITZ
Notes to Required Supplementary Information
December 31, 2021

Defined Benefit Pension Plan

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

Changes of assumptions. No significant change in assumptions were noted from the prior year.

Budgetary Controls

The Village follows these procedures in establishing the budgetary data:

- During the year, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
- Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- During the year, formal budgetary integration is employed as a management control device for the general fund.
- Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board with a two-thirds majority vote.

The ARPA special revenue fund was not appropriated for the fiscal year ended December 31, 2021.

Individual Fund Disclosures

Excess of Expenditures Over Budget

There were no individual functions with an excess of expenditures over budget for the year ended December 31, 2021.

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OTHER INFORMATION

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VILLAGE OF CRIVITZ
Schedule of Operating Revenues and Expenses
Water and Sewer Utility
For the Year Ended December 31, 2021

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Metered Sales:			
Residential	\$ 107,486	\$ 146,459	\$ 253,945
Commercial	70,543	222,294	292,837
Industrial	195	383	578
Public Authorities	12,982	22,682	35,664
Multi-Family	14,452	18,482	32,934
Irrigation	33,249	-	33,249
Total Metered Sales	<u>238,907</u>	<u>410,300</u>	<u>649,207</u>
Private Fire Protection	2,952	-	2,952
Public Fire Protection	117,718	-	117,718
Total Sales of Water	<u>359,577</u>	<u>410,300</u>	<u>769,877</u>
Other Operating Revenues:			
Customer Forfeited Discounts	240	744	984
Miscellaneous Operating Revenue	1,004	25	1,029
Total Other Operating Revenues	<u>1,244</u>	<u>769</u>	<u>2,013</u>
TOTAL OPERATING REVENUES	<u>360,821</u>	<u>411,069</u>	<u>771,890</u>
OPERATING EXPENSES			
Operation and Maintenance:			
Operation Labor	87,201	71,213	158,414
Power Purchased for Pumping	10,103	24,118	34,221
Chemicals	3,492	-	3,492
Maintenance and Repairs	-	14,153	14,153
Operating Supplies	16,937	19,839	36,776
Operating Transportation Expenses	1,068	2,075	3,143
Total Operation and Maintenance	<u>118,801</u>	<u>131,398</u>	<u>250,199</u>
Administrative and General:			
Salaries	24,261	41,909	66,170
Office Supplies	1,469	1,271	2,740
Outside Services Employed	23,030	38,507	61,537
Insurance	32,716	34,405	67,121
Miscellaneous	-	1,119	1,119
Total Administrative and General Expenses	<u>81,476</u>	<u>117,211</u>	<u>198,687</u>
Other Operating Expenses:			
Depreciation	111,911	180,829	292,740
TOTAL OPERATING EXPENSES	<u>312,188</u>	<u>429,438</u>	<u>741,626</u>
OPERATING INCOME (LOSS)	<u>48,633</u>	<u>(18,369)</u>	<u>30,264</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	641	1,089	1,730
Other Income	1,398	50	1,448
Interest Expense	(48,812)	(3,198)	(52,010)
Total Non-Operating Revenues (Expenses)	<u>(46,773)</u>	<u>(2,059)</u>	<u>(48,832)</u>
TRANSFER			
Property Tax Equivalent	(63,886)	(1,184)	(65,070)
CHANGE IN NET POSITION	<u>\$ (62,026)</u>	<u>\$ (21,612)</u>	<u>\$ (83,638)</u>

VILLAGE OF CRIVITZ
Schedule of Detailed Budgetary Revenues and Other Financing Sources Comparison
General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
TAXES				
General Property Taxes	\$ 517,964	\$ 513,689	\$ 518,649	\$ 4,960
Payments in Lieu of Taxes	3,000	3,000	3,000	-
Mobile Home Fees	5,800	5,800	5,928	128
Total Taxes	<u>526,764</u>	<u>522,489</u>	<u>527,577</u>	<u>5,088</u>
INTERGOVERNMENTAL				
Shared Revenues	193,199	194,202	192,286	(1,916)
Fire Insurance Dues	3,300	3,525	3,525	-
Law Enforcement Aid	320	-	-	-
Transportation Aid	47,658	47,658	46,765	(893)
State Computer Aid	897	897	897	-
Recycling Aids	3,000	3,000	-	(3,000)
State Grants	19,393	19,393	9,071	(10,322)
Total Intergovernmental	<u>267,767</u>	<u>268,675</u>	<u>252,544</u>	<u>(16,131)</u>
LICENSES AND PERMITS				
Liquor/Beer Licenses	7,000	7,170	7,170	-
Operators Licenses	500	1,300	1,260	(40)
Cigarette Licenses	900	900	900	-
Flea Market License	3,000	2,840	2,910	70
Other Licenses	1,000	1,000	1,090	90
Dog License	100	100	-	(100)
Building Permits	4,000	4,000	4,341	341
Zoning Permits/Fees	-	225	225	-
Total Licenses and Permits	<u>16,500</u>	<u>17,535</u>	<u>17,896</u>	<u>361</u>
FINES AND FORFEITS				
Court Penalties and Fines	10,000	20,094	19,177	(917)
PUBLIC CHARGES FOR SERVICES				
Clerk's Revenue	800	1,700	2,131	431
Police Department	75	-	5	5
Public Health	125	125	195	70
Event Admissions	6,500	6,940	6,940	-
Cemetery Grave Sales	3,200	2,000	2,000	-
Total Public Charges for Services	<u>10,700</u>	<u>10,765</u>	<u>11,271</u>	<u>506</u>
MISCELLANEOUS				
Rent	1,500	1,000	1,180	180
Interest Income	11,000	1,000	1,715	715
Donations	8,000	16,125	14,530	(1,595)
Other	61,501	68,465	64,791	(3,674)
Total Miscellaneous	<u>82,001</u>	<u>86,590</u>	<u>82,216</u>	<u>(4,374)</u>
Total Revenues	<u>913,732</u>	<u>926,148</u>	<u>910,681</u>	<u>(15,467)</u>
OTHER FINANCING SOURCES				
Transfer In - Property Tax Equivalent	73,757	73,757	65,070	(8,687)
Transfer In from Savings	8,500	8,500	-	(8,500)
Loan Proceeds	-	69,337	-	(69,337)
Unassigned Balance Applied	37,323	37,323	-	(37,323)
Total Other Financing Sources	<u>119,580</u>	<u>188,917</u>	<u>65,070</u>	<u>(123,847)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 1,033,312</u>	<u>\$ 1,115,065</u>	<u>\$ 975,751</u>	<u>\$ (139,314)</u>

VILLAGE OF CRIVITZ
Schedule of Detailed Budgetary Expenditures and Other Financing Use Comparison
General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES				
GENERAL GOVERNMENT				
Village Board	\$ 19,557	\$ 18,481	\$ 17,787	\$ 694
Judicial	5,500	7,558	5,971	1,587
Legal	13,000	13,000	12,934	66
Village President	5,844	5,844	5,273	571
Clerk/Treasurer	58,008	55,689	53,657	2,032
Elections	3,800	4,800	3,600	1,200
Audit and Accounting	8,825	8,825	8,825	-
Assessment of Property	10,300	10,022	10,022	-
Village Hall	30,870	25,870	18,997	6,873
General Insurance	56,925	56,925	54,841	2,084
Information Technology	17,431	13,031	-	13,031
Total General Government	230,060	220,045	191,907	28,138
PUBLIC SAFETY				
Police	154,454	76,121	63,873	12,248
Fire	173,828	187,813	163,076	24,737
Ambulance	11,543	11,543	11,543	-
Building/Zoning	3,391	3,741	4,538	(797)
Disaster Control	100	100	-	100
Total Public Safety	343,316	279,318	243,030	36,288
PUBLIC WORKS				
Street Maintenance	142,302	232,079	216,075	16,004
Street Lighting	52,000	52,000	50,431	1,569
Garbage Collection	15,970	13,838	21,496	(7,658)
Solid Waste Disposal	16,625	30,200	17,184	13,016
Weed Control	10	10	7	3
Total Public Works	226,907	328,127	305,193	22,934
CULTURE AND RECREATION				
Programs and Events	31,020	15,511	14,961	550
Parks	27,411	31,234	25,667	5,567
Total Culture and Recreation	58,431	46,745	40,628	6,117
HEALTH AND HUMAN SERVICES				
Cemetery	10,261	11,559	9,747	1,812
Public Health - Dog Control	1,161	2,011	1,760	251
Total Health and Human Services	11,422	13,570	11,507	2,063
CAPITAL OUTLAY				
Public Safety	-	2,484	2,484	-
Culture and Recreation	-	4,000	4,000	-
Total Capital Outlay	-	6,484	6,484	-
DEBT SERVICE				
Principal	139,976	139,976	-	139,976
Interest	-	-	4,925	(4,925)
Total Debt Service	139,976	139,976	4,925	135,051
Total Expenditures	1,010,112	1,034,265	803,674	230,591
OTHER FINANCING USE				
Transfers Out	23,200	-	139,876	(139,876)
TOTAL EXPENDITURES AND OTHER FINANCING USE	\$ 1,033,312	\$ 1,034,265	\$ 943,550	\$ 90,715

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