

VILLAGE OF CRIVITZ, WISCONSIN

Annual Financial Report

December 31, 2020

VILLAGE OF CRIVITZ, WISCONSIN

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Crivitz
Crivitz, Wisconsin

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 (Village) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Crivitz as of December 31, 2020, 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.

To the Village Board
Village of Crivitz

Required Supplementary Information

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 opinion on the basic financial statements is not affected by this missing information.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Crivitz's basic financial statements. The supplementary information as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management. The schedule of operating revenues and expenses – water and wastewater utility was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the schedule of operating revenues and expenses – water and wastewater utility is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The detailed budgetary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

KerberRose SC

KerberRose SC.

Certified Public Accountants

Shawano, Wisconsin

April 27, 2021

FINANCIAL STATEMENTS

VILLAGE OF CRIVITZ

Statement of Net Position

As of December 31, 2020

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash	\$ 139,521	\$ 155,141	\$ 294,662
Investments	221,771	-	221,771
Receivables:			
Taxes	761,351	-	761,351
Customer Accounts Receivable	-	128,291	128,291
Delinquent Personal Property Taxes	259	-	259
Special Assessments	29,338	-	29,338
Other Accounts Receivable	-	31,625	31,625
State of Wisconsin	78,101	-	78,101
Due from Other Funds	92,877	(92,877)	-
Inventories	-	8,812	8,812
Total Current Assets	<u>1,323,218</u>	<u>230,992</u>	<u>1,554,210</u>
Noncurrent Assets			
Capital Assets:			
Capital Assets Not Being Depreciated	280,381	98,169	378,550
Other Capital Assets, Net of Depreciation	2,933,217	4,772,562	7,705,779
Restricted Cash	117,282	606,295	723,577
Net Pension Asset	50,047	24,133	74,180
Total Noncurrent Assets	<u>3,380,927</u>	<u>5,501,159</u>	<u>8,882,086</u>
TOTAL ASSETS	<u>4,704,145</u>	<u>5,732,151</u>	<u>10,436,296</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows of Resources Related to Pension	113,421	54,694	168,115
LIABILITIES			
Current Liabilities			
Accounts Payable	13,279	72,914	86,193
Accrued Liabilities	7,564	-	7,564
Accrued Interest	6,756	22,392	29,148
Current Portion of Long-Term Obligations	320,762	41,876	362,638
Total Current Liabilities	<u>348,361</u>	<u>137,182</u>	<u>485,543</u>
Noncurrent Liabilities			
Noncurrent Portion of Long-Term Obligations	1,018,730	1,131,279	2,150,009
TOTAL LIABILITIES	<u>1,367,091</u>	<u>1,268,461</u>	<u>2,635,552</u>
DEFERRED INFLOW OF RESOURCES			
Taxes Levied for Subsequent Year	870,414	-	870,414
Deferred Inflows of Resources Related to Pension	150,770	72,708	223,478
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,021,184</u>	<u>72,708</u>	<u>1,093,892</u>
NET POSITION			
Net Investment in Capital Assets	1,909,180	3,697,576	5,606,756
Restricted for:			
Debt Service	-	108,334	108,334
Equipment Replacement	-	497,961	497,961
Pension Benefits	12,698	6,119	18,817
Unrestricted	507,413	135,686	643,099
TOTAL NET POSITION	<u>\$ 2,429,291</u>	<u>\$ 4,445,676</u>	<u>\$ 6,874,967</u>

See Accompanying Notes

VILLAGE OF CRIVITZ
Statement of Activities
For the Year Ended December 31, 2020

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
FUNCTIONS/PROGRAMS			
Governmental Activities:			
General Government	\$ 333,264	\$ 19,392	\$ 48,895
Public Safety	310,028	18,247	3,492
Public Works	317,634	4,925	75,627
Culture and Recreation	50,705	-	-
Health and Human Services	7,954	-	-
Interest and Fiscal Charges	51,875	-	-
Total Governmental Activities	<u>1,071,460</u>	<u>42,564</u>	<u>128,014</u>
BUSINESS-TYPE ACTIVITIES			
Water	317,367	345,704	-
Sewer	393,271	372,089	-
Total Business-Type Activities	<u>710,638</u>	<u>717,793</u>	<u>-</u>
TOTAL	<u>\$ 1,782,098</u>	<u>\$ 760,357</u>	<u>\$ 128,014</u>

GENERAL REVENUES

Taxes:

Property Taxes, Levied for General Purposes

Intergovernmental Revenues not Restricted to Specific Programs

Investment Income

Rental Income

Miscellaneous

Total General Revenues

TRANSFERS

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR

NET POSITION - END OF YEAR

**Net (Expenses) Revenues and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (264,977)	\$ -	\$ (264,977)
(288,289)	-	(288,289)
(237,082)	-	(237,082)
(50,705)	-	(50,705)
(7,954)	-	(7,954)
(51,875)	-	(51,875)
<u>(900,882)</u>	<u>-</u>	<u>(900,882)</u>
-	28,337	28,337
-	(21,182)	(21,182)
-	7,155	7,155
<u>(900,882)</u>	<u>7,155</u>	<u>(893,727)</u>
879,643	-	879,643
234,673	-	234,673
9,486	2,386	11,872
420	-	420
96,268	-	96,268
<u>1,220,490</u>	<u>2,386</u>	<u>1,222,876</u>
69,482	(69,482)	-
389,090	(59,941)	329,149
<u>2,040,201</u>	<u>4,505,617</u>	<u>6,545,818</u>
<u>\$ 2,429,291</u>	<u>\$ 4,445,676</u>	<u>\$ 6,874,967</u>

See Accompanying Notes

VILLAGE OF CRIVITZ

Balance Sheet

Governmental Funds

As of December 31, 2020

	<u>General</u>	<u>Tax Incremental District</u>	<u>Total</u>
ASSETS			
Cash	\$ 46,375	\$ 93,146	\$ 139,521
Investments	182,755	39,016	221,771
Receivables:			
Taxes	456,771	304,580	761,351
Delinquent Personal Property Taxes	259	-	259
Special Assessments	-	29,338	29,338
Due from Other Funds	118,622	-	118,622
Due from Other Governments	79,899	-	79,899
Restricted Cash	69,835	47,447	117,282
TOTAL ASSETS	<u>\$ 954,516</u>	<u>\$ 513,527</u>	<u>\$ 1,468,043</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 13,279	\$ -	\$ 13,279
Accrued Liabilities	7,564	-	7,564
Due to Other Funds	-	25,745	25,745
Due to Other Governments	1,798	-	1,798
Total Liabilities	<u>22,641</u>	<u>25,745</u>	<u>48,386</u>
Deferred Inflows of Resources:			
Taxes Levied for Subsequent Year	518,388	352,026	870,414
Unavailable Special Assessments	-	29,338	29,338
Total Deferred Inflows of Resources	<u>518,388</u>	<u>381,364</u>	<u>899,752</u>
Fund Balances:			
Restricted for Tax Increment District	-	106,418	106,418
Assigned	207,440	-	207,440
Unassigned	206,047	-	206,047
Total Fund Balances	<u>413,487</u>	<u>106,418</u>	<u>519,905</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 954,516</u>	<u>\$ 513,527</u>	<u>\$ 1,468,043</u>

See Accompanying Notes

VILLAGE OF CRIVITZ

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
As of December 31, 2020

Total Fund Balances - Governmental Funds		\$ 519,905
<i>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:</i>		
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	6,379,750	
Governmental Accumulated Depreciation	<u>(3,166,152)</u>	3,213,598
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		113,421
Deferred Inflows of Resources Related to Pension		(150,770)
Net pension asset is not usable in the current period therefore not reported in the fund financial statements.		
		50,047
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	(1,333,061)	
Bond Discount	28,643	
Accrued Interest on General Obligation Debt	(6,756)	
Vested Employee Benefits	<u>(35,074)</u>	<u>(1,346,248)</u>
Total Net Position - Governmental Activities		<u>\$ 2,429,291</u>

VILLAGE OF CRIVITZ
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Tax Incremental District	Debt Service Fund	Total
REVENUES				
Taxes	\$ 521,435	\$ 358,208	\$ -	\$ 879,643
Intergovernmental	348,731	13,956	-	362,687
Licenses and Permits	15,182	-	-	15,182
Fines and Forfeits	15,264	-	-	15,264
Public Charges for Services	12,118	-	-	12,118
Miscellaneous	90,812	2,203	-	93,015
Developer Agreements	-	13,159	-	13,159
Total Revenues	1,003,542	387,526	-	1,391,068
EXPENDITURES				
Current:				
General Government	199,838	80,279	-	280,117
Public Safety	274,771	-	-	274,771
Public Works	271,499	-	-	271,499
Culture and Recreation	26,432	-	-	26,432
Health and Human Services	7,954	-	-	7,954
Capital Outlay	119,863	8,262	-	128,125
Debt Service:				
Principal Retirement	-	-	312,939	312,939
Interest and Fiscal Charges	-	-	53,370	53,370
Total Expenditures	900,357	88,541	366,309	1,355,207
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	103,185	298,985	(366,309)	35,861
OTHER FINANCING SOURCE (USE)				
Transfer In	69,482	-	366,309	435,791
Transfer Out	(139,309)	(227,000)	-	(366,309)
Total Other Financing Source (Use)	(69,827)	(227,000)	366,309	69,482
NET CHANGE IN FUND BALANCES	33,358	71,985	-	105,343
FUND BALANCES - BEGINNING	380,129	34,433	-	414,562
FUND BALANCES - ENDING	\$ 413,487	\$ 106,418	\$ -	\$ 519,905

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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	105,343
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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	119,863	
Depreciation expense reported in the statement of activities	<u>(140,894)</u>	
Amount by which depreciation is more than capital outlay in the current period.		(21,031)
Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.		
		(4,223)
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 benefits earned in current year	<u>(5,433)</u>	
Amounts paid are less than amounts earned by		(5,433)
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.		
		(3,574)
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.		
		312,939
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	53,370	
The amount of interest accrued during the current period	<u>(58,439)</u>	
Interest paid is less than interest accrued by		<u>5,069</u>
Change in Net Position - Governmental Activities	\$	<u><u>389,090</u></u>

VILLAGE OF CRIVITZ
Statement of Net Position
Proprietary Funds
As of December 31, 2020

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ 23,510	\$ 131,631	\$ 155,141
Receivables:			
Customer Accounts Receivable	39,684	88,607	128,291
Other Accounts Receivable	-	31,625	31,625
Due from Other Funds	-	53,406	53,406
Inventories	4,824	3,988	8,812
Total Current Assets	<u>68,018</u>	<u>309,257</u>	<u>401,408</u>
NON-CURRENT ASSETS			
Capital Assets			
Capital Assets Not Being Depreciated	95,650	2,519	98,169
Other Capital Assets, Net of Depreciation	2,424,390	2,348,172	4,772,562
Restricted Cash - Bond Redemption	108,334	-	108,334
Restricted Cash - Equipment Replacement	196,039	301,922	497,961
Net Pension Asset	10,918	13,215	24,133
Total Non-Current Assets	<u>2,835,331</u> #	<u>2,665,828</u>	<u>5,501,159</u>
TOTAL ASSETS	<u>2,903,349</u>	<u>2,975,085</u>	<u>5,878,434</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	24,744	29,950	54,694
CURRENT LIABILITIES			
Accounts Payable	9,097	63,817	72,914
Due to Other Funds	146,283	-	146,283
Accrued Interest	21,057	1,335	22,392
Current Portion of Long-Term Obligations	19,126	22,750	41,876
Total Current Liabilities	<u>195,563</u>	<u>87,902</u>	<u>283,465</u>
NON-CURRENT LIABILITIES			
Noncurrent Portion of Long-Term Obligations	1,056,029	75,250	1,131,279
TOTAL LIABILITIES	<u>1,251,592</u>	<u>163,152</u>	<u>1,414,744</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pension	32,894	39,814	72,708
NET POSITION			
Net Investment in Capital Assets	1,444,885	2,252,691	3,697,576
Restricted for:			
Debt Service	108,334	-	108,334
Equipment Replacement	196,039	301,922	497,961
Pension Benefits	2,768	3,351	6,119
Unrestricted (Deficit)	(108,419)	244,105	135,686
TOTAL NET POSITION	<u>\$ 1,643,607</u>	<u>\$ 2,802,069</u>	<u>\$ 4,445,676</u>

See Accompanying Notes

VILLAGE OF CRIVITZ
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
OPERATING REVENUES	\$ 345,704	\$ 372,089	\$ 717,793
OPERATING EXPENSES			
Operation and Maintenance	81,591	129,228	210,819
Administration and General	73,621	97,351	170,972
Depreciation	111,638	178,327	289,965
Total Operating Expenses	<u>266,850</u>	<u>404,906</u>	<u>671,756</u>
OPERATING INCOME (LOSS)	<u>78,854</u>	<u>(32,817)</u>	<u>46,037</u>
NON-OPERATING REVENUE (EXPENSE)			
Interest Income	404	1,982	2,386
Other Income	-	15,463	15,463
Interest Expense	(50,517)	(3,828)	(54,345)
Total Non-Operating Revenue (Expense)	<u>(50,113)</u>	<u>13,617</u>	<u>(36,496)</u>
INCOME (LOSS) BEFORE TRANSFER	28,741	(19,200)	9,541
TRANSFER OUT	<u>(68,226)</u>	<u>(1,256)</u>	<u>(69,482)</u>
CHANGE IN NET POSITION	(39,485)	(20,456)	(59,941)
NET POSITION - BEGINNING, RESTATED	<u>1,683,092</u>	<u>2,822,525</u>	<u>4,505,617</u>
NET POSITION - ENDING	<u>\$ 1,643,607</u>	<u>\$ 2,802,069</u>	<u>\$ 4,445,676</u>

See Accompanying Notes

VILLAGE OF CRIVITZ
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 338,181	\$ 343,971	\$ 682,152
Cash Paid to Suppliers for Goods and Services	(62,597)	(129,499)	(192,096)
Cash Paid to Employees for Services	(68,238)	(84,219)	(152,457)
Cash Received from Other Funds	(11,443)	39,710	28,267
Net Cash Flows From Operating Activities	<u>195,903</u>	<u>169,963</u>	<u>337,599</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Non-Operating Income	-	15,463	15,463
Tax Equivalent Paid to Municipality	(68,226)	(1,256)	(69,482)
Net Cash Flows From Noncapital Financing Activities	<u>(68,226)</u>	<u>14,207</u>	<u>(54,019)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income Received	404	(37,728)	(37,324)
Purchase of Investments	(23,573)	-	(23,573)
Net Cash Flows From Investing Activities	<u>(23,169)</u>	<u>(37,728)</u>	<u>(60,897)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(5,770)	(117,449)	(123,219)
Principal Payments on Long-Term Debt	(18,139)	(21,000)	(39,139)
Interest Paid	(50,517)	(3,828)	(54,345)
Net Cash Flows From Capital and Related Financing Activities	<u>(74,426)</u>	<u>(142,277)</u>	<u>(216,703)</u>
NET INCREASE (DECREASE) IN CASH	30,082	4,165	5,980
CASH - BEGINNING	297,801	429,388	727,189
CASH - ENDING	<u>\$ 327,883</u>	<u>\$ 433,553</u>	<u>\$ 733,169</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 78,854	\$ (32,817)	\$ 46,037
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Non-Cash Items:			
Depreciation	111,638	178,327	289,965
Changes in Operating Assets and Liabilities:			
Accounts Receivable	(7,523)	(28,118)	(35,641)
Due From Other Funds	15,920	25,994	41,914
Pension Asset	(10,918)	(13,215)	(24,133)
Deferred Outflows Related to Pension	22,837	28,131	50,968
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	5,430	33,043	38,473
Due to Other Fund	(11,443)	(7,785)	(19,228)
Deferred Inflows Related to Pension	8,663	7,831	16,494
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 195,903</u>	<u>\$ 169,963</u>	<u>\$ 365,866</u>
RECONCILIATION OF CASH PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS			
Statement of Net Position Proprietary Fund:			
Cash	\$ 23,510	\$ 131,631	\$ 155,141
Restricted Cash - Bond Redemption	108,334	-	108,334
Restricted Cash - Equipment Replacement	196,039	301,922	497,961
CASH PER STATEMENT OF CASH FLOWS	<u>\$ 327,883</u>	<u>\$ 433,553</u>	<u>\$ 761,436</u>

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VILLAGE OF CRIVITZ

Statement of Net Position

Fiduciary Funds

As of December 31, 2020

	<u>Custodial Fund</u>
	<u>Tax Collection</u>
	<u>Fund</u>
ASSETS	
Restricted Cash	\$ 102,323
Taxes Receivable	656,838
Total Assets	<u> 759,161</u>
LIABILITIES	
Due to Other Taxing Units	<u> 759,161</u>
NET POSITION	<u><u> -</u></u>

See Accompanying Notes

VILLAGE OF CRIVITZ
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2020

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
ADDITIONS	
Taxes Collected on Behalf of Other Taxing Entities	\$ 541,322
DEDUCTIONS	
Taxes Remitted to Other Taxing Entities	<u>541,322</u>
NET CHANGE IN NET POSITION	-
NET POSITION - BEGINNING	<u>-</u>
NET POSITION - ENDING	<u>\$ -</u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

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, 2020

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, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 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, 2020

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

Inventory 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
Land Improvements	15 Years
Machinery and Equipment	5-25 Years
Infrastructure	50 Years
Utility System	7-100 Years

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

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

The Village offers a defined benefit pension plan to its employees. 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 balance sheet and/or statement of net position will sometimes report 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 will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to 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, 2020

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 \$35,074. The Village estimates the amounts due within one year as \$7,015.

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, 2020 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, 2020

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, 2020

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, 2020, the Village's bank balance of cash was \$1,200,363. The Village maintains its cash accounts at three 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, 2020

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, 2020, 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, 2020:

Fully Insured Deposits	\$	472,929
Uncollateralized		<u>727,434</u>
Total		<u><u>\$ 1,200,363</u></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, 2020.

Investments

The following investment types were held by the Village as of December 31, 2020:

Investment Type:		
Government Money Market Fund	\$	39,015
Corporate Fixed-income Securities		<u>182,756</u>
		<u><u>\$ 221,771</u></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	<u>Fair Value</u>	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More than 60 Months</u>
Corporate Fixed-income Securities	<u>\$ 182,756</u>	<u>\$ 9,429</u>	<u>\$ 28,077</u>	<u>\$ 90,662</u>	<u>\$ 54,588</u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

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	\$ 2,207	AA
Corporate Fixed-income Securities	94,081	A
Corporate Fixed-income Securities	86,468	BBB+
Total	\$ 182,756	

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).

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

Note 3 - Fair Value Measurements (Continued)

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.

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, 2020:

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Corporate Fixed-income Securities	\$ 182,756	\$ -	\$ -	\$ 182,756

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	97,624	Year End Cash Flow Timing
Sewer Utility	Water Utility	48,659	Year End Cash Flow Timing
Sewer Utility	General Fund	4,747	Year End Cash Flow Timing
		\$ 176,775	

The following is a schedule of interfund transfers:

Transfer From	Transfer To	Amount	Purpose
Water Utility	General Fund	\$ 69,482	Tax Equivalent
General Fund	Debt Service	139,309	Debt Service Requirement
Tax Incremental District	Debt Service	227,000	Debt Service Requirement
		\$ 435,791	

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

Note 6 - Restricted Assets

Restricted cash at December 31, 2020 is for the following:

General Fund		
Advance Tax Collection	\$	69,835
Tax Incremental District		
Advance Tax Collection		47,447
Custodial Fund		
Advance Tax Collection		102,323
Water Utility Fund		
Equipment Replacement		196,039
Debt Service		108,334
Sewer Utility Fund		
Equipment Replacement		301,922
		<u>301,922</u>
Total Restricted Assets	\$	<u>825,900</u>

Note 7 - Capital Assets

Capital asset balances and activity for the year ended December 31, 2020 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	1,214,541	119,863	-	1,334,404
Infrastructure	3,000,447	-	-	3,000,447
Total Capital Assets being				
Depreciated	5,979,506	119,863	-	6,099,369
Less Accumulated Depreciation for:				
Buildings and Improvements	(1,030,328)	(24,080)	-	(1,054,408)
Machinery and Equipment	(968,756)	(48,561)	-	(1,017,317)
Infrastructure	(1,026,174)	(68,253)	-	(1,094,427)
Total Accumulated				
Depreciation	(3,025,258)	(140,894)	-	(3,166,152)
Total Capital Assets Being				
Depreciated, Net of				
Depreciation	2,954,248	(21,031)	-	2,933,217
Governmental Activities Capital				
Assets, Net of Accumulated				
Depreciation	\$ 3,234,629	\$ (21,031)	\$ -	\$ 3,213,598

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

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	10,992,551	123,219	6,027	11,109,743
Less: Accumulated				
Depreciation	<u>(6,053,243)</u>	<u>(289,965)</u>	<u>(6,027)</u>	<u>(6,337,181)</u>
Total Capital Assets being Depreciated, Net of Depreciation	<u>4,939,308</u>	<u>(166,746)</u>	<u>-</u>	<u>4,772,562</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 5,037,477</u>	<u>\$ (166,746)</u>	<u>\$ -</u>	<u>\$ 4,870,731</u>

Depreciation expense was charged to the following functions as follows:

Governmental Activities:	
General Government	\$ 42,587
Public Safety	39,476
Public Works	52,511
Culture and Recreation	6,320
Governmental Activities Depreciation Expense	<u>\$ 140,894</u>
Business-Type Activities:	
Sewer Depreciation Charged to Accumulated Depreciation	\$ 183,116
Plus: Share of Meter Depreciation	4,789
Sewer Depreciation Expense	<u>178,327</u>
Water Depreciation Charged to Accumulated Depreciation	106,849
Less: Share of Meter Depreciation	<u>(4,789)</u>
Water Depreciation Expense	<u>111,638</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 289,965</u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

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, 2020:

	<u>Outstanding 1/1/20</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding 12/31/20</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Debt					
Promissory Notes	\$ 1,646,000	\$ -	\$ 312,939	\$ 1,333,061	\$ 313,747
Discount	(32,217)	-	(3,574)	(28,643)	-
Total General Obligation Debt	1,613,783	-	309,365	1,304,418	313,747
Vested Compensated Absences	29,641	5,433	-	35,074	7,015
Net Pension Liability *	43,966	-	43,966	-	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,687,390</u>	<u>\$ 5,433</u>	<u>\$ 353,331</u>	<u>\$ 1,339,492</u>	<u>\$ 320,762</u>
Business-Type Activities:					
General Obligation Debt					
Revenue Bonds	\$ 1,093,294	\$ -	\$ 18,139	\$ 1,075,155	\$ 19,126
Promissory Note	119,000	-	21,000	98,000	22,750
Net Pension Liability *	38,983	-	38,983	-	-
Total Business-Type Activities Debt	<u>\$ 1,251,277</u>	<u>\$ -</u>	<u>\$ 78,122</u>	<u>\$ 1,173,155</u>	<u>\$ 41,876</u>

*The net pension liability has been adjusted for the ending net pension asset balance at December 31, 2020.

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

Total interest paid during the year on governmental activities long-term debt totaled \$53,370.

Total interest paid during the year on business-type activities on long-term debt totaled \$54,345.

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

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, 2020, 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 12/31/20</u>
Governmental Activities					
Long-Term Obligations					
2015 G.O. Promissory Note	10/02/15	10/01/24	2.0% - 3.50%	\$ 2,385,450	\$ 1,302,000
2019 G.O. Promissory Note	02/15/19	02/15/24	4.50%	160,000	31,061
Total Governmental Activities Long-Term Obligations					<u>\$ 1,333,061</u>
Business-Type Activities					
Long-Term Obligations					
G.O. Promissory Note	10/02/15	10/01/24	2.0% - 3.50%	\$ 179,550	\$ 98,000
Mortgage Revenue Bonds	01/23/09	02/01/49	4.625%	1,246,000	1,075,155
Total Business-Type Activities Long-Term Obligations					<u>\$ 1,173,155</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>
2021	\$ 313,747	\$ 43,992	\$ 41,876	\$ 52,729	\$ 355,623	\$ 96,721
2022	321,814	34,407	42,770	51,151	364,584	85,558
2023	325,500	23,599	45,458	49,475	370,958	73,074
2024	372,000	13,020	49,810	47,826	421,810	60,846
2025	-	-	22,958	45,698	22,958	45,698
2026-2030	-	-	131,815	211,465	131,815	211,465
2031-2035	-	-	165,684	177,596	165,684	177,596
2036-2040	-	-	208,196	234,887	208,196	234,887
2041-2045	-	-	321,735	234,887	321,735	234,887
2046-2049	-	-	142,853	234,887	142,853	234,887
	<u>\$ 1,333,061</u>	<u>\$ 115,018</u>	<u>\$ 1,173,155</u>	<u>\$ 1,340,601</u>	<u>\$ 2,506,216</u>	<u>\$ 1,455,619</u>

The 2020 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$83,278,600. The legal debt limit and margin of indebtedness as of December 31, 2020, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Debt Limit (5% of \$83,278,600)	\$ 4,163,930
Deduct Long-Term Debt Applicable to Debt Margin	<u>1,431,061</u>
Remaining Margin of Indebtedness Available	<u>\$ 2,732,869</u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

Note 9 - Net Position/Fund Balances

	Governmental Activities	Business-Type Activities	Total
Net Investment in Capital Assets			
Net Capital Assets	\$ 3,213,598	\$ 4,870,731	\$ 8,084,329
Less: Related Long-Term Debt Outstanding	1,304,418	1,173,155	2,477,573
Net Investment in Capital Assets	<u>1,909,180</u>	<u>3,697,576</u>	<u>5,606,756</u>
Restricted for:			
Debt Service	-	108,334	108,334
Equipment Replacement	-	497,961	497,961
Pension Benefits	12,698	6,119	18,817
Total Restricted	<u>12,698</u>	<u>612,414</u>	<u>625,112</u>
Unrestricted	<u>507,413</u>	<u>135,686</u>	<u>643,099</u>
Total Government-Wide Net Position	<u>\$ 2,429,291</u>	<u>\$ 4,445,676</u>	<u>\$ 6,874,967</u>

Fund balances reported in the governmental funds balance sheet at December 31, 2020 are classified as follows:

General Fund

Assigned:

River Ridge Park	\$ 12,000
Fire Vehicle Fund	59,132
Public Works Truck	44
General Park Improvements	4,000
Police Vehicle	12,746
Cemetery Perpetual Care	38,296
Police Auxiliary	423
Emergency Fund	36,210
General Equipment	15,206
Littleland Park	1,911
Citizens Community Vets Park	6,274
Future Road Projects	10,000
Snow Removal	6,198
Triangle Park	5,000
Total General Fund Assigned	<u>\$ 207,440</u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

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 \$7,883 on behalf of the firefighters for the year ended December 31, 2020.

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 Comprehensive Annual Financial Report (CAFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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, 2020

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>
2010	(1.3)%	22%
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)

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 \$21,166 in contributions from the employer.

Contribution rates as of December 31, 2019 (utilized for the actuarial valuation used for reporting as of December 31, 2020) are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General, including Executives and Elected Officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

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

At December 31, 2020, the Village reported an asset of \$74,180 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.00230055%, which was a decrease of 0.00003101 from its proportion measured as of December 31, 2018.

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

Note 11 - Defined Benefit Pension Plan (Continued)

For the year ended December 31, 2020, the Village recognized pension expense of \$28,585.

At December 31, 2020, 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	\$140,811	\$70,458
Changes of actuarial assumptions	5,780	-
Net difference between projected and actual investment earnings on pension plan investment	-	151,651
Changes in proportion and differences between employer contributions and proportionate share of contributions	358	1,369
Employer contributions subsequent to the measurement date	<u>21,166</u>	-
Total	<u><u>\$168,115</u></u>	<u><u>\$223,478</u></u>

The Village had \$21,166 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ (22,543)
2022	(17,018)
2023	2,242
2024	<u>(39,210)</u>
	<u><u>\$ (76,529)</u></u>

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

Note 11 - Defined Benefit Pension Plan (Continued):

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

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

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

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

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, 2019

<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	49.0%	8.0%	5.1%
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9.0	6.3	3.5
Private Equity/Debt	8.0	10.6	7.6
Multi-Asset	4.0	6.9	4.0
Total Core Fund	110.0% *	7.5%	4.6%
 <u>Variable Fund Asset Class</u>			
U.S. Equities	70.0%	7.5%	4.6%
International Equities	30.0	8.2	5.3
Total Variable Fund	100.0%	7.8%	4.9%

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

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

VILLAGE OF CRIVITZ
Notes to Financial Statements
December 31, 2020

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 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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)	\$191,027	\$ (74,180)	\$ (272,453)

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, 2020 is \$5,038 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, 2020

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

Note 15 - Restatement of Net Position

Net position of the Village's proprietary funds was restated due to a loan from the sewer fund to the water fund not previously recorded. The following is a summary of the net position for the fiscal year ended December 31, 2019. The effect on the change in net position for 2019 is not reasonably determinable.

	Enterprise Funds		Business-Type
	Water Utility Fund	Sewer Utility Fund	Business-Type Activities
Net Position or Fund Balance as of December 31, 2019 as previously reported	\$ 1,762,492	\$ 2,743,125	\$ 4,505,617
Sewer Fund Loan to Water Fund	(79,400)	79,400	-
Net Position or Fund Balance as of December 31, 2019, as restated	\$ 1,683,092	\$ 2,822,525	\$ 4,505,617

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF CRIVITZ

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
 Wisconsin Retirement System
 For the Year Ended December 31, 2020

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
12/31/2019	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, 2020

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
12/31/2020	\$ 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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 520,890	\$ 520,890	\$ 521,435	\$ 545
Intergovernmental	247,811	337,271	348,731	11,460
Licenses and Permits	19,100	15,025	15,182	157
Fines and Forfeits	10,000	6,786	15,264	8,478
Public Charges for Services	11,665	12,060	12,118	58
Miscellaneous	93,001	92,339	90,812	(1,527)
Total Revenues	<u>902,467</u>	<u>984,371</u>	<u>1,003,542</u>	<u>19,171</u>
EXPENDITURES				
General Government	225,692	205,806	199,838	5,968
Public Safety	329,412	283,550	274,771	8,779
Public Works	307,989	286,885	271,499	15,386
Culture and Recreation	26,855	31,381	26,432	4,949
Health and Human Services	8,119	7,919	7,954	(35)
Capital Outlay	-	119,788	119,863	(75)
Total Expenditures	<u>898,067</u>	<u>1,074,638</u>	<u>900,357</u>	<u>174,281</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,400</u>	<u>(90,267)</u>	<u>103,185</u>	<u>193,452</u>
OTHER FINANCING SOURCE (USE)				
Transfers In	78,162	73,757	69,482	(4,275)
Transfers Out	-	-	(139,309)	(139,309)
Total Other Financing Source (Use)	<u>78,162</u>	<u>73,757</u>	<u>(69,827)</u>	<u>(143,584)</u>
NET CHANGE IN FUND BALANCE	82,562	(16,510)	33,358	49,868
FUND BALANCE - BEGINNING	<u>380,129</u>	<u>380,129</u>	<u>380,129</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 462,691</u>	<u>\$ 363,619</u>	<u>\$ 413,487</u>	<u>\$ 49,868</u>

VILLAGE OF CRIVITZ
Notes to Required Supplementary Information
December 31, 2020

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.

INDIVIDUAL FUND DISCLOSURES

Excess of Expenditures Over Budget

The following individual functions had an excess of expenditures over budget for the year ended December 31, 2020:

General Fund		
Health and Human Services	\$	35
Capital Outlay		75

SUPPLEMENTARY INFORMATION

VILLAGE OF CRIVITZ
Schedule of Operating Revenues and Expenses
Water and Sewer Utility
For the Year Ended December 31, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Metered Sales:			
Residential	\$ 102,462	\$ 138,687	\$ 241,149
Commercial	67,394	195,012	262,406
Industrial	186	349	535
Public Authorities	13,141	20,994	34,135
Multi-Family	13,706	16,000	29,706
Irrigation	20,539	-	20,539
Total Metered Sales	<u>217,428</u>	<u>371,042</u>	<u>588,470</u>
Private Fire Protection	2,952	-	2,952
Public Fire Protection	117,717	-	117,717
Total Sales of Water	<u>338,097</u>	<u>371,042</u>	<u>709,139</u>
Other Operating Revenues:			
Customer Forfeited Discounts	99	1,047	1,146
Miscellaneous Operating Revenue	7,508	-	7,508
Total Other Operating Revenues	<u>7,607</u>	<u>1,047</u>	<u>8,654</u>
TOTAL OPERATING REVENUES	<u>345,704</u>	<u>372,089</u>	<u>717,793</u>
OPERATING EXPENSES			
Operation and Maintenance:			
Operation Labor	49,951	63,205	113,156
Power Purchased for Pumping	9,215	20,759	29,974
Chemicals	4,086	-	4,086
Maintenance and Repairs	-	25,019	25,019
Operating Supplies	15,922	19,310	35,232
Operating Transportation Expenses	2,417	935	3,352
Total Operation and Maintenance	<u>81,591</u>	<u>129,228</u>	<u>210,819</u>
Administrative and General:			
Salaries	21,314	22,333	43,647
Office Supplies	1,957	1,711	3,668
Outside Services Employed	15,009	32,689	47,698
Insurance	27,541	31,181	58,722
Miscellaneous	7,800	9,437	17,237
Total Administrative and General Expenses	<u>73,621</u>	<u>97,351</u>	<u>170,972</u>
Other Operating Expenses:			
Depreciation	111,638	178,327	289,965
TOTAL OPERATING EXPENSES	<u>266,850</u>	<u>404,906</u>	<u>671,756</u>
OPERATING INCOME (LOSS)	<u>78,854</u>	<u>(32,817)</u>	<u>46,037</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	404	1,982	2,386
Other Income	-	15,463	15,463
Interest Expense	(50,517)	(3,828)	(54,345)
Total Non-Operating Revenues (Expenses)	<u>(50,113)</u>	<u>13,617</u>	<u>(36,496)</u>
TRANSFER			
Property Tax Equivalent	(68,226)	(1,256)	(69,482)
CHANGE IN NET POSITION	<u>\$ (39,485)</u>	<u>\$ (20,456)</u>	<u>\$ (59,941)</u>

VILLAGE OF CRIVITZ
Schedule of Detailed Budgetary Revenues and Other Financing Source Comparison
General Fund
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
TAXES				
General Property Taxes	\$ 512,090	\$ 512,090	\$ 512,349	\$ 259
Payments in Lieu of Taxes	3,000	3,000	3,000	-
Mobile Home Fees	5,800	5,800	6,086	286
Total Taxes	<u>520,890</u>	<u>520,890</u>	<u>521,435</u>	<u>545</u>
INTERGOVERNMENTAL				
Shared Revenues	176,451	176,451	176,673	222
Fire Insurance Dues	3,300	3,332	3,332	-
Law Enforcement Aid	320	160	160	-
Transportation Aid	49,808	49,740	61,639	11,899
State Computer Aid	897	897	897	-
Federal Grants	-	58,000	58,000	-
State Grants	17,035	48,691	48,030	(661)
Total Intergovernmental	<u>247,811</u>	<u>337,271</u>	<u>348,731</u>	<u>11,460</u>
LICENSES AND PERMITS				
Liquor/Beer Licenses	7,000	5,730	5,730	-
Operators Licenses	3,000	2,550	2,445	(105)
Cigarette Licenses	900	800	800	-
Flea Market License	3,000	2,325	2,325	-
Other Licenses	1,100	1,100	1,074	(26)
Dog License	100	100	-	(100)
Building Permits	4,000	2,400	2,788	388
Zoning Permits/Fees	-	20	20	-
Total Licenses and Permits	<u>19,100</u>	<u>15,025</u>	<u>15,182</u>	<u>157</u>
FINES AND FORFEITS				
Court Penalties and Fines	10,000	6,786	15,264	8,478
PUBLIC CHARGES FOR SERVICES				
Clerk's Revenue	1,500	1,600	1,653	53
Police Department	75	155	175	20
Public Health	140	140	125	(15)
Event Admissions	6,750	5,365	5,365	-
Cemetery Grave Sales	3,200	4,200	4,200	-
Weed and Nuisance Control	-	600	600	-
Total Public Charges for Services	<u>11,665</u>	<u>12,060</u>	<u>12,118</u>	<u>58</u>
MISCELLANEOUS				
Rent	2,500	420	420	-
Interest Income	11,000	7,000	7,283	283
Donations	8,000	5,000	5,000	-
Other	71,501	79,919	78,109	(1,810)
Total Miscellaneous	<u>93,001</u>	<u>92,339</u>	<u>90,812</u>	<u>(1,527)</u>
Total Revenues	<u>902,467</u>	<u>984,371</u>	<u>1,003,542</u>	<u>19,171</u>
OTHER FINANCING SOURCE				
Transfer In - Property Tax Equivalent	78,162	73,757	69,482	(4,275)
TOTAL REVENUES AND OTHER FINANCING SOURCE	<u>\$ 980,629</u>	<u>\$ 1,058,128</u>	<u>\$ 1,073,024</u>	<u>\$ 14,896</u>

VILLAGE OF CRIVITZ
Schedule of Detailed Budgetary Expenditures and Other Financing Use Comparison
General Fund
For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Village Board	\$ 19,557	\$ 18,996	\$ 18,551	\$ 445
Judicial	13,812	9,203	9,195	8
Legal	13,000	13,089	13,089	-
Village President	5,844	4,119	4,010	109
Clerk/Treasurer	49,834	56,295	55,914	381
Elections	6,000	9,992	9,142	850
Audit and Accounting	8,750	8,750	8,750	-
Assessment of Property	10,300	9,780	9,780	-
Village Hall	22,930	23,832	21,535	2,297
General Insurance	51,750	51,750	49,872	1,878
Information Technology	23,915	-	-	-
Total General Government	<u>225,692</u>	<u>205,806</u>	<u>199,838</u>	<u>5,968</u>
PUBLIC SAFETY				
Police	140,356	104,615	103,320	1,295
Fire	175,528	165,407	158,335	7,072
Ambulance	10,037	10,037	10,037	-
Building/Zoning	3,391	3,391	3,079	312
Disaster Control	100	100	-	100
Total Public Safety	<u>329,412</u>	<u>283,550</u>	<u>274,771</u>	<u>8,779</u>
PUBLIC WORKS				
Street Maintenance	190,983	187,861	175,610	12,251
Street Lighting	56,060	49,660	49,490	170
Garbage Collection	42,651	31,818	29,209	2,609
Solid Waste Disposal	18,245	17,496	17,184	312
Weed Control	50	50	6	44
Total Public Works	<u>307,989</u>	<u>286,885</u>	<u>271,499</u>	<u>15,386</u>
CULTURE AND RECREATION				
Programs and Events	13,420	13,420	9,634	3,786
Parks	13,435	17,961	16,798	1,163
Total Culture and Recreation	<u>26,855</u>	<u>31,381</u>	<u>26,432</u>	<u>4,949</u>
HEALTH AND HUMAN SERVICES				
Cemetery	6,958	6,958	6,989	(31)
Public Health - Dog Control	1,161	961	965	(4)
Total Health and Human Services	<u>8,119</u>	<u>7,919</u>	<u>7,954</u>	<u>(35)</u>
CAPITAL OUTLAY				
General Government	-	5,000	5,000	-
Public Safety	-	11,125	11,125	-
Public Works	-	85,900	85,975	(75)
Culture and Recreation	-	17,763	17,763	-
Total Capital Outlay	<u>-</u>	<u>119,788</u>	<u>119,863</u>	<u>(75)</u>
DEBT SERVICE				
Principal	120,939	120,939	-	120,939
Interest	18,370	18,370	-	18,370
Total Debt Service	<u>139,309</u>	<u>139,309</u>	<u>-</u>	<u>139,309</u>
Total Expenditures	<u>1,037,376</u>	<u>1,074,638</u>	<u>900,357</u>	<u>174,281</u>
OTHER FINANCING USE				
Transfers Out	-	-	139,309	(139,309)
TOTAL EXPENDITURES AND OTHER FINANCING USE	<u>\$ 1,037,376</u>	<u>\$ 1,074,638</u>	<u>\$ 1,039,666</u>	<u>\$ 34,972</u>